



## AFR RI-3A Tanzania-Zambia Transmission Interconnector (P163752)

AFRICA | Africa | Energy & Extractives Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2018 | Seq No: 4 | ARCHIVED on 25-Jun-2020 | ISR41206 |

Implementing Agencies: Tanzania Electric Supply Company Ltd., Ministry of Finance and Planning (on behalf of the Government of the United Republic of Tanz, Eastern Africa Power Pool

**Key Dates****Key Project Dates**

Bank Approval Date: 18-Jun-2018

Effectiveness Date: 30-Nov-2018

Planned Mid Term Review Date: 15-Jul-2021

Actual Mid-Term Review Date:

Original Closing Date: 28-Jun-2024

Revised Closing Date: 28-Jun-2024

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

The Development Objective for the Series of Projects is to establish cross-border transmission capacity between the Southern African Power Pool and the Eastern Africa Power Pool to enable regional power trade.

The Project Development Objective is to (i) increase power transmission capacity to southern regions of Tanzania and (ii) strengthen institutional capacity in Tanzania and of the Eastern Africa Power Pool for regional power trade.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

**Components Table**

Name

Transmission Infrastructure Extension:(Cost \$465.00 M)  
TANESCO Transmission System Readiness for Interconnection, and Corporate Commercial Management  
Improvements:(Cost \$99.00 M)  
Project Implementation Support and Capacity Building:(Cost \$21.00 M)  
Technical Assistance to EAPP:(Cost \$10.00 M)

**Overall Ratings**

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

**Implementation Status and Key Decisions**

The Project was approved by the WB board on June 18, 2018. The IDA Grant to EAPP became effective on November 30, 2018. The IDA credit to Tanzania became effective on March 26, 2019. Out of the total funding of \$465 million, \$12. 10 million has been disbursed so far. Disbursements are expected to increase upon concluding the procurement process for the CMS (initially expected in the last quarter of FY20) and upon the



commencement of construction activities for the transmission line infrastructure (initially expected in the second quarter of FY21). These activities are now expected to be delayed due to COVID-19 travel and consultation restrictions.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Moderate	☐ Moderate	☐ Moderate
Macroeconomic	☐ Moderate	☐ Moderate	☐ Substantial
Sector Strategies and Policies	☐ Substantial	☐ Substantial	☐ Substantial
Technical Design of Project or Program	☐ Substantial	☐ Substantial	☐ Substantial
Institutional Capacity for Implementation and Sustainability	☐ Substantial	☐ Substantial	☐ Substantial
Fiduciary	☐ Substantial	☐ Substantial	☐ Substantial
Environment and Social	☐ Substantial	☐ Substantial	☐ Substantial
Stakeholders	☐ Substantial	☐ Substantial	☐ Substantial
Other	--	--	☐ Substantial
Overall	☐ Substantial	☐ Substantial	☐ Substantial

## Results

### PDO Indicators by Objectives / Outcomes

(i) increase power transmission capacity to southern regions of Tanzania

► Increased power transmission capacity along the Iringa - Kisada - Mbeya - Tunduma - Sumbawanga corridor (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0 MW	0 MW; 0 MW	0 MW; 0 MW	Iringa – Kisada - Tunduma: 1,700MW; Tunduma-Sumbawanga: 850MW
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024

Strengthen institutional capacity in Tanzania and of the EAPP for regional power trade



▶ TANESCO's cross-border infrastructure for interconnection with SAPP completed (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
▶ Compliance with minimum operational requirements for regional power trade achieved (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
▶ TANESCO's Enterprise Resource Planning (ERP) software installed and operational (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	14-May-2019	20-May-2020	30-Jun-2024
▶ EAPP market rules adopted by the EAPP Steering Committee (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024

### Intermediate Results Indicators by Components

Component 1: Transmission Infrastructure Extension				
▶ 1. Tanzania Transmission Extension and Associated Substations completed (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
□ 1.1 Iringa substation upgraded (2-line bays and associated shunt reactors installed) (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00



Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
<input type="checkbox"/> 1.2 Construction of Kisada, Mbeya, Tunduma, and Sumbawanga Substations completed (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
<input type="checkbox"/> 1.3 400 kV lines constructed from Iringa – Kisada – Mbeya – Tunduma – Sumbawanga (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
<b>► 2. Kilometers of transmission lines constructed (Kilometers, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	620.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
<b>► 3. Grievances responded and/or resolved within the stipulated service standards for response times (%) (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
<b>Component 2: Transmission System Readiness for Interconnection, and Corporate Improvements</b>				
<b>► 4. Technical assessment of TANESCO's readiness for regional interoperations completed (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
<b>► 5. Recommendations from technical needs assesment implemented for readiness for regional interconnection (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024



Component 3: Project Implementation Support and Capacity Building

▶ 6. Number of female recruits hired as part of the recruitment/leadership/mentoring program (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	TBD
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024

▶ 7. Trading Unit in TANESCO established and staffed (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024

▶ 8. TANESCO staff certified to trade in the SAPP market (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024

□ Number of women certified to trade in SAPP market (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	31-May-2018	11-Oct-2019	11-Oct-2019	30-Jun-2024

▶ 9. Atleast two feasibility studies for new generation and/or transmission projects completed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024

▶ 10. Number of TANESCO engineers provided live line maintenance training (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024



Component 4: Technical Assistance to EAPP				
▶ 11. EAPP Market Committee established (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
▶ 12. Independent Regulatory Body (IRB) strategic plan drafted (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024
▶ 13. Market Platform installed and training completed (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-May-2018	11-Oct-2019	20-May-2020	30-Jun-2024

### Overall Comments

Some progress has been made on the project preparatory activities such as update of the transmission infrastructure feasibility study and preparation of bidding documents but some delays are anticipated due to the COVID-19 restrictions. The feasibility study update and preparation of bid documents is underway however completion of this activity will be delayed due to COVID-19.

