

UNITED REPUBLIC OF TANZANIA

MINISTRY OF FINANCE AND PLANNING



**REPORT ON THE IMPLEMENTATION OF THE ISTANBUL PROGRAMME OF
ACTION FOR LDCs FOR THE DECADE 2011-2020**

TANZANIA COUNTRY REPORT

March 2021

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List of abbreviations

AAKIA	-	Abeid Amani Karume International Airport
AfCFTA	-	African Continental Free Trade Area
AfDB	-	African Development Bank
ACRP	-	Agriculture Climate Resilience Plan
ASDP	-	Agriculture Sector Development Programme
AIDS	-	Acquired Immune Deficiency Syndrome
ADP	-	Annual Development Plans
ANC	-	Antenatal Care
ART	-	Antiretroviral Therapy
ATE	-	Association of Tanzania Employers
ATCL	-	Air Tanzania Company Limited
BASA	-	Bilateral Air Service Agreements
BIT	-	Bilateral Investment treaties
BRELA	-	Business Registration and Licensing Authority
CD4	-	Cluster of Differentiation 4
CHF	-	Community Health Fund
CSO	-	Civil Society Organization
CICT	-	Client-Initiated HIV Counselling and Testing
COWABAMA	-	Collective Warehouse Based Marketing Schemes
COMESA	-	Common Market for Eastern and Southern Africa
COBET	-	Complementary Basic Education and Training
CTI	-	Confederation of Tanzania Industries
CAG	-	Controller and Auditor General
COVID-19	-	Coronavirus Disease 2019
CPIA	-	Country Policy and Institutional Assessment
SACCOS	-	Savings and Credit Co-Operative Society
DART	-	Dar es Salaam Rapid Transit
DSE	-	Dar es Salaam Stock Exchange
DSF-LIC	-	Debt Sustainability Framework for Low Income Countries
DTT	-	Digital Terrestrial Television
DTT	-	Double Taxation Treaty
DTH	-	Direct to Home
DPP	-	Director of Public Prosecutions
DADP	-	District Agricultural Development Plan

DASIP	-	District Agricultural Sector Investment Project
DPT3 or Penta3	-	Diphtheria-tetanus pertussis or pentavalent Hib conjugate vaccine
EAC	-	East African Community
EACOP	-	East African Crude Oil Pipeline
ETP	-	Education and Training Policy
ESDP	-	Education Sector Development Plan
EFD	-	Electronic Fiscal Device
ERPP	-	Expanded Rice Productivity Project
EPZ	-	Export Processing Zone
FYDP	-	Five Year Development Plan
FDI	-	Foreign Direct Investment
FPI	-	Foreign Private Investment
GDP	-	Gross Domestic Product
GOVNET	-	Government Communications Network
GER	-	Gross Enrolment Ratio
GePG	-	Government e-Payment Gateway
HBS	-	Household Budget Survey
HFO	-	Heavy Fuel Oil
HERI	-	Higher Education and Research Institute
HIV	-	Human Immunodeficiency Virus
HMIS	-	Health Management Information Systems
IATA	-	International Air Transport Association
ICT	-	Information and Communications Technology
ITN	-	Insecticide-treated net
IIDS	-	Integrated Industrial Development Strategy
IPOSA	-	Integrated Programme for Out-of-School Adolescents
IPTp	-	Intermittent preventive treatment (of malaria) in pregnancy
ICSID	-	International Centre for Settlement of Investment Disputes
IPSAS	-	International Public Sector Accounting Standard
ISTA	-	International Seed Testing Association
IADGs	-	Internationally Agreed Development Goals
IPoA	-	Istanbul Programme of Action
KRA	-	Key Result Area
KMKM	-	Kikosi Maalum cha Kuzuia Magendo
Km	-	Kilometres
LATRA	-	Land Transport Regulatory Authority

LDCs	-	Least Developed Countries
LNG	-	Liquefied Natural Gas
LGA	-	Local Government Authorities
LTPP	-	Long Term Perspective Plan
MVA	-	Manufacturing Value Added
MDAs	-	Ministries, Departments and Agencies
MKUZA	-	Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Zanzibar
MPLS	-	Multiprotocol Label Switching
MIGA	-	Multilateral Investment Guarantees Agency
MW	-	Megawatts
NAWAPO	-	National Water Policy
NBS	-	National Bureau of Statistics
NCD	-	Non-communicable diseases
NGUMP	-	Natural Gas Utilization Master Plan
NEC	-	National Electoral Commission
NEMC	-	National Environment Management Council
NER	-	Net Enrolment Ratio
NFRA	-	National Food Reserve Agency
NHIF	-	National Health Insurance Fund
NICTBB	-	National ICT Broadband Backbone
NIDA	-	National Identification Authority
NLUPC	-	National Land Use Planning Commission
NMCP	-	National Malaria Control Programme
NMNAP	-	National Multi Sectoral Nutritional Action Plan
NRW	-	Non-Revenue Water
NSGRP	-	National Strategy for Growth and Reduction of Poverty
NSS	-	National Statistical System
NSSF	-	National Social Security Fund
NTB	-	Non-Tariff Barriers
NTLP	-	National Tuberculosis and Leprosy Programme
NWSDS	-	National Water Sector Development Strategy
OCGS	-	Office of the Chief Government Statistician (Zanzibar)
ODA	-	Official Development Assistance
OECD	-	Organization for Economic Cooperation and Development
OFC	-	Optical Fibre Cable
OSHA	-	Occupational Safety and Health Authority

