PRESS RELEASE

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Rusumo Power Plant construction advances with social benefits to communities

Rusumo Border, Kirehe Rwanda - Ngara, Tanzania (December 6, 2019). Burundi Minister for Energy, Hon. Eng. Come Manirakiza, Rwanda Minister of Infrastructure, Hon Amb Claver Gatete and Tanzania Minister for Energy, Hon Dr Medard Kalemani, constituting the Project’s Council of Ministers (CoM) visit the 80 MW Power Plant under construction.

Rusumo Falls are located on the Kagera River on the border between Rwanda and Tanzania and about 25 kilometers downstream of Burundi. Kagera River Basin is shared by Burundi, Rwanda, Tanzania and Uganda and is the most remote headstream of the River Nile, as well as the largest tributary to Lake Victoria, the world’s second largest freshwater lake by surface area. The Kagera river basin covers an area of about 60,000 square kilometers, a sub-basin of the River Nile system.

Shortage of electricity in these countries and indeed the entire Nile Basin region has resulted into an underdeveloped manufacturing sector hence limited options for business development necessary to increase income, reduce dependency on toxic fuel and limited opportunities for modernizing and improving the quality of key infrastructure (water supply, health care, social utilities, etc).

Countries linked efforts to secure USD $ 340 million from the World Bank for the construction of the 80MW Power Plant and 128 million from the African Development Bank for the Transmission Lines. From the time of preparation phase to now, shareholders have indicated commitment to see the Power Plant functional; countries formed the Rusumo Power Company Limited which, therefore authorized the Nile Basin Initiative through its Subsidiary Program- NELSAP-CU to implement the Regional Rusumo Falls Hydroelectric Project.

NELSAP has established and staffed Rusumo Project Implementation Unit dedicated to implement the Project until completion through a Project Implementation Support Agreement (PISA). Project Management reports to the Shareholders on regular basis and the Project observes safeguards measures with a clear Environmental Social Health Safety Management Plan.

The Run of River (RoR) Environmental and Social Impacts Assessment (ESIA) and Resettlement Action Plan (RAP) were finalized in March 2013 and the Project feasibility and design studies for the Intermediate Development Scheme (IDS) were finalized in 2012 and updated to Run of River Scheme (RoR) in 2013. Rusumo communities were engaged and informed on Environmental Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP) after being informed on the RoR through community meetings with in collaboration with surrounding Districts.

Rusumo Project contributed to raising the livelihood of Persons Affected by the Projects (PAPs) through a USD $670,000 Livelihood Restoration Program which directly benefited them on both Kirehe and...
Ngara sides. PAPs chose agricultural, farming and off-farming activities. Since 2017, LRP is successfully implemented in Rwanda and is on-going in Tanzania.

In addition, the Project established the Local Area Development Plan (LADP), a USD $ 15.5 million benefit-sharing program designed to enhance regional economic and social development in the Rusumo area in Busoni Commune (Kirundo Province, Burundi) and Giteranyi Commune (Muyinga Province, Burundi), Ngara District (Kagera region, Tanzania) and Kirehe and Ngoma Districts (Eastern Province, Rwanda). The formulation of the LADP was a participatory; each district identified priority investment areas and is now executing the plans.

Both Giteranyi and Busoni Communes in Burundi are implementing with USD $5 million: (i) two rehabilitation water supply in Giteranyi and Busoni communes; (ii) social infrastructures: health centers, vocation training centers, Giteranyi headquarter office (iii) soil conservation along the Akagera River.

Rwanda, with also USD $5 million rehabilitated the 30 km of feeder road in Kigarama and Musaza (Cyagasey-Gasarabwayi-Nganda Road) and constructed Kigina Health Center executed with USD $5 million through Kirehe District in Kirehe District and constructed 28,7 km of mixed water pipeline supplying 10,500 populations of Gatonde-Gahima cells and 33km of Gituku-Murama water supply system and 9,54km of Kigabiro-Rurenge-Gatore Feeder Road awarded in Ngoma District.

Ngara District in Tanzania is now rehabilitating (i) water systems in 4 villages (Mshikamano, Kasharazi, Kasulo and Rwakalemela), (ii) constructing water supply systems in Rusumo village and support to the Remela Vocational Training Center, (iii) increasing livestock intensification and cattle milk production, honey production through bee keeping and agricultural production for key crops (cassava, sunflower, banana and horticulture).

Construction progress is at about 59%: power intake, spillway structure, powerhouse, inlet chamber and penstock works as well as the headrace tunnel works are on right track. The Project is building residential houses for RPCL employees.

The construction activities have created job opportunities to immediate Rusumo surrounding communities at the peak for administration, laboring, security, janitors, kitchens, traffic management from both civil contractor (CP1) and electromechanical contractor (CP2) and their respective subcontractors. To date, the total work force at peak is about 290 Tanzanians about 320 Rwandans, and about 120 Burundians being employed by both contractors. Surrounding local business women and men are benefiting from the Project.

The Project has established a workers’ camp at 5km from Rusumo Border in Tanzania that provides casual laborers with the best living and leisure environment after working hours with well observed environmental social health safety measures for a conducive atmosphere during working time and after work. Local sub-contractors provide supplies and logistics to the main contractors, such as food supplies, vegetables, fruit etc.

CP1 and CP2 Purchase of local construction supplies such as steel cement wood sand and rental equipment. Other indirect benefits include the contribution of employees’ salaries to the local economies, educational opportunities for the local schools, enhancement of skills in the local workforce to name but a few.

Rusumo Project is also undertaking additional studies on water hyacinth water resource monitoring baselines biodiversity of spray zone fish and fishery survey and Akagera River avulsion.
About the Regional Rusumo Falls Hydroelectric Project (RRFHP)

The Governments of Burundi, Rwanda and Tanzania have agreed to build up a joint development project and established the Rusumo Power Company Limited (RPCL) with the primary objective of generating 80MW hydroelectric project that will be shared equitably among the three countries.

The RPCL delegated and authorized the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP-CU) of the Nile Basin Initiative (NBI) to implement the Regional Rusumo Falls Hydroelectric Project (RRFHP) with 340 million USD funded by the World Bank.

NELSAP Project Implementation Unit is now following up implementation of two main Contract Packages 1 and 2 (CP1 and CP2). CP1 was signed between Rusumo Power Company Limited (RPCL) and CGCOC Group Ltd – Jiangxi Water & Hydropower Construction Company Ltd Joint Venture (CGCOC – JWHC JV) of P.R. China as an agreement to execute the Civil Works which includes the dam, waterways, power station and other associated civil engineering works. The contract for Civil Works includes the Design, Supply & Installation of Hydro-Mechanical Equipment.

The CP2 Contract was signed between RPCL and the Consortium Rusumo Falls Andritz Hydro GmbH (Germany) and Andritz Hydro PVT Ltd (India) as an agreement to carry out Mechanical and Electrical Works for power generation. The CP2 Contract includes the Design, Supply, Installation and Commissioning of the Electro-Mechanical Equipment.