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Tanzania's \$4.39bn Energy Budget Targets 100% Power Access

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Tanzania's Ministry of Energy has tabled a TZS 2.525 trillion budget for the 2026/27 financial year, directing TZS 2.462 trillion — equivalent to 97.5% of the total — toward development expenditure in power and gas infrastructure. Minister of Energy Deogratius Ndejembu presented the budget, which is structured to anchor Tanzania's Mission 300 commitment to achieve full electricity access by 2030 and mobilise USD 4.39 billion in private capital to support that goal.

The scale of the development allocation is notable: at 97.5%, almost the entirety of the ministry's budget is earmarked for capital deployment rather than recurrent costs, signalling a deliberate push to close Tanzania's infrastructure gap within a defined political timeframe. Mission 300 is a regional electrification initiative that Tanzania has formally committed to, and the 2026/27 budget is being positioned as a key instrument for meeting those obligations. The mobilisation of USD 4.39 billion in private capital implies that public funds are intended to act as leverage — crowding in external investors and project developers rather than funding the full programme from the sovereign balance sheet.

For the energy services sector, the combination of a large government development budget and a structured private capital mobilisation target creates a credible project pipeline environment. When governments allocate development funds of this magnitude alongside explicit private capital targets, it typically generates downstream procurement activity across generation, transmission, distribution, and fuel supply infrastructure. Tanzania's gas sector remains a significant component of its energy mix, and infrastructure investments tied to gas utilisation — including

processing, pipeline, and power generation assets — are likely to feature within the programme.

The budget as presented is a ministerial allocation rather than a signed project or awarded contract, so the pipeline of specific procurement opportunities has not yet been publicly defined. Norwegian service companies should treat this as a monitoring and relationship-building moment rather than an immediate procurement opportunity. Understanding which institutions sit beneath the Ministry of Energy — and which multilateral or bilateral financing partners are co-anchoring the USD 4.39 billion private capital target — will be the productive near-term focus. Development finance institutions active in Tanzania, including those with Nordic connections, may provide early visibility into which project structures are advancing toward bankability.

Why this matters to partners and clients of Saga

The budget signals a substantial multi-year infrastructure build-out in Tanzania's power and gas sectors, creating a pipeline that Norwegian service companies should begin mapping now. The private capital mobilisation figure of USD 4.39 billion suggests structured project finance vehicles will emerge; Norwegian firms with experience in gas infrastructure and EPCM services should identify the development finance institutions co-anchoring this programme and establish early positioning. No procurement outreach is warranted at this stage — the budget is a ministerial tabling, not a signed contract — but monitoring Ministry of Energy project announcements and engaging Tanzania's energy investment promotion bodies is the appropriate next step.

PARTNER ANGLES

- **Pipeline:** Tanzania's gas-to-power infrastructure expansion under Mission 300 is likely to require new pipeline and distribution assets; monitor tender releases from the Ministry of Energy and TPDC for early engagement opportunities.
- **LNG:** Tanzania holds substantial gas reserves and the budget's gas infrastructure focus may accelerate midstream development; Norwegian LNG technology and

processing firms should track which gas utilisation projects are advancing toward feasibility.

- **Drilling:** Expanded gas infrastructure investment typically drives upstream appraisal and development drilling activity; monitor TPDC announcements for well programmes tied to feedstock supply for the power sector.
- **Subsea/FPSO:** If offshore gas assets are drawn into the power supply programme, subsea tie-back and floating infrastructure requirements may emerge; track whether deepwater blocks are incorporated into Mission 300 supply planning.
- **Service:** A USD 4.39 billion private capital mobilisation programme will require project management, engineering, and technical advisory services; Norwegian firms with East Africa presence should engage development finance co-financiers to identify early EPCM and consultancy mandates.

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Saga Advisory

General: info@saga-advisory.com · saga-advisory.com

STAVANGER · CAPE TOWN