



# AFD and the Energy Sector in Tanzania



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**750 km**

of new transmission lines  
in the country

**427 million**

euros in commitments  
over 10 years

**150,000**

users experience a significant  
improvement in electricity  
service

In 2014, the Tanzanian government defined a strategy for the development of the electricity sector. To meet its objectives, AFD operates according to 3 strategic lines of action, with a focus on projects with climate co-benefits:

- Modernization of the grid and roll-out of regional interconnections
- Support for the rural electrification policy
- Development of renewable energies

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## Our financing 2009 – 2019:

1

### ***Rehabilitation and upgrading of the electrical transmission network of the national operator TANESCO***

- Sovereign loan of €53 million over 20 years
- Rehabilitation of 9 network substations
- Rehabilitation and extension of telecommunication infrastructures including the national network dispatching center
- Impacts:
  - ✓ improving the quality of electricity service for 150,000 people
  - ✓ limitation of technical losses

2

### ***Construction of a high-voltage line from Geita to Nyakanazi in the northwest of the country***

- Sovereign loan of €14 million over 20 years
- Partnership approach: co-financing with KfW and the European Union
- Construction of a 220 kV high-voltage line over 145 km
- Construction and extension of two sub stations
- Impact:
  - ✓ reduction of 2600 tCO<sub>2</sub>eq/year

3

### ***Electricity interconnection between Tanzania and Zambia***

- Sovereign loan of €100 million over 20 years
- Delegated grant of €29.25 million from the European Union
- Partnership approach: co-financing with the World Bank and the European Union
- Construction of a 400 kV double circuit transmission line over 620 km
- Construction and upgrade of 4 sub stations
- Impacts:
  - ✓ 21,000 new customers per year in the South of the country
  - ✓ Reduction of 5822 tCO<sub>2</sub>eq/year

4

### ***Densification of the electricity distribution network in rural areas with the Rural Electrification Agency (REA)***

- Sovereign loan of €100 million over 20 years
- Household connections and densification of the existing distribution network
- Installation of solar hybrid systems in isolated diesel power plants
- Impact:
  - ✓ Connection of 95,000 new homes

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### ***Construction of a solar power plant and modernization of the grid***

- Sovereign loan of €130 million over 20 years
- Grant from the Technical Expertise and Experience Exchange Fund (FEXTE): €700,000 euros
- Construction of a 50 MW photovoltaic solar power plant in the Shinyanga region
- Modernization and adaptation of the national transmission and distribution network to become smart grids for the integration of intermittent renewable energies
- Strengthening TANESCO's capacity in renewable energy management and smart grids control
- Impacts:
  - ✓ reduction of 43,460 tCO<sub>2</sub>eq/year
  - ✓ production of 91,600 MWh/year of renewable energy

## Financing in progress:

- Construction of a hydroelectric power plant in the northwest of the country

Tanzania Agency

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