



October 2022

Policy Brief

Strong Renewable Energy Policy

The need for comprehensive Renewable Energy (RE) Policy and Regulatory Framework in Tanzania



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TaTEDO

This brief was developed by the Sustainable Energy Forum (SEF),
coordinated by TaTEDO, WWF Tanzania & Climate Action Network Tanzania.



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The need for comprehensive RE Policy and

Regulatory Framework in Tanzania

SUMMARY

Key Messages:

- National Clean Energy strategies (e.g. SE4ALL) are not implemented due to lack of supporting legal instruments.
- National Energy Policy lack sufficient RE component and relevant regulatory frameworks

Recommendations:

- **Develop comprehensive Renewable Energy Policy**, including monitoring mechanism, coordination approach for stakeholders, supported by robust institutional framework,
- **Revise and review National Energy Policy 2015 (NEP 2015)**, The National Energy Policy 2015 is almost outdated hence needs to be revised to take on board new challenges including emerging opportunities

INTRODUCTION

Energy Transformation:

Transformation of the global energy system is working towards meeting the objective of the Paris Agreement to limit the rise in average global temperatures to well below 2°C, and ideally to 1.5 °C, by the end of the century. Renewable energy investment, increasing share of clean electrification of energy services, and energy efficiency at production, storage, transportation, and use can deliver more than 90% of global emission reductions needed for industrial, transportation and household energy needs (WWF Technical Report 2021).

Why a Renewable Energy Policy

Is important ?

The need for formulating the renewable energy policy is based on the current context in Tanzania. These points relate to the current existing policy and regulatory framework in the country:

1. The **government had committed itself to develop a Renewable Energy policy** as indicated in the SE4ALL Action Agenda 2015 – to help the government reach

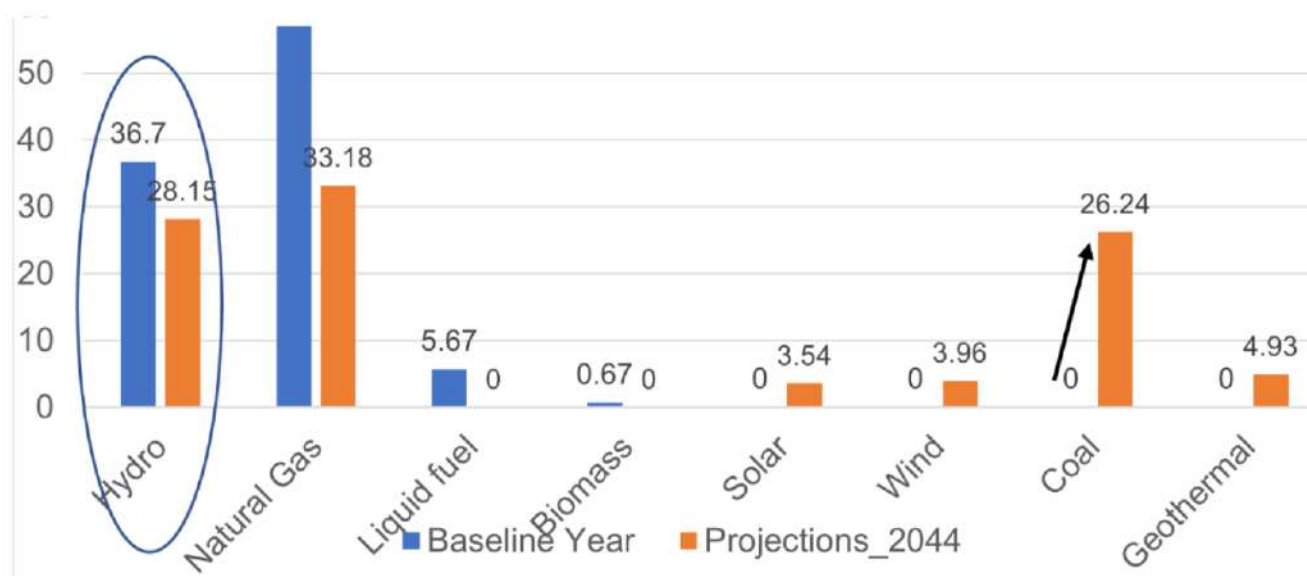
its target of 50% of renewable energy contribution to the national energy mix by 2030.

