

Tanzania

Tanzania: Energy Profile

Population:	45 million (Rural 74%, Urban 26%) ¹
GDP per capita:	512 USD
GDP:	23.1 billion USD

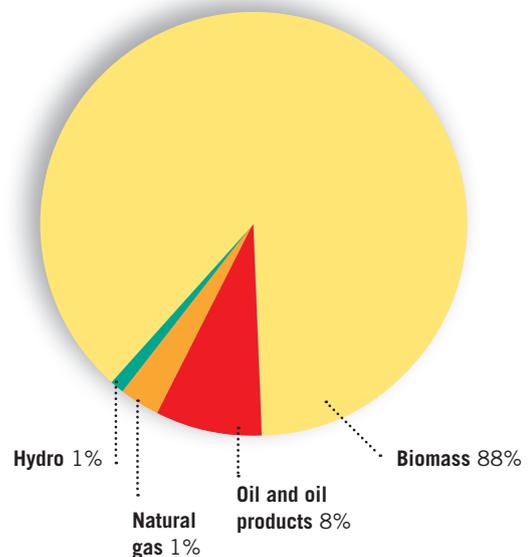
Tanzania currently has a national electrification rate of **11.5%**. While electrification has reached almost **40%** of the urban households, rural electrification still lies very low at **2%**. Only **2.8%** of the population has access to modern cooking fuel while fuel wood is used for cooking by more than **77%** of the total population and almost **94%** of the rural population.

Current Energy Access Situation²

		National	Rural	Urban
% of population with access to electricity		11.5	2	39
Fuel used for cooking	% of population with access to modern fuel for cooking (Electricity, Gas or Kerosene)	2.8	0.4	10.2
	% of population using wood for cooking	77.6	93.6	29.2
	% of population using charcoal for cooking	19	5.7	59.6
	% of population relying on solid fuel for cooking that use Improved Cook Stoves	0.72	-	-

Current Energy Supply Situation³

- Biomass based fuel accounts for almost 90% of the current energy supply.
- Total installed electricity capacity (2011): 1,051 MW (Hydro: 58.5% and Thermal: 41.5%)
- Droughts over the East Africa region have had severe effects on the electrical power supply in the country. Blackouts and power rationing as a result of low water levels in the hydro-electric dams have forced the Tanzania Electric Supply Company (TanESCO) to rely on gas-powered generators and to look increasingly at thermal projects for future capacity increases



¹ World Bank Data

² Energy Access Situation in Developing Countries (WHO, UNDP 2009) and World Energy Outlook (IEA 2009)

³ Renewable Energy Country Profiles (IRENA 2010), Policy and regulation review (REEEP)

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Relevant Policies and Key Players³

Ministry of Energy and Minerals (MEM) has responsibility for setting and reviewing policies and strategies as set out in the **National Energy Policy** and the **National Energy Strategy** through issuances and guidelines. **Department of Energy (DoE)** within the MEM works on new and renewable energy issues, including the planning and implementation of biomass projects. There are strong links to national NGOs, higher learning institutions, private companies and other relevant institutions, which frequently act as implementing partners.

The **National Energy Policy** formulated in 2003 supports research and development of renewable energy and also promotes the use of efficient biomass and end-use technologies. The overall aim of the policy is to create conditions for the safe, reliable, secure supply of energy services to all sectors on a sustainable basis. The main elements of the policy are: development of domestic energy sources and economic energy pricing, the promotion of economic energy pricing, the encouragement of private sector participation in the energy market, the enhancement of energy efficiency and energy reliability. Other key themes in the Policy include the development of a market economy for energy in the country, the institution of a clear regulatory regime for the energy sector to aid development, the rectification of unbalanced gender impact from inferior energy service, and the development of a clear financial regime for the sector, balancing revenue generation and costs-of-service.

The government established the **Rural Energy Agency (REA)** in 2007 and the **Rural Energy Fund (REF)** under the **Rural Energy Act** in 2005. The Agency is governed by the **Rural Energy Board**, which was established in 2006 to oversee the administration of the REF. The REA is an autonomous agency under the MEM, and has been in operation since October 2007. The major functions of the REA are:

- Promote, stimulate, facilitate and improve modern energy access for productive uses in rural areas, in order to stimulate rural economic and social development,
- Promote rational and efficient production and use of energy, and facilitate identification and development of improved energy projects and activities in rural areas,
- Finance eligible rural energy projects through the REF,
- Prepare and review application procedures, guidelines, selection criteria, standards and terms and conditions for the allocation of grants,
- Build capacity and provide technical assistance to project developers and rural communities, and
- Facilitate the preparation of bid documents for rural energy projects.

Tanzania is also in the process of implementing a **National Solar Programme** under the World Solar Programme (WSP).

The **2009 Electricity Act** opened opportunities for private companies to compete with the state-run Tanzania Electric Supply Company (TANESCO), in providing electricity and generating power in the country. This new law has brought to an end the 40 year monopoly held by TANESCO in the national power sector. Independent Power Producer (IPP) penetration so far has been limited, but is steadily increasing.

Funding for the energy sector in the country's 2010-2011 budget increased by 65% compared to the previous year. However, concerns were raised over the earmarking of the majority of the new funding for capacity expansion projects, leaving the need for rehabilitation of existing infrastructure unfunded. Tanzania has been a member of the SAPP since its inception, and joined the EAPP in 2010.

¹ World Bank Data

² Energy Access Situation in Developing Countries (WHO, UNDP 2009) and World Energy Outlook (IEA 2009)

³ Renewable Energy Country Profiles (IRENA 2010), Policy and regulation review (REEEP)