OSIS	-	One-Stop Inspection Stations
PAA	-	Project Areas Authorities
PCCB	-	Prevention and Combating of Corruption Bureau
PLWD	-	People Living With Disabilities
PO-RALG	-	President's Office-Regional Administration and Local Government
PPP	-	Public Private Partnership
PPPTC	-	PPP Technical Committee
PRS	-	Poverty Reduction Strategies
PSMP	-	Power System Master Plan
PSSN	-	Productive Social Safety Net
PETS	-	Public Expenditure Tracking System
PFM	-	Public Finance Management
REA	-	Rural Energy Agency
RGoZ	-	Revolutionary Government of Zanzibar
RMNCAH	-	Reproductive, Maternal, Newborn, Child and Adolescent Health
SADC	-	Southern African Development Community
SDGs	-	Sustainable Development Goals
SEZ	-	Special Economic Zones
SGR	-	Standard Gauge Railway
SIDP	-	Sustainable Industrial Development Policy
SSR	-	Self Sufficiency Ratio
STEM	-	Science, Technology, Engineering and Mathematics
STI	-	Science, Technology And Innovation
SUMATRA	-	Surface and Marine Transport Regulatory Authority
TaCRI	-	Tanzania Coffee Research Institute
TAHA	-	Tanzania Horticulture Association
TANROADS	-	Tanzania National Roads Agency
TARURA	-	Tanzania Rural and Urban Roads Agency
TASAF	-	Tanzania Social Action Fund
TATO	-	Tanzania Association of Tour Operators
TAZAMA	-	Tanzania Zambia Mafuta (crude oil pipeline)
TAZARA	-	Tanzania Zambia Railway Authority
TB	-	Tuberculosis
Tcf	-	Trillion Cubic Feet
TDV 2025	-	Tanzania Development Vision 2025
TDMA	-	Tanzania Disaster Management Agency

TEITI	-	Tanzania Extractive Industries Transparency Initiative
TGDC	-	Tanzania Geothermal Development Company
TIRA	-	Tanzania Insurance Regulatory Authority
TISS	-	Tanzania Inter-Bank Settlement System
TIRP	-	Tanzania Intermodal and Rail Project
TIC	-	Tanzania Investment Centre
TMP	-	Tax Modernization Project
ToRITA	-	Tobacco Research Institute of Tanzania
TPA	-	Tanzania Ports Authority
TPSF	-	Tanzania Private Sector Foundation
TRC	-	Tanzania Railways Corporation
TRA	-	Tanzania Revenue Authority
TRIT	-	Tea Research Institute of Tanzania
TRL	-	Tanzania Railways Limited
TSMP	-	Tanzania Statistical Master Plan
TV	-	Television
TZS		Tanzanian shillings
UAE	-	United Arab Emirates
UCSAF	-	Universal Communications Service Access Fund
UN	-	United Nations
UNCITRAL	-	United Nations Commission on International Trade Law
UNCTAD	-	United Nations Conference on Trade and Development
UNESCO	-	United Nations Educational, Scientific and Cultural Organization
UK	-	United Kingdom
UNOHRLLS	-	UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
URT	-	United Republic of Tanzania
USA	-	United States of America
USD	-	United States dollars
UTT	-	Unit Trust of Tanzania
VAT	-	Value Added Tax
WASH	-	Water Sanitation and Hygiene
WCF	-	Workers Compensation Fund
WHO	-	World Health Organization
YDF	-	Youth Development Fund

ZAECA	-	Zanzibar Anti-Corruption and Economic Crimes Authority
ZAWA	-	Zanzibar Water Authority
ZDV	-	Zanzibar Development Vision
ZRB	-	Zanzibar Revenue Board
ZSGRP	-	Zanzibar Strategy for Growth and Reduction of Poverty
ZURA	-	Zanzibar Utilities Regulatory Authority

I. Executive summary

The United Republic of Tanzania (URT) was founded on 26 April 1964 as a union between two sovereign states, the then Tanganyika (now Mainland Tanzania) and the People's Republic of Zanzibar. The country is located on the eastern coast of Africa and occupies a total area of 945,087 square kilometres (364,900 square miles). As of 2019, Tanzania's population was estimated at 55.8 million. According to the 2012 Population and Housing Census, the average life expectancy at birth was 61.8 years (males, 59.8 years; females, 63.8 years), but 2019 estimates indicate that it has increased to 65 years (males, 63 years; females, 67 years). The country has two official languages, Swahili and English. Swahili is the national language which is widely spoken across the country, an official language of Government and the medium of instruction in primary school. English is the language of diplomacy and foreign trade, and the medium of instruction in secondary and higher education.

