

Sustainable charcoal business in Tanzania

In Tanzania, with an approximate population of 50 million, steady population growth and continued urbanization progressively increase the demand for energy services. More than 350ha of forest disappears per day for production of charcoal, and charcoal is the primary contributor to climate change. It is also the primary household energy source for more than 94% of urban dwellers, and the amount is increasing. In addition, most institutions such as restaurants, hospitals and hotels use charcoal for cooking.

Sustainable Charcoal (CBTL Ltd), a partnership between Gaia and ARTI Energy Ltd, is a unique business solution to sustainability which enables a no-cost fuel switch from unsustainable wood charcoal to sustainable non-wood charcoal briquettes. CBTL manufactures sustainable charcoal from agricultural waste. Its briquettes replace the wood-based charcoal used for cooking in households, restaurants and other institutions.

The business model represents a new type of private sector initiative with a strong focus on positive health, environmental and climate impacts. The business model includes improved briquette production techniques and creating an up-scalable and replicable sustainable business around environmentally and socially sustainable charcoal briquettes. The innovativeness of the business model lies in creating new sustainable value chains, as well as in the scale and simplicity of CBTL's operations in Tanzanian contexts.

In 2015, the CBTL's operations were significantly scaled up and further developed. Since 2015, the business has contributed to direct emission reductions of around 3000 tCO₂e. Demand for the products, marketed under the Mkaa Mkombozi brand, is constantly growing. Over the next 10 years, direct and indirect greenhouse gas emission reductions are estimated to reach approximately 100 000 tCO₂e.

In addition to significant reduction of greenhouse gas emissions, the CBTL has supported local livelihoods by creating jobs and additional income for more than 1500 people. Moreover, managerial skills and a can-do attitude amongst staff is constantly promoted. One of the greatest key to success lies in the design of the business model that creates the right incentives, supports strategic collaboration, gives positive conditions for partners to invest in the endeavour, and, ultimately, enables sales of sustainably produced high-quality briquettes at an affordable price.

