

Introduction to the CONNECT project

The main objective of CONNECT project is to support growth and speed up internationalization of Finnish renewable energy Small and Medium scale Enterprises (SMEs) to developing countries, including Tanzania. CONNECT project will examine and create new ways for providing support and access to networks, assist in development of internationalization and cultural competence.

The project combines research and experience knowledge in co-creation model. The project stakeholders consist of Finnish Universities of Applied Sciences, Finnish SMEs and support organizations. SMEs, international students and other stakeholders in the project will create new ways of building networks and develop the ability of involved businesses to enter target markets.

The student administering this questionnaire is a Tanzanian student of Laurea University of Applied sciences in Finland working on his thesis as part of the CONNECT project.

Purpose of the research

This questionnaire seeks to solicit for information from credible sources, such as the World Bank and government Ministries, departments and agencies and other stakeholders for the CONNECT project in order to assist the investment decision of these companies to invest in Tanzania.

Questionnaire

- Ministry/Department/agency/other stakeholder organizations?

The World Bank of Tanzania

- 1) How would you describe the General Situation of Renewable energy?

The General situation of renewable energy is improving and has come a long way. There is a variety of businesses offering renewable energy. Awareness has improved due to

- Years of poor power supply
- On-going projects
- competing renewable energy enterprises

- What is the Current situation of Renewable energy in Tanzania in your opinion?

Awareness and accessibility have increased and as such the renewable energy sector is growing.

- Are there any industries/Businesses trying to survive only via renewable energy for example?

What is the motivation of these firms? Is it because of reliability, cost-efficiency or ecological reasons or other reasons?

The Industry of renewable energy is growing and becoming ever more self-reliant. There are many profit and non-profit organizations. Reliability and cost-efficiency are driving factors contributing to the growing awareness.

- Is the renewable energy still at a state of development with a plan/project to introduce renewable energy in to the market any time soon?

Yes, Renewable energy is at a state of development regardless of the vast efforts by the government, World Bank and businesses. It varies on the renewable energy as solar power has developed faster in comparison to other alternatives.

- Which renewable energy sources are already in use in Tanzania? And how do you see their potential in the future?

Solar power is expanding and its growth is reflected by the companies and projects offering this energy alternative. The World Bank is involved in many projects with energy sector capacity building project to develop natural gas sub-sector. Biomasses, solar and waste to energy are already in use but have great potential to grow if provided right investment/development plan.

2) What are the Main incentives for investors?

- From an investors point of view what are the cost-competitive and energy efficient power supply alternatives to the current energy method? How is the competition in these alternatives? Are some sectors more fiercely competed and others which lack competition?

Solar power is competitive. Wind and biomass are not as fierce in terms of competition and require further investments and solid development plans to allow it to compete with solar power.

- Would the government or World Bank be willing to subsidize any new renewable energy projects? And has it already subsidized some projects?

There is a willingness to subsidize renewable energy projects if there is a good development plan + good business solution. The World Bank has financed various projects and businesses and is involved with the government of Tanzania in a 35 \$ million energy sector building project and another 100 \$ Million implementation of a strategy to place the power sector on a sustainable path. REA (Rural Energy Agency) is a government owned agency which invests in various renewable energy projects.

- Considering the current situation of supply of energy; could the introduction of a renewable energy source boost the supply of energy in Tanzania?

Tanzania has witnessed a growing power generation deficit as a result of below- average hydrology conditions and insufficient development of new generation capacity for growing demand. It is imperative renewable energy is developed as it clearly has the potential to boost energy supply.

- What would be the best substitute energy source for Tanzania based on availability, cost and resources in terms of the following renewable energy sources? Furthermore, how their potential is benefited?

Solar - Based on availability, potential and proof that it works in Tanzania. Solar power is a solid renewable energy alternative to the current constraint.

Waste-to-energy - Has great potential and environmental gains as it turns a liability into a solution. Waste-to-energy requires careful planning of managing and reshaping the current waste infrastructure and a good investment scheme.

Wind - There are good locations for generating wind power but little investment in this sector. Availability is good and the potential for it to be a success is also immense. Costs of setting up and creating wind power to be a large scale energy provider requires development planning.

Biomass - Availability is extremely good and biomass has enormous potential.

- Which is the biggest motivation for firms to use renewable energy? Is it cost efficiency, government or World Bank subsidizes ecological reasons or reliability as a power source?

Reliability of power as Tanzania has seen a power generation deficit. Cost-efficiency is another major purpose behind the desired shift towards renewable energy use.

- With emphasis on environmentally competitive solutions which energy source would be most environmentally friendly to the environment in Tanzania?

- Solar power
- Waste to energy
- Biomas

- Who are the main customers of renewable energy in Tanzania? Who will pay for the services provided by renewable energy companies?

Tanzanian citizens who want to utilize low cost systems, institutions such as schools, businesses, restaurants and other various service oriented organizations and hotels. The main problem has been reliability of current energy supply and as such customers would stretch from entrepreneurs to average citizens.

3) How does the government, the World Bank or other organizations help the current energy situation?

- What role does the World Bank or other institutions such as the government have in promoting renewable energy and fixing the current situation of energy in Tanzania?

The main role of the WB and other institutions is funding and financing projects and setting up projects along with other institutions like REA, US AID and EU run projects.

- From the world banks and other helping organizations point of view what would be the best energy power source for Tanzania to develop.

Biomass in terms of development as solar power already has many competing firms already supplying and expanding operations. Biomass has enormous potential and its valued as multi-million industry.

- What kind of subsidies, tax reduction, tax exemptions, grants are available for investment in renewable energy?

Currently Solar power is considered and allowed tax exemptions.

4) What does the future hold for Tanzania in terms of renewable energy?

In terms of moving forward and supplying people with the basic necessity of power; the future looks bright. It will have a knock-on effect on the economy as competition and average citizens cost for power will drop along with enterprises not being deprived of energy. It is vital that the way forward is renewable energy and it will benefit Tanzania in a number of ways.

- With the availability and advances in technology to date, Environmental awareness, macroeconomics, demographics, and government policy; what is the solution for the future of the Tanzanian energy sector?

Investment along with good development plans.

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