The country is home to several renowned tourist attractions including Mount Kilimanjaro, Africa's highest peak and the world's tallest free-standing mountain. Mount Kilimanjaro is one of the "Seven Summits" of the world, featuring a snow-capped peak all year round. Other famous tourist attractions include the Serengeti National Park, Ngorongoro Conservation Area, and Stone Town of Zanzibar, which is a United Nations Educational, Scientific and Cultural Organization (UNESCO) world heritage site.

Tanzania is among the Countries that adopted the Istanbul Programme of Action (IPoA) 2011-2020. By endorsing the IPoA, the country and other LDCs are committed to, for their own development and with the support of development partners, implementing a set of priority areas as approved by the 4th United Nations (UN) conference on LDCs. The commitment centres on eight priority areas for action by the LDCs and developed countries. Developed countries, consistent with their capabilities, are supposed to provide support for the effective implementation of the IPoA in mutually agreed areas of cooperation within the framework of South-South Cooperation. This country report for Tanzania presents the progress, constraints and actions taken to implement the IPoA. It also identifies ongoing national priorities and measures to address current development challenges.

Between 2011-2020, Tanzania's economy sustained an average rate of GDP growth of around 6.9 percent. Agriculture is still the largest and most important economic sector in Mainland Tanzania, and the source of livelihood for over 65 percent of the population. However, the key drivers of the country's economic expansion include the extractive sector, infrastructure, telecommunications, financial services, tourism

and construction, which provides evidence that the economy is gradually transforming away from its over-dependence on agriculture. The steady economic growth has resulted in increase in country's per capita income from GNI Per Capita of US\$ 770 in 2011 to US\$ 1,018 in 2019. As a result of this increase, in July 2020 the World Bank (WB) officially declared Tanzania as a lower middle-income country after surpassing the minimum threshold for lower middle-income classification (GNI Per Capita of US\$ 1,036).

Over the past 10 years, Tanzania has successfully managed to reduce poverty among its population. The incidence of basic needs poverty has declined from 34.4 percent (2007) to 26.4 percent (2017/18). The incidence of food poverty has also declined from 11.8 percent (2007) to 8.0 percent (2017/18). The progress shown in the overall declining trend of poverty incidence is a result of continued efforts by the Government to improve living conditions, invest in social welfare, and promote key human development outcomes. However, the rates of poverty in rural areas continue to be high compared to urban areas.

Access to basic services and productive assets, such as increased access to electricity, markets, water, health and education as well as improved road infrastructure, are behind progress made in human development. Despite progress in human development indicators, the 2017/18 Household Budget Survey (HBS) reveals an overall rise in consumption inequality from 0.34 in 2011/12 to 0.38. The rise was observed in Dar es Salaam (0.35 to 0.42), other urban areas (0.37 to 0.38) and in rural areas (0.29 to 0.32). The HBS also identifies a number of challenges around implementation capacity, low productive capacity, inadequate quality data, good governance, and volatility in the external environment. Volatility in global commodity prices, is an ongoing challenge that constrains progress towards attaining Tanzania's growth prospects. The Government has introduced several strategies to address these challenges. Notably, the continued transformation and diversification of the economy will form an integral part of national efforts to contain the effects of volatility in global commodity prices.

Lastly, increased support from the international community, including the UN system, will be essential in assisting the country to overcome some of the challenges identified during the implementation of IPoA and enable the country to realize the objectives set in the 2030 Agenda for Sustainable Development (SDGs). To enhance capacity development of domestic institutions, partnerships with different stakeholders will be a priority. Since financing was a critical factor during IPoA implementation, the Government needs to ensure adequate resources—including innovative financing—are mobilized and allocated toward national priority areas.

II. Introduction

During the fourth United Nations Conference on LDCs, held in May 2011 in Istanbul, Turkey, the Heads of State and Government resolved the need for a successor to the 2001-2010 Brussels Programme of Action for the Least Developed Countries. The new programme of action was meant to overcome structural challenges characterizing LDCs' economies among other efforts to eradicate poverty, achieve internationally agreed development goals, and enable countries to graduate away from the LDC category. As a result, the Istanbul Programme of Action was adopted. Tanzania is one of the 47 LDCs which signed and implemented the IPoA agenda.

LDCs categorization and implementation of UN's coordinated programme designated for LDCs such as IPoA and its predecessor (Brussel Programme of Action for LDCs) provides benefits to participating countries. The benefits are often twofold. First, it enables to galvanize a globally coordinated response towards addressing poverty and development that takes into account peculiar socio-economic and political context of most LDCs. Second, it accords LDCs with an opportunity to benefit from special support measures aimed at LDC designated countries. LDCs derive special support measures from both the donor community, including bilateral donors and multilateral organizations, as well as the special treatment accorded to them by certain multilateral and regional trade agreements. Major support measures extended to countries with LDCs status relate to official development assistance (ODA), trade preferences (preferential market access such as Generalized System of Preference, Global, and System of Trade Preferences, special treatment regarding World Trade Organization obligations and trade-related capacity building) and other forms of assistance.

