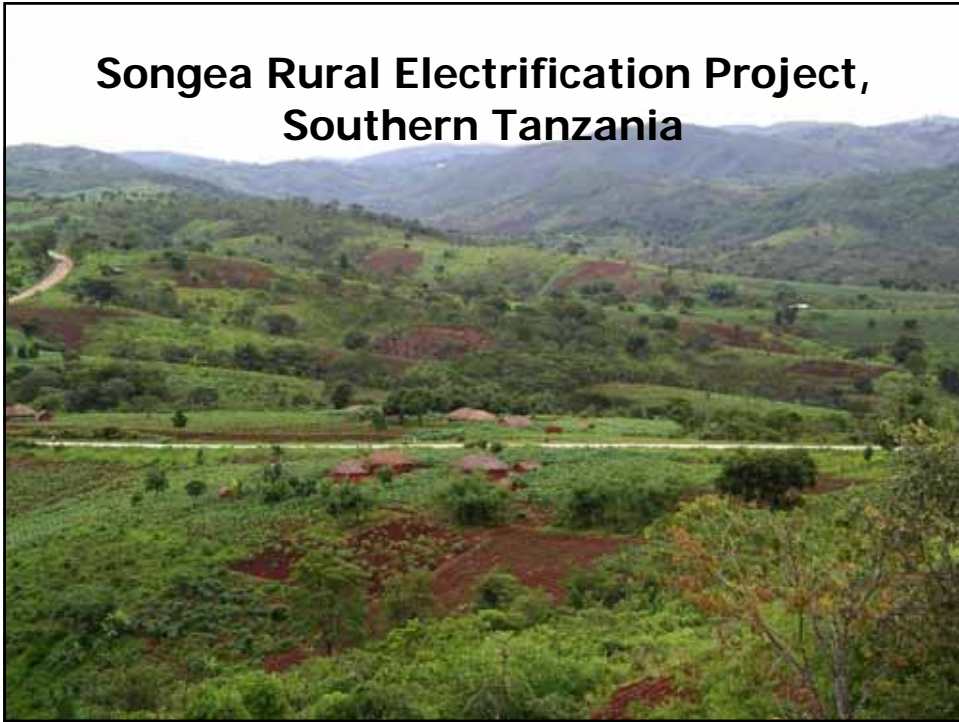


## **Songea Rural Electrification Project, Southern Tanzania**



### **Project Origin and Focus**

- A Community Based Initiative originating from Wino Development Association (WIDA), to be implemented by Wetco, a non-for-profit company created under Tanzanian corporate laws
- Electricity to be generated from a Mini-Hydro Power Plant (1,5 MW) which will serve the AHL plantation's irrigation needs and Wino and Mahanje Wards
- Focus on productive uses of electricity with 750-1,250 customers connected within 3-5 years.
- Innovative low cost technologies, fibre optic cable included for ITC
- Wetco initially supported by a management consultant, capacity building and campaigns included.

## Pilot Project

- Wetco Company Model untested
- Private Sector Interest/Replication
- Partnership Agreement Wetco/AHL
- Economic Development Threshold
- Willingness to Pay

## Hydro Power Resources



Existing 80 kW turbine at Ndolela



Existing hydro 100 kW at Welela



Limkerenge river, capacity 220 kW



Ruhuhu river at Ndolela, potential up to 40 MW

## Productive uses of electricity



## Initial Financing

- 500kW hydro-power
- Distribution network
- Contingency
- Managem. Consultant
- Initial working capital, buildings, roads, trenches
- Sida 9 MSEK
- Sida 13 MSEK
- Sida 3 MSEK
- Sida 8 MSEK
- Local contribution

## Time Schedule

- Final Decision
- Agreements signed
- Management Consultant
- Procure turbine, civil works, network
- Start of Operation
- May-June 2005
- May-June 2005
- September 2005
- September 2005 - December 2006
- 1 January 2007

## Key Figures

Installed capacity kW	500
Cost of hydro SEK/kW	18 000
# of Customers at year 5	1 250
Subsidy per connection (only distribution) SEK	10 400
Average tariff excl. VAT SEK/kWh	ca 1 SEK
Annual income at year 5	1,5-2,5 MSEK

## Risks/Mitigation

- Technical Risk
- Demand Risk
- Wetco's Performance
- Problems:  
AHL
- Financial Problems:  
Wetco
- Low
- High - Business Plan,  
Gradual Expansion
- High - Mgm.  
Consult./Monitoring
- Medium - Carefully  
designed agreement
- High - Lower  
expansion rate

