Early Warning System

WB-P512145

Tanzania: Uganda-Tanzania Interconnector Project

Quick Facts

Countries	Tanzania
Specific Location	Kyaka, Nyakanazi, and Ibadakuli
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2026-11-18
Borrower	Government of Tanzania - Tanzania Electric Supply Company Limited (TANESCO)
Sectors	Energy, Hydropower
Investment Type(s)	Loan
Investment Amount (USD)	$ 193.60 million
Project Cost (USD)	$ 400.02 million

Project Description

According to the Bank's website, the objective of this project is to increase electricity connectivity and trade between Tanzania and Uganda.

The Project will mainly comprise construction of a 400 kV double-circuit transmission line (approximately 550 km within Tanzania) and associated substations, strengthening Tanzania's grid and supporting regional interconnections. The proposed project supports the implementation of a priority connection in the East Africa region and creates conditions for grid expansion in an access-deficit country. It forms an integral part of the East Africa Power Pool (EAPP) backbone transmission grid, while enhancing the reliability of power interchanges with the Southern African Power Pool (SAPP). The project further contributes to interconnections among Nile Equatorial Lakes (NEL) countries.

Overall, it supports the objectives of the regional power pools (SAPP and EAPP) to optimize energy flows, maximize economic trading, increase supply security, and reduce both carbon emissions and electricity costs. The proposed transmission line will help regional countries realize benefits from increased electricity access, shared natural resources, more affordable electricity prices, and improved system reliability through shared support across borders.The Project will comprise the following: (a) Construction of approximately 550 km of 400 kV double-circuit transmission line and associated substations at Kyaka, Nyakanazi, and Ibadakuli. (b) Environment and Social Mitigation, supporting implementation of environmental and social risk mitigation measures, including the Environmental Management Plan (EMP) with biodiversity offsets, the Resettlement Action Plan (RAP), and the Livelihood Restoration Action Plan (LRAP). (c) Project Implementation Support and Institutional Enhancement. This component will support project implementation including the detailed line design, contractor procurement, and implementation supervision. This component will also support project to enhance the institutional capacities of TANESCO, including readiness for operation of the integrated transmission systems and power trade. The capacity building will include activities on climate mitigation and adaptation as well as on the gender action plan to strategically create a system to attract, hire, promote, and retain female talent in the energy sector.

Early Warning System Project Analysis

Environmental risk is **High** because (i) the project will support construction of approximately 550 km of high voltage OHTL creating new environmental footprint in the modified as well as natural landscapes; (ii) part of OHTL will be undertaken in or close to sensitive areas (for example, Forest Reserves and national parks including critical habitats) and natural habitats including vegetation (e.g. miombo woodlands and forests) and wildlife (e.g. large mammals and birds); (iii) part of works will be in hilly areas with limited/no access roads. Vegetation clearance for creating wayleave, earth works, erection of towers and stringing of OHTL will be challenging in the difficult terrain and will likely carry risks of excessive damage of vegetations, disturbance of wildlife, triggering erosion, and polluting environment with waste dumped down the slopes as well as risks to the health and safety of workers and local communities; and (iv) institutional capacity of the clients to undertake environmental management in accordance with the World Bank ESSs.

The Social Risk is currently rated as **High**. Based on estimates, from the Backbone Transmission Investment Project in Tanzania that involve similar activities the planned works could affect approximately 7000 PAPs, 120 hectares, and 700 households. The project will affect the livelihoods of PAPs along the route both as a result of permanent acquisition but also due to temporary disruption including as a result of loss of access to resources. It is worth noting that TANESCO have had recent challenges in completing these processes in a timely and satisfactory manner. Specifically, funds to compensate PAPs might not be available to TANESCO during RAP implementation because of the cyclical nature of their release by the relevant ministries. Moreover, District compensation rates for crops might not be adequate, as they do not always reflect market rates. Moreover, a significant influx of labor is also to be expected in the project areas (Urban, Semi-Urban, and Rural) that hosts a wide array of PAPs that would include vulnerable persons (children/women, persons with disabilities etc.) who may be disproportionately affected by project impacts.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 400.02 million

IDA Credit: US$ 193.60 million

Non-World Bank Group Financing (Other Sources): US$ 206.43 million

Private Actors Description

The *Tanzania Electric Supply Company Limited (TANESCO)* is a Tanzanian parastatal organisation established in 1964. It is wholly owned by the government of Tanzania. The Ministry of Energy and Minerals regulates the operations of TANESCO. Its business include: electricity generation, electricity transmission, electricity distribution and sale of electricity to the Tanzanian mainland and bulk power supply to the island of Zanzibar.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Tanzania Electric Supply Company Ltd. (TANESCO)	Client	-

Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

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Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - Tanzania: Uganda-Tanzania Interconnector
- Appraisal Project Information Document (PID)
- Concept Environmental and Social Review Summary (ESRS) - RETRADE-EAPP MPA Phase 1: UTIP Tanzania Int
- Concept Project Information Document (PID)
- Environmental and Social Commitment Plan (ESCP) - Tanzania: Uganda-Tanzania Interconnector Project -
- Stakeholder Engagement Plan (SEP) - Tanzania: Uganda-Tanzania Interconnector Project - P512145