The IPoA was an ambitious, internationally agreed policy agenda to address various challenges experienced by LDCs. It charted the international community's vision and strategy for the sustainable development of LDCs for the 2011-2020 decade with a strong focus on developing LDCs' productive capacities, which in turn, should, support structural adjustment that facilitates poverty eradication. Specifically, the IPoA focused on eight interlinked priority areas:

- i) Productive capacity;
- ii) Agriculture, food security and rural development;
- iii) Trade;
- iv) Commodities;

- v) Human and social development;
- vi) Multiple crises and other emerging challenges;
- vii) Mobilizing financial resources for development and capacity-building; and
- viii) Good governance at all levels.

This country report for Tanzania presents the progress, obstacles, challenges and actions taken to implement the IPoA. The report adopts a broad view of supporting the determination of priorities for the next 10-year programme of action in line with the implementation of the 2030 Agenda for Sustainable Development.

a. Country profile

The URT was founded on 26 April 1964 through the union of two sovereign states, the then Tanganyika (now Mainland Tanzania) and the Peoples' Republic of Zanzibar. The country is located on the eastern coastline of Africa Latitude: -6° 22' 22.17"S Longitude: 34° 53' 32.94" E occupying a total area of 945,087 square kilometers. Zanzibar is an archipelago made up of two large islands, Unguja and Pemba, and several islets. As of 2019, the population of Tanzania was estimated at 55.8 million people, growing at an annual average rate of 2.7 percent. The average life expectancy is estimated at 65 years (males, 63 years; females, 67 years). The national language is Kiswahili while English is the second language. The Tanzanian Shilling is the official currency (United States Dollar exchange rate is at around 1:3,335.10).

Tanzania has sustained an impressive economic growth rate, averaging 7 per cent per annum over the past 10 years, with inflation at a single digit rate for much of this period except for the year 2012. The country's GDP per capita, in nominal terms, is USD 1,086. Agriculture is the main source of livelihood for over 65 per cent of the population. The steady economic growth has resulted in increase in country's per capita income from GNI Per Capita of US\$ 770 in 2011 to US\$ 1,018 in 2019. This increase resulted in World Bank (WB) in July 2020 to officially declare that Tanzania as a lower middle-income country after surpassing the minimum threshold for lower middle-income classification (GNI Per Capita of US\$ 1,036). In Zanzibar, the services sector, largely driven by tourism, is the largest contributor to GDP. This sector composes 51 per cent of GDP in 2018.

The country has a geographical comparative advantage as it borders with eight countries namely: Kenya and Uganda to the north; Rwanda, Burundi, and the Democratic Republic of Congo (DRC) to the west; and Zambia, Malawi, and Mozambique to the south. Five countries bordering Tanzania are landlocked and Tanzania has been providing transit service and improving its infrastructure to effectively serve these countries. Tanzania is also boarded with the Indian Ocean coastline approximately 1,424 kilometers (885 mi) long as well as the three of Africa's Great Lakes which are partly within Tanzania. Whereas to the north and west lie Lake Victoria, Africa's largest lake and Lake Tanganyika, the continent's deepest lake, known for its unique species of fish and to the southwest lies Lake Nyasa. Central Tanzania is a large plateau, with plains and arable land. Tanzania also incorporates several offshore islands, including Unguja (Zanzibar), Pemba, and Mafia. The country is the site of Africa's highest and lowest points: Mount Kilimanjaro, at 5,895 meters (19,341 ft.) above sea level, and the floor of Lake

Tanganyika, at 1,471 meters (4,826 ft.) below sea level, respectively

Tanzania is divided into four principal climactic and topographic areas: the hot and humid coastal lowlands of the Indian Ocean shoreline; the hot and arid zone of the broad central plateau; the high inland mountain and lake region of the northern border, where Mount Kilimanjaro is situated; and the highlands of the northeast and southwest, the climates of which range from tropical to temperate. Tanzania's warm equatorial climate is modified by variations in elevation. The high amount of solar radiation throughout the year is associated with a limited seasonal fluctuation of temperature: the mean monthly variation is less than 9° F (5° C) at most stations. Ground frosts rarely occur below 8,200 feet (2,500 meters).

Tanzania ocean and lake ports are managed and operated by Tanzania Ports Authority (TPA), which is a public corporation under the aegis of the Ministry of Works and Transport. The TPA's main three Indian Ocean ports are Dar es Salaam, Mtwara, and Tanga and minor seaports serving the coastal area including Lindi, Kilwa Masoko, Mafia Island, Bagamoyo, Pangani and Kwale.

Dar es Salaam Port is the main port of Tanzania that handles 90 percent of the country's cargo traffic. Tanga Port is one of the oldest operating port in the country, it is the second largest port operating in the country and has an annual capacity of around 500,000 tones and is running at 90 percent of its capacity. Mtwara Port can handle more than 400,000 metric tons of imports and exports per annum, it is however mainly designed to handle conventional cargo.

