

# JOINT SONGWE RIVER BASIN COMMISSION



## DEVELOPMENT OF LOWER SONGWE DAM, HYDROPOWER PLANT AND TRANSMISSION LINES PROJECT

Project Information Brief	
PROJECT NAME	Lower Songwe Dam, Hydropower Plant, and Transmission Lines Project
COUNTRY	United Republic of Tanzania and the Republic of Malawi
LOCATION	Malawi and Tanzania <b>SCOPE:</b> Lower Songwe Dam
RECIPIENT(S)	Joint Songwe River Basin Commission (SONGWECOM)
EXECUTING AGENCY(IES)	SONGWECOM, Republic of Malawi and United Republic of Tanzania
PROJECT TYPE	Multipurpose (Water Supply, Sanitation, Irrigation, Ecosystem Management, Flood Management and Energy)
CONSTRUCTION PROJECT DURATION	5 years
CAPACITY	180.2 MW
GHGs REDUCTION	198,597 tCO <sub>2</sub> e annually
BENEFICIARY NUMBERS	2,129,756 population
TOTAL COST (USD)	US\$851,100,000
POWER UNITS	686,000,000 kWh/year
TARIFF	US\$ 0.08/kWh
PROPOSED MODEL OF FINANCING	Public-Private Partnership (PPP through the Build-Operate-Transfer (BOT) model)
ANNUAL REVENUES	US\$ 66.1 million
PROPOSED REVENUE MODEL	PPAs with TANESCO and ESCOM; income from irrigation fees and estimated 198,597 tCO <sub>2</sub> e/year in carbon credits
SECTORS	Water, Sanitation, Irrigation, Ecosystem Management, Flood Management and Energy

### 1.0 Overview

The Lower Songwe Dam, Hydropower and Transmission Lines Project is a 180.2 MW flagship multipurpose infrastructure initiative jointly developed by the Governments of the United Republic of Tanzania and the Republic of Malawi under the Joint Songwe River Basin Commission (SONGWECOM). The project addresses energy access, flood control, irrigation, and climate resilience in the transboundary Songwe River Basin. With a total cost of USD 851.1 million and an expected construction period of five years, the project will be implemented through a Public-Private Partnership (PPP) using a Build-Operate-Transfer (BOT) model.

### 2.0 Core Components

- Dam:** Roller-compacted concrete gravity dam (118m high, 517m crest length), forming a 330 million m<sup>3</sup> reservoir.
- Hydropower Plant:** 180.2 MW installed capacity generating 686 million kWh/year; estimated annual revenue USD 66.1 million.
- Transmission Lines:** 16 km from the power plant to a new substation, 45 km to Karonga (Malawi), 25 km to Kasumulu (Tanzania); 132/400 kV connections.
- Carbon Benefits:** 198,597 tCO<sub>2</sub>e emission reductions annually.

### 3.0 Goal and Expected outcome

The main goal is to harness renewable hydropower resources developed under a Public-Private Partnership (PPP) model promoting regional energy security, climate resilience, and sustainable development in the Songwe River Basin. The project will:

- Control flooding across the lower basin
- Expand clean electricity access for more than 60% of the basin population
- Support irrigation on over 6,200 hectares
- Enhance water supply for 460,000 people
- Create over 8,000 jobs across construction, agriculture, and operations
- Institutional strengthening and long-term sustainability

### 4.0 Institutional Framework

The project is governed by the Council of Ministers and the Joint Steering Committee under SONGWECOM, supported by national ministries, utilities (TANESCO, ESCOM, EGENCO), and local government authorities. Implementation will be coordinated through SONGWECOM, supported by a



Special Purpose Vehicle (SPV) representing both countries.

USD 240.5 million; Transmission Lines USD 90 million; Admin and Others USD 74.3 million).

**Table 1: Implementation structure**

Institution	Role
Council of Ministers	Strategic decision-making.
Joint Steering Committee	High-level project oversight.
SONGWECOM Secretariat	Day-to-day coordination
Special Purpose Vehicle (SPV) under SONGWECOM	Represent the governments of Malawi and Tanzania in the project
Government Ministries (Tanzania/Malawi)	Guarantee, technical, and regulatory support.
Investor	Financing, Build, Operate, and Transfer.

## 9.0 Opportunity for bundling with other projects

These include energy sector integration through **rural electrification, mini-grids, and productive use of energy (PUE)** in agro-processing and industrial zones; water resource bundling through **downstream irrigation, piped water supply, and flood control infrastructure**; and climate resilience components such as **watershed management, reforestation, and access to carbon finance**. The project can also be bundled with infrastructure **upgrades like access roads, bridges, and a basin-wide monitoring system**, while social and institutional components may include **PPP-based operations, community benefit-sharing programs, and integration with regional cooperation platforms**. Finally, financing opportunities include blended finance models **combining grants, concessional and soft investments, and carbon market revenues** to improve bankability and attract diverse funding sources.

## 10.0 Paradigm shift potential

The project integrates clean energy, flood control, irrigation, and water supply, aligning with the SDGs and Paris Agreement. By mainstreaming gender, promoting climate finance, and embedding resilience in national policies, it drives systemic change. The institutionalized Tanzania–Malawi collaboration fosters sustainable development, regional integration, and peaceful shared resource management across the Songwe River Basin.

## 11.0 Sustainability and environmental assessment

The project is full compliance with Tanzanian, Malawian, and international environmental and climate standards, with a 2015 Environmental and Social Impact Assessment (ESIA) confirming its positive contributions to climate mitigation through clean energy generation and adaptation via flood control and watershed management. Strong Environmental, Social, and Governance (ESG) performance is integrated into the project through gender inclusion, social safeguards, and adherence to SONGWECOM's governance framework. Community engagement is robust, with consultations, grievance redress mechanisms, and culturally sensitive compensation strategies ensuring local ownership and long-term sustainability.

### CONTACT

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## 5.0 Project Readiness and Next Steps

### A. Project Status

Since 2003, the project has progressed through feasibility studies, detailed design, environmental and social assessments, and stakeholder consultations. Key completed documents that need to be updated include:

- Updated Feasibility Study (2014)
- Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plans (2015)
- Gender Mainstreaming Strategy (2022)
- Stakeholder Engagement Strategy (2022)

## 6.0 Development Impacts

- **Climate Resilience:** Reduced vulnerability to climate-induced floods and droughts
- **Energy Security:** Increased grid stability and reliability in both countries
- **Food Security:** Increased food access and reliability in both countries
- **Poverty Reduction:** Sustainable livelihoods via agriculture, eco-tourism, fisheries, and employment
- **Gender and Youth Inclusion:** Guided by the 2022–2027 Gender Mainstreaming Strategy, the project will empower women and youth through leadership and economic opportunities

## 7.0 Alignment with National & Global Priorities

The project supports:

1. **SDGs:** 2 (Zero Hunger), 6 (Clean Water), 7 (Clean Energy), 13 (Climate Action), 17 (Partnerships)
2. **Nationally Determined Contributions (NDCs):** Climate commitments of both countries
3. **Sectoral Strategies:** National policies on energy, water, agriculture, and climate change in Tanzania and Malawi.

## 8.0 Financial Needs

**Preparatory Works:** Approximately USD 6.95 million (Feasibility, environmental and social studies; Transaction Advisory Services; procurement).

**Construction costs:** USD 851,100,000 (Dam Construction USD 446.3 million; Hydropower Plant

