

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?

ARTI Energy is a social enterprise (company limited by shares) registered in 2011.

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

Tanzanians are becoming increasingly aware of the benefits of renewable energy. Likewise the government of Tanzania is beginning to realize its potential for the development of the country. In terms of business...there are more and more renewable energy options available in Tanzania and the market is growing at a healthy pace.

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

It is growing. Business is growing. We, as a company, are 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?

There are many profit and non-profit organizations thriving, or at least trying to thrive, off of renewable energy. ARTI Energy is one of them. We are motivated by three core principles...We believe in the future of renewable energy, we want to develop renewable energy enterprise, and profit from it, and we want to empower Tanzanians to do the same. Energy-Enterprise-Empowerment.

- 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?

Depends on what type of renewable energy. Solar is already a thriving industry, biogas and wind still need investment, hydro-electricity is also on the uptake but needs more investment.

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

Biomass has huge potential. We are developing the charcoal briquette value chain in Tanzania to compete with traditional wood charcoal, an industry currently valued at over 650 million USD per year.

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 is very competitive, but if done right, with the right partners, very profitable as well.

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

You will have to ask them yourself, but the WB has financed ARTI-TZ, our sister organization on the development of the charcoal briquette industry, and REA has invested a lot in renewable energy project and companies.

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

Most certainly, in fact it is absolutely necessary. The Tanzania energy sector has been going from crisis to crisis for far too long...more investment and development is needed.

- 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 - Solar is already big but still less than 15% of households have modern electricity..

Waste-to-energy - I am not an expert on this one but in terms of biomass there is potential

Wind - This is also not my expertise, but I know there are a couple of good places for wind energy in TZ.

Biomass - Huge potential. 90% of Tanzanian use biomass for cooking...not to mention industrial purposes, such as boilers.

- 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?

Cost efficiency.

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

Solar, biomass

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

Average citizens looking for low cost systems for lighting and cooking. Also institutions to some extent that are either not connected to the grid or who want to reduce cost.

- 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?

There are many organizations and many schemes offering Grants, Loans, etc for renewable energy. WB, USAID, EU are a few examples. In TZ it is REA that has funds for such projects.

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

You will have to ask them.

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

Solar is Tax exempt. We are working on tax exemption for all RE

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

The future is bound to be fruitful if more investment comes for RE. TZ is ripe for investment.

- 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.