Tanzania is building Standard Gauge Railway (SGR) which will be linking the country with the neighboring countries of Rwanda and Uganda to Burundi and the Democratic Republic of the Congo. The 1435 mm (4 ft 8 1/2 in) railway line is intended to ease the transfer of goods between the port of Dar es Salaam and the cities of Kigali, in Rwanda and subsequently to Bujumbura, in Burundi, and to Goma, in the Democratic Republic of the Congo. From the lake port of Mwanza, surface water ferries are expected to transport goods between Mwanza and Port Bell and Bukasa Inland Port, in Kampala which is Uganda's capital city.

Also, URT is home to a number of renowned tourist attractions, including Mount Kilimanjaro, Africa's and the world's highest free-standing peak. Other famous tourist attractions include the Serengeti National Park, Ngorongoro Conservation Area, and Stone Town of Zanzibar, which is a United Nations Educational, Scientific and Cultural Organization (UNESCO) world heritage site. Tanzania also hosts six out of the world's 25 biodiversity hotspots with at least 14,500 known and confirmed species, it is among 15 countries globally with the highest number of endangered as

well as threatened species. The country is home to about 20% of Africa's large mammals, ranks twelfth globally in terms of bird species, and accounts for more than one-third of all plant species in Africa, including Makutupora, a unique local grape variety that yields twice a year. To protect its extraordinary biodiversity, the country has designated about 40% of its total surface area to forest, wildlife and marine protected areas.

To support its industrialization agenda, the country is rich in metals, industrial and fuel and minerals, including deposits of gold, iron ore, nickel, copper, cobalt, silver, diamond, tanzanite (which is only found in Tanzania), limestone, soda ash, gypsum, helium, phosphate, gravel and sand, graphite, coal and uranium. In the country's extensive agriculture sector, staple food crops include maize, sorghum, millet, rice, wheat, beans, cassava and bananas, and important cash crops include coffee, tea, sisal, cotton and high-grade cashew nuts. Zanzibar is also known for its production and export of spices and seaweed.

b. Methodology for preparing the progress report

The report has been prepared following the guideline "Country-level Preparations – Annotated Outline for the National Reports" from the United Nations – Office of the High Representative for the LDCs, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS). The specific steps to prepare the report included:

- i) **Pre-development stage:** A national drafting team was established and supported by a Secretariat. The team reviewed relevant reports and research studies, and developed summaries for inclusion in the final report.
- ii) **Drafting stage:** Members of the drafting team collaborated to compile, analyze and draft the report. Drafting was informed by review of studies and other relevant background papers as well as national and sectoral policy and programme documents.
- iii) **Validation stage:** Key stakeholders were involved to validate the report, including representatives from the central government, local government authorities, private sector, civil society, academia, think tanks and the general public.
- iv) **Finalization stage:** Feedback from stakeholders' consultations was incorporated into the draft report.
- v) **Submission stage:** The report was submitted to UN-OHRLLS.

c. Stakeholder engagement

The Government engaged various categories of stakeholders in the process of drafting this report. In Mainland Tanzania, the drafting of the IPoA report coincided with the finalization of the nation's medium-term development strategy, that is, the National Five Year Development Plan 2016/17-2020/21. This provided an opportunity for the eight (8) policy areas of the IPoA programme to be harmonized with the national development planning framework. To ensure effective implementation of the IPoA programme, a number of seminars and discussions with different stakeholders were organized. Government Ministries, Departments and Agencies (MDAs), planning officers from regional secretariats and Local Government Authorities (LGAs), and representatives from the Bank of Tanzania (BoT), National Bureau of Statistics (NBS), research and academic institutions, and the private sector were sensitized on the IPoA programme.

The preparation of this report was, therefore, highly participatory. Government entities, the private sector and civil society organizations (CSOs) all provided relevant inputs, including the milestones achieved in their areas of operations. The UN provided both technical and financial support to the process of developing the report. The series of consultations were organized in collaboration with key national institutions, including the Tanzania Private Sector Foundation (TPSF), the Association of Tanzania Employers (ATE), the Confederation of Tanzania Industries (CTI), Tanzania Horticulture Association (TAHA), Tanzania Association of Tour Operators (TATO), as well as various CSOs and United Nations offices.