2. Renewable energy product prices (and operational costs such as connection cost per customer) are lower/cheap compared to non-renewable (fossil fuels).
3. The current **National Energy Policy 2015** is due for update to take on board new challenges about renewable energy issues and related opportunities. It **lacks implementation instruments** which gives room for contradicting guidance and tools as shown in the figure 3 below:
4. A policy instrument to enforce government's commitments to the revised Nationally Determined Contribution to the Paris Agreement and its commitment as stipulated clearly in the sustainable energy for all action agenda.
5. **Existence of strategies which are not implemented as they lack policy back-up**– For example, Biomass Energy Strategy (BEST), Scaling up Renewable Energy Program (SREP), Tanzania SE4ALL Regionalization and Implementation Plan 2017 to 2025

CONTEXT

Despite the presence of the National Energy Policy 2015 which guides the energy sector in the country, much has changed since its development six (6) years ago and the world continues to experience the adverse effects of greenhouse gases resulting from the use of fossil fuels and this policy lacks important considerations related to renewable energies. Furthermore, energy mix data shows dominance of biomass as energy sources. As the world is moving towards moving from fossil fuels into renewable energies, it is therefore important for the country to have a comprehensive renewable energy and regulatory framework.

Comprehensive renewable energy policy and regulatory framework



*Baseline versus projected shares (%)
as planned in Power System Master Plan 2020*

APPROACH & FINDINGS

Coalition members conducted desktop review of various policy documents and instruments including the National Energy Policy 2015, Sustainable Energy for All Action for All (SE4ALL, 2015), and Scaling up Renewable Energy Program (SREP), to mention a few documents and came up with the following findings about policy and regulatory framework governing renewable energy in Tanzania.

1. The **National Energy Policy 2015 lacks major renewable energy components** that need to be addressed from policy point of view.
2. There is **unfair licensing mechanism(s)** between renewable energy investors and non-renewable investors.
3. **Inadequate institutional framework** including capacity to central, local government, and communities on matters related to renewable energy and related technologies.
4. **Inadequate monitoring mechanism** to ensure policies and regulatory framework are implemented.
5. **Insufficient generation of renewable energy data** into the National Statistical System at NBS.
6. Inadequate coordination between main government ministries and other stakeholders.

RECOMMENDATIONS

1. Formulate a stand alone Renewable Energy Policy

It is critically important to formulate and implement **renewable energy policy** in Tanzania.

2. Design fair licensing mechanism(s)

Fair licensing mechanism(s) between renewable energy investors and non-renewable investors is crucial for competitive RE business environment

3. Review National Energy Policy

The **National Energy Policy 2015 is outdated hence needs to be revised** to take on board new challenges related to energy particularly renewable energy issues.

4. Establish robust institutional framework

There is a need to have a **robust institutional framework** which can work and deliver on issues related to renewable energy in Tanzania – including but not limited to building capacities of central and local government officials as well as local communities on RE.

5. Recognize the role of RE in generation and distribution of electricity

Recognize the role of R.E in generation and distribution of electricity – e.g leveraging the presence of R.E sources in various areas to produce electricity rather than stretching the national grid.

6. Establish policy implementation monitoring mechanism

Policy implementation monitoring mechanism must be put in place to ensure policies and regulatory framework(s) are implemented.

7. Ensure generation of open-access renewable energy data

It is important to **ensure generation of renewable energy data** to feed in the National Statistical System at NBS.

REFERENCES

1. Analysis of Tanzania's Power System Master Plan 2016 – Centre for Science and Environment, 2018
2. Renewables Readiness Assessment, United Republic of Tanzania – International Renewable Energy Agency, 2017
3. WWF Tanzania (2021): Analytical Study on National Energy Policy and Regulatory Frameworks in Tanzania.