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Governments are struggling with little success to attract and retain utility scale solar projects and many have died in their nascent stages. Yet utility scale solar projects could be a significant contributor to resolving the regions power shortages and increased energy access by sizeable proportions. So, what is holding back utility scale solar projects and how can governments maneuver to attract and retain more investors.

In this second part of our analytical series on solar as a clean energy source, we attempt to shade some light on the policy terrain in Tanzania and East Africa generally and how this is contributing towards holding back large-scale investment and utility scale solar penetration.

Generally, the policy and investment landscape in East Africa has been evolving at a snail pace. Both Tanzania, Kenya and Uganda have renewable energy policies in place however these are not backed up by adequate promotion, implementation and funding. The regulatory terrain has also been discordant. For the region to benefit, the policy and investment trajectory will have to align and move faster, catching up with the global trends and the drive to clean energy.

The government passed a National Energy Policy (NEP) in 2015 with a commitment to increase the share of renewables in its energy mix. The NEP 2015 seeks to facilitate improvement of investment environment to promote and support private sector participation. The policy further commits to scaling up utilization of renewable energy source by among others introducing a.. feed-in-tariffs for renewable energy technologies and structure power purchase agreements for renewable energy.

It further commits to facilitate integration of renewable energy technologies in buildings and industrial designs and establish frameworks for renewable energy integration into the national and isolated grids; an Promote sustainable biofuel production and usage.

However, actualization of this has been slow. To date contribution of renewables to Tanzania"s energy mix remains low at 1.2 %. By 2021 Tanzania’s electricity generation came mostly from natural gas (48%), followed by hydro (31%), petrol (18%) with solar and biofuels contributing a mere 1% each. The National energy consumption balance is still dominated with biomas (charcoal and firewood) use at around 85%.

Tanzania government admits that that solar utilization is constrained by high initial costs, poor after sales services, insufficient awareness on its potential and economic benefits offered by solar technologies plus inappropriate credit financing mechanisms.

In 2012 Tanzania was one of the pilot countries selected to prepare the Scaling Up Renewable Energy Program (SREP). The chief objective of this plan was to transform the energy sector of Tanzania from one that is more dependent on fossil fuels to one that is more diversified with a greater share of renewable sources

contributing to the energy mix through catalyzing the large-scale development of renewable energy.

The SREP-Tanzania Investment Plan was prepared by the Government of Tanzania, through a National Task Force led by the Ministry of Energy and Minerals (MEM) with support from the Multilateral Development Banks (MDBs). However much of this plan is yet to fully takeoff and its translation into actual deliverables yet to materialise

In 2023 Tanzania entered into an agreement to construct the Country"s first-ever solar photovoltaic power station to feed into the national electricity grid. According to the Ministry of Energy, the project is part of a larger initiative of installing 150 MW of solar energy in the Kishapu district of the Shinyanga region. The first phase of the project to be constructed by Sinohydro Corporation from China was estimated at TZS 109 billion and was scheduled for completion before end of 2024.

According to the Minister, the implementation of the solar project reflected the government"s commitment to establishing a diverse mix of electricity sources in the national grid, incorporating water, gas, wind, and solar power. This approach aims to ensure a continuous supply of electricity, even in the event of a failure in one source.

There are also several large-scale solar power projects under development, including the 30 MW Singida project and the 50 MW Nyumba ya Mungu project. In addition to government efforts, there are also private companies and organizations working to develop renewable energy projects in Tanzania.