The media was engaged in informing the general public on the consultation process and has been instrumental in raising awareness and disseminating the implementation of the country's development agenda, including the IPoA.

d. Purpose of the report

This report marks the end of implementing the IPoA. It is the second and final progress report to be prepared by the URT following submission of the mid-term report in 2016. The report provides a comprehensive review of progress and status of IPoA targets in Tanzania and the country's experience during implementation. It also provides pointers to the next programme of action for LDCs including important lessons and best practices for other countries to consider.

e. Limitations of the report

The report's main limitation is the lack of baseline data for some of the IPoA targets. The Government is currently collaborating with national and international stakeholders to develop the Tanzania Statistical Master Plan (TSMP-II) that aims to

strengthen the National Statistical System (NSS) to produce quality data. Such efforts will facilitate informed decision making as well as allowing effective monitoring of national policies as well as regional and global development commitments.

f. Organization of the report

As per the UN-OHRLLS guideline document, this introductory chapter is followed by four chapters. The next chapter (Chapter III) describes the national development planning process and the linkages between the national development framework and IPoA targets. Chapter IV provides a detailed assessment of the progress and challenges in the implementation of the IPoA for the decade 2011-2020. Chapter V explains the linkages between Tanzania's national development framework and 2030 Agenda for Sustainable Development and other global processes. Chapter VI concludes the report by offering recommendations on the way forward to achieve sustainable development in LDCs, including Tanzania's vision for realizing the goals of the 2030 Agenda.

III. National development planning process

a. The planning process

The URT has structured planning frameworks in both Mainland Tanzania and Zanzibar. The development process in Mainland Tanzania is guided by the Tanzania Development Vision 2025 (TDV 2025), whereas in Zanzibar, it is the Zanzibar Vision 2050. TDV 2025 was adopted in 1999 with the principal goal of transforming Tanzania into a semi-industrialized and middle-income economy by 2025. It aspires for the nation to be characterized by high-quality livelihoods, peace, stability and unity, good governance, a well-educated and learning society, and a strong and competitive economy.

During the initial phases of planning for medium-term development frameworks, these aspirations were implemented through the Poverty Reduction Strategies (PRS) 1999/2000-2003/04 and the National Strategy for Growth and Reduction of Poverty (NSGRP) 2004/05-2009/10 and 2010/11-2014/15. In 2011, the Government reviewed the implementation of TDV 2025 and observed the need for a speedy, more systematic and comprehensive approach to realization of the development aspirations enshrined in TDV 2025. In close consultation with different stakeholders, the Government developed the Long-Term Perspective Plan (LTPP) for the remaining fifteen years (2011/12-2025/26) of the TDV 2025. In turn, the LTPP is being implemented through three Five Year Development Plans (FYDPs), each with a theme interlinked to a successor plan.

The theme of FYDP I for the period 2011/12 to 2015/16 was “Unleashing Tanzania’s Latent Growth Potential”. It focused on addressing the main constraints to Tanzania’s growth, particularly constraints in infrastructure for socio-economic development. FYDP I was succeeded by the current FYDP II (2016/17-2020/21) with the theme of “Nurturing Industrialization to Foster Economic Transformation and Human Development”. FYDP II aims at advancing economic growth by establishing industries that utilize domestic raw materials and, ultimately, contribute to human development. Preparation of FYDP II coincided with the processes of adopting the 2030 Agenda for Sustainable Development. As such, the Sustainable Development Goals (SDGs) were incorporated in FYDP II from the start, creating synergies in the implementation of domestic and global development interventions.

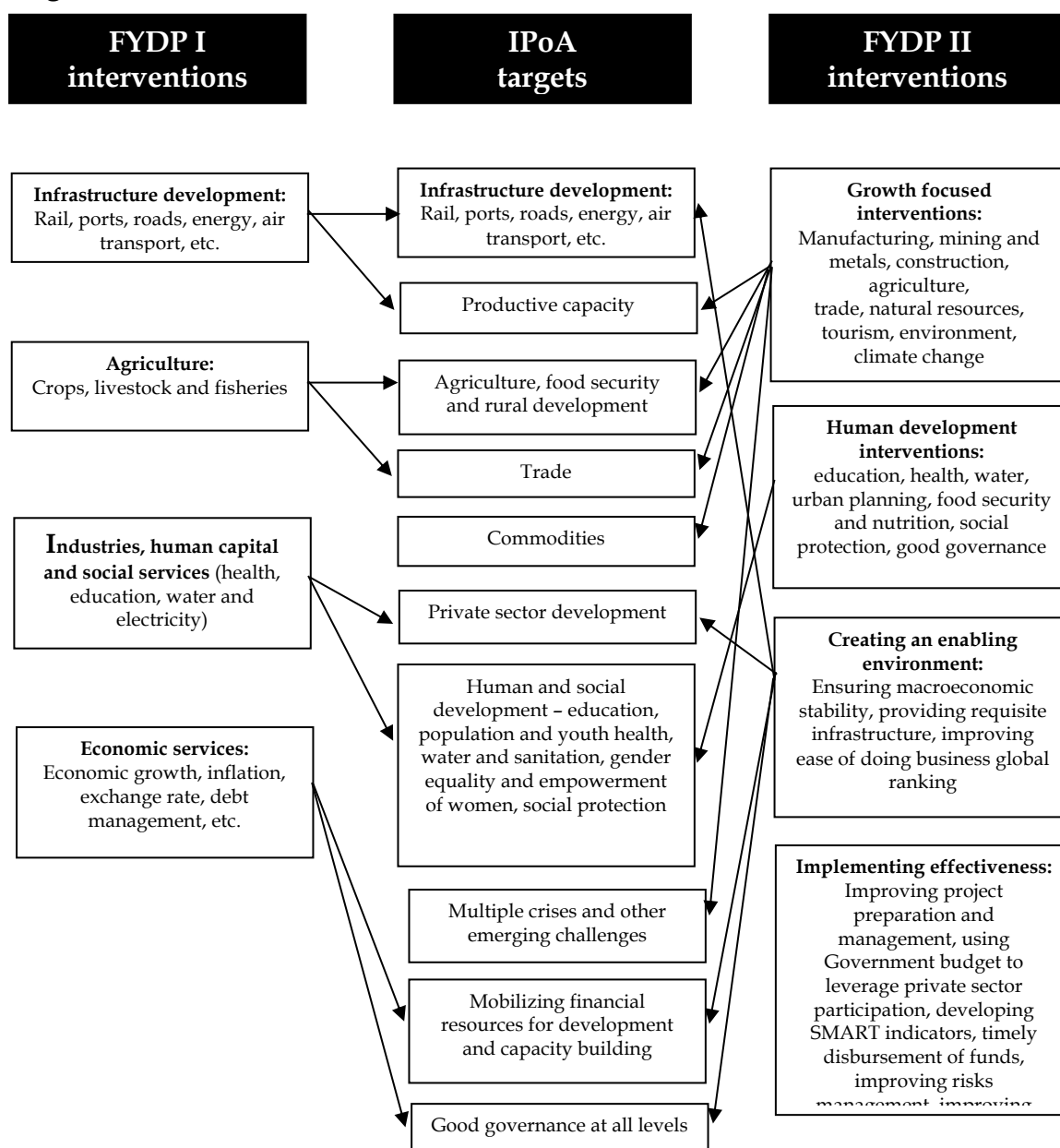
FYDP II will be succeeded by FYDP III (2021/22-2025/26) with the theme “Realizing Competitiveness and Industrialization for Human Development”. FYDP III will pick up and complete any unfinished business from both FYDP I and FYDP II, banking on the lessons learnt from implementation of the two plans. It will intensify the thrust of previous programmes/plans as a way of sustaining industrialization, targeting production of competitive products, advancing structural transformation, and enhancing utilization of Tanzania’s unique geographical advantage to spur export growth and trade competitiveness in domestic, regional, continental and global markets. The implementation of the FYDPs is carried out through the Annual Development Plans (ADPs) and national and sub-national budgets.

In Zanzibar, development priorities are anchored in the Zanzibar Development Vision (ZDV) 2050. ZDV was adopted in 2020 as a successor plan to Vision 2020, which covered the 20-year period from 2000 to 2020. ZDV50 has the overarching aspiration of lifting Zanzibar economically and socially to attain Upper-Middle Income Status (UMIS)¹ by 2050. The vision is being implemented through a series of Zanzibar Strategies for Growth and Reduction of Poverty (ZSGRP), known in Swahili as MKUZA. Zanzibar is currently implementing ZSGRP III for the period 2016/17 to 2020/21. The focus of the ZSGRP is “Economic Growth and Social Development for the Wellbeing of All”. Major economic activities in Zanzibar include agriculture, fishing and livestock, tourism and trade. Resources in Zanzibar are invested in such a way that they bring the most value to the economy and society including creating tangible development results. ZSGRP III will be succeeded with another development strategy for five year from 2021/22 to 2025/26 that will provide the main guidance including tools needed to achieve objectives outlined in the ZDV 2050.

b. Incorporating IPoA targets in national development frameworks

Tanzania's development frameworks provide a conducive environment for integrating IPoA targets. Figure 1 illustrates the linkages between the country's national development frameworks as represented by FYDP I and II, and the IPoA targets.

Figure 1: Linkages between national development frameworks and IPoA targets



The national policies that support IPoA targets are listed in Annex 1 and are accessible through the Government of Tanzania's policy directory.¹ Apart from supportive policies, strategies and legal framework, Tanzania has also integrated IPoA targets into its national development monitoring mechanisms. Indicators and targets that have been outlined in the FYDPs (and other sectoral undertakings) and geared towards achieving the IPoA targets are presented in Table 1.

¹ <https://www.tanzania.go.tz/home/pages/71>

Table 1: FYDP II indicators and targets for 2020 and their linkages to IPoA targets

IPoA targets	National targets and indicators
Productive capacity	<ul style="list-style-type: none"> i) Promote the manufacturing sector to a real growth rate of 10.5%; 12.5% share of GDP; and a 5.4% share of total employment. ii) Proportion of medium and high-tech Manufacturing Value Added (MVA) share in total manufacturing to 15%; increase the number of exporting firms in the manufacturing sector to 729 by 2020; and increase the proportion of medium and high-tech products in total manufacturing output to 30%, of which high-tech is 6%. iii) Proportion of R&D expenditure in GDP to 1.0%; increase the proportion of R&D expenditure by public sector to 68.3%; by private sector to 15%; Number of R&D institutions with foreign partner institutions to 22; annual number of students graduating from tertiary/higher education by 2020/21 to 80,000, of whom 56% will be science and engineering students; increase the proportion of students in tertiary and higher learning accessing student loans to 50%.
Agriculture, food security and rural development	<ul style="list-style-type: none"> i) Promote agricultural activities to a real growth rate of 7.6%; GDP share of agriculture up to 29.4%; share of total export earnings to 24.9%; and share in total employment to 56.5%. ii) Food self-sufficiency ratio 140%; prevalence of stunting in children aged 0-59 months 28%; prevalence of anemia among women of reproductive age 30%; prevalence of vitamin A deficiency among children aged 6-59 months <25%. iii) Number of regularized properties in unplanned settlements, 480,000; proportion of villages with land use plans 20%; percentage of property taxpayers 40%; number of towns with up-to-date general planning schemes (Master Plans) by 2020 to 25.
Trade	<ul style="list-style-type: none"> i) Promote manufacturing sub-sector to increase medium and high-tech Manufacturing Value Added share in total manufacturing by 15%. ii) Promote tourism to attain real growth rate of 6.2%; GDP share 18.3%; share of foreign exchange earnings 21.4%; and share of total employment 12%. iii) To promote mining sector growth to real growth rate of 5.3%; GDP share 3.2%; share of total employment 1.9%;

IPoA targets	National targets and indicators
	share of foreign exchange earnings 10.4%.
Commodities	i) Promotion of creative industries to attain real growth 13.2%; share of GDP 0.7%; share of total employment 0.2%
Private sector development	i) Promote mining and metals sector to increase conditional partnerships both foreign and local (large and small). ii) Promotion of construction subsector growth to real growth rate of 9.6%; GDP share 11.8%; share of Tanzanian companies 60%; share of total employment 3.7%.
Human and social development (education, population and primary health, youth development, water and sanitation, gender equality and empowerment of women and social protection)	i) Coverage of health insurance scheme 50%; coverage of the social security scheme 40%. ii) Access to safe water in rural areas 85%; regional centres and Dar es Salaam 95%. Proportion of rural households with improved sanitation facilities 75%; regional centres, 50% and Dar es Salaam 40%. Non-Revenue Water (NRW) for regional centres reduced to 25%; for Dar es Salaam reduced to 30%. iii) Decrease under-five mortality rate per 1,000 births to 45 deaths; decrease maternal mortality rate per 100,000 live births to 250 deaths; increase life expectancy at birth to 66 years; decrease prevalence of Human Immunodeficiency Virus (HIV) to 3%. iv) Proportion of working population with high-level skills 12.1%; middle-level skills 33.7%. v) Net enrolment ratio: pre-primary 50%; primary 100%; secondary 50%; higher education gross enrolment rate 6.9%; proportion of schools with electricity: primary 30%; secondary 85%; percentage of pupils/students passing: Primary School Leaving Examination 75%; Form IV examinations 90%; Form VI examinations 100%
Multiple crises and other emerging challenges	i) Proportion of energy derived from renewable green energy (50%); increased natural forest cover by 130,000 Ha; 100 million trees planted country-wide; reduction in charcoal consumption in urban areas to 60%; increase the proportion of districts with climate change and disaster risk reduction strategies to 60%.
Mobilizing financial resources for development and capacity building Domestic resources mobilization (ODA, national debt, FDI)	i) Increase real GDP growth 10.0% with per capita GDP increased to USD 1,500 current prices; inflation rate contained at 5%; domestic revenue to GDP ratio at 19%; nominal exchange rate (Tanzanian Shillings (TZS)/USD 1) 2,185.62.

IPoA targets	National targets and indicators
Good governance at all levels	i) Number of corruption cases convicted as a percentage of total number of investigated cases sanctioned for prosecution 23%; proportion LGAs posting public budgets, revenue and actual expenditures on easily accessible public notice boards 100%.

IV. Assessment of progress and challenges in the implementation of the IPoA for the decade 2011-2020

a. Productive capacity

The IPoA set 7 targets related to productive capacity to be achieved by LDCs during the implementation period (Box 1).

Box 1: IPoA targets – Productive sector

- a) Increase significantly the value addition in natural resource-based industries paying special attention to employment generation;
- b) Diversify local productive and export capability with a focus on dynamic value-added sectors in agriculture, manufacturing and services;
- c) Significantly increase access to telecommunication services and strive to provide 100% access to the Internet by 2020;
- d) Strive to increase total primary energy supply per capita to the same level as other developing countries;
- e) Significantly increase the share of electricity generation through renewable energy sources by 2020;
- f) Enhance capacities in energy production, trade and distribution with the aim of ensuring access to energy for all by 2030;
- g) Ensure that the LDCs have significant increase in combined rail and paved road mileage and sea and air networks by 2020.

National infrastructure

Given Tanzania's relatively underdeveloped infrastructure, this sector has received a significant share of government resources over the past decade to bolster the country's productive capacity. The investments coupled with other strategic interventions have resulted in considerable improvements in the country's transport, energy and communications infrastructure.

Transport infrastructure

Roads

