

DUAL KEY PIPELINE: INVESTING WITH IMPACT



LUPALI SMALL HYDRO ELECTRIC POWER PLANT



BSoSGCI is a women-led faith-based organization situated in Njombe District, Njombe Region in the Southern Highlands of Tanzania. This is a rural mountainous zone, difficult-to-reach, with low grid connectivity since grid extension to these parts of rural villages is not only technically difficult but also costly considering the state's limited budgets.

As a result, BSoSGCI has since 1980, own and operates 160Kw off-grid micro hydro along the upper streams of Lupali river for both productive (lighting neighboring communities) and consumptive (own) uses. The convent with about 400 sisters, manages social and economic projects such as a boarding secondary schools, dispensary, orphanage centre, printing shop, mechanical & furniture workshop etc. which requires a sizable amount of electricity.

The increase in economic and social activities for both the Convent and surrounding communities has over two decades resulted into relative decrease in amount of KWh available and therefore forcing rationing and inability to connect new customers. The alternative sources such as diesel generator is relatively expensive both in investment and running costs. Due to this unmet demand for energy; BSoSGCI tapped the opportunity, scaled up and conceive, now under construction, a new 317Kw extension phase on the same river at Boimanda village. Apart from own use, the

generated electricity will be supplied to households, small enterprises, and institution in the four (4) neighboring villages of Boimanda, Miva, Kitulila and Matola.



Given the potential commercial viability and transformative impacts of the project, UNCDF, the Rural Energy Agency (REA) and other stakeholders partnered up with BSoSGCI to implement this initiative.

PROJECT DEVELOPER: BENEDICTINE SISTERS OF ST. GETRUDE CONVENT IMILIWABA (BSoSGCI)

PROJECT NAME: Lupali Small Hydro Electric Power Plant

LOCATION: TANZANIA

TOTAL PROJECT COSTS: US\$2,309,000

DEVELOPMENT IMPACT: Local Economic Development

UNCDF Support:

- **Investment advisory support-** UNCDF assisted in developing the package to be investment ready including preparation of detailed engineering studies, transaction structuring, financial modelling, managing negotiation with the commercial bank and other bankability advise.

- **Catalytic Seed Capital Grant-** UNCDF invested USD 100,000 to enable the developer meet lenders minimum requirements to secure additional capital for project expansion and easier the financial stress by reducing the size of the expensive commercial loan.

Investment Impact:

The project has unlocked a total of **USD 1,777,516** of domestic capital funding from the government i.e., REA and development partners i.e., UNIDO & USADF and **USD 243,516** which is expected as a commercial loan.

The project is still under construction with the expected investment impact:

- The women led convent will contribute towards increasing women’s economic participation and emancipation in Njombe. Access to electricity will improve security and afford women owned and managed businesses extended trading hours during the evening
- As Njombe is famous for agriculture, livestock farming and timber production. Energy access provides significant potential to improve the respective value chains and enhance postharvest treatment for agriculture and livestock products

household energy costs by 50% resulting into decrease in energy poverty and displace other expensive and unhealthy forms of energy such as kerosene.

- A total of 1,029 households and 30 public institutions including 1 hospital, 4 dispensaries, 3 secondary schools, 7 primary schools will be connected directly to the mini grid enabling the
- delivery of health and education services extra efficient. More pupils and students will be afforded an opportunity to use computers and extended studies during the evening hours thus improving their quality of education. The first phase of connection is already done to 566 households.
- A total of 29 both permanent and temporary jobs will be created. Indirect youths and women jobs are expected to be stimulated by availability of power for productive use (welding, tailoring, timber and furniture making etc)
- Provision of relatively cheaper and reliable energy will be catalytic in improving operational efficiencies of local businesses therefore enabling business expansion. Approximately 130 SMEs will be connected to the plant.
- The project aligns with the Sustainable Development Goal no 7, that is ensuring universal access to affordable reliable and sustainable electricity by 2030

- The plant will increase access to cheaper and sustainable electricity in the district, potentially reduce

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