The Government has formed a Regional Interconnection Steering committee (RISC) as per project financing agreement. The RISC is chaired by the Permanent Secretary, MoE and comprises MoFP, TANESCO, and the Electricity and Water Utilities Regulatory Authority (EWURA) and the first meeting of the RISC is scheduled in July 2020.

The EAPP is currently developing ToR focused on development of a trading platform and finalization and approval of market design and rules. This activity will help advance commercial readiness to regional power trade. Feasibility studies for the TZ-UG interconnector and Ethiopia-Eritrea interconnectors are being financed by the IDA grant. Further, the EAPP is strengthening its Project Implementation Unit (PIU) and has recently completed the hiring of a Project Manager and Procurement Specialist. EAPP is also in the process of hiring a Power Pool Planning Expert, Financial Management Expert, Power Market Expert, and Safeguards Specialist and the recruitment process is expected to be completed by end-September 2020.

### Performance-Based Conditions

#### Data on Financial Performance

#### Disbursements (by loan)

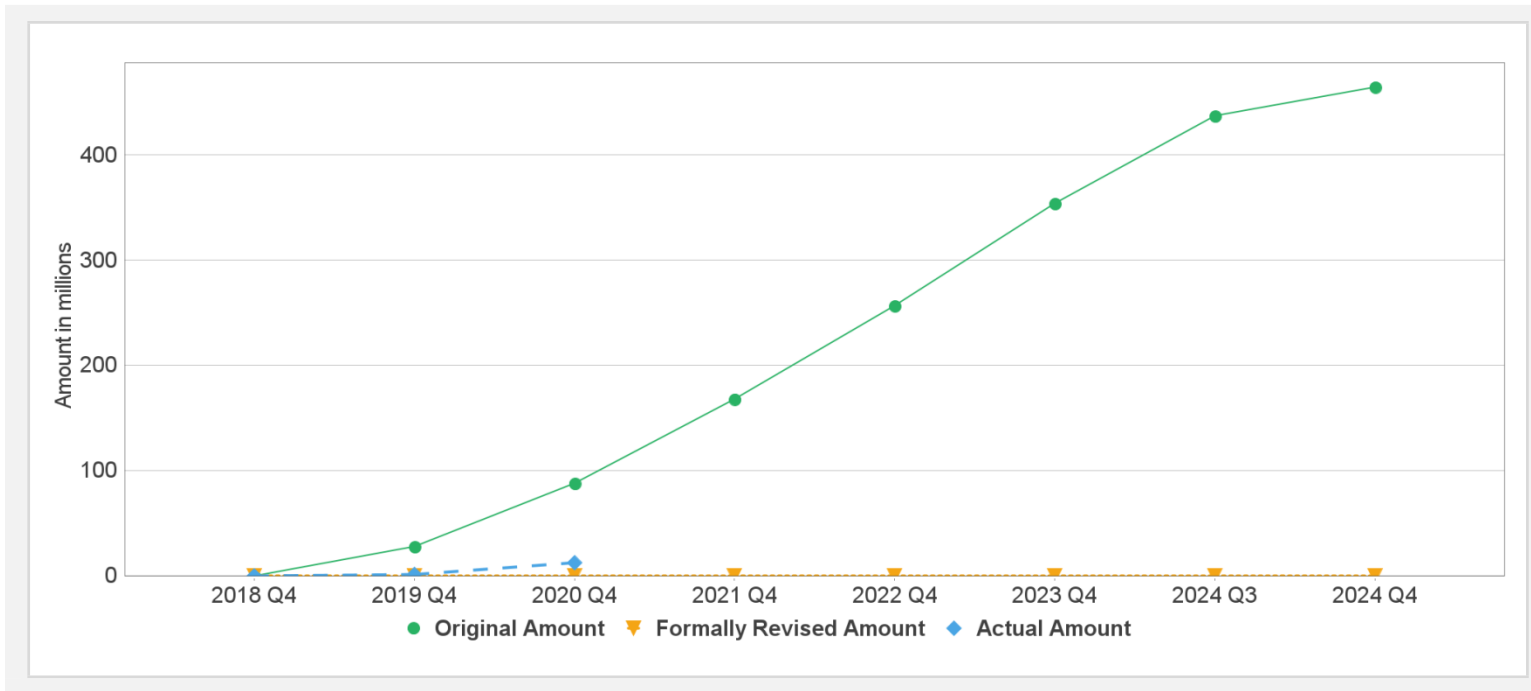


Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P163752	IDA-62930	Effective	USD	455.00	455.00	0.00	11.03	419.87	2.6%
P163752	IDA-D3500	Effective	USD	10.00	10.00	0.00	1.07	8.56	11%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P163752	IDA-62930	Effective	18-Jun-2018	07-Sep-2018	26-Mar-2019	28-Jun-2024	28-Jun-2024
P163752	IDA-D3500	Effective	18-Jun-2018	24-Jul-2018	30-Nov-2018	28-Jun-2024	28-Jun-2024

**Cumulative Disbursements**



**PBC Disbursement**

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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### **Restructuring History**

There has been no restructuring to date.

### **Related Project(s)**

There are no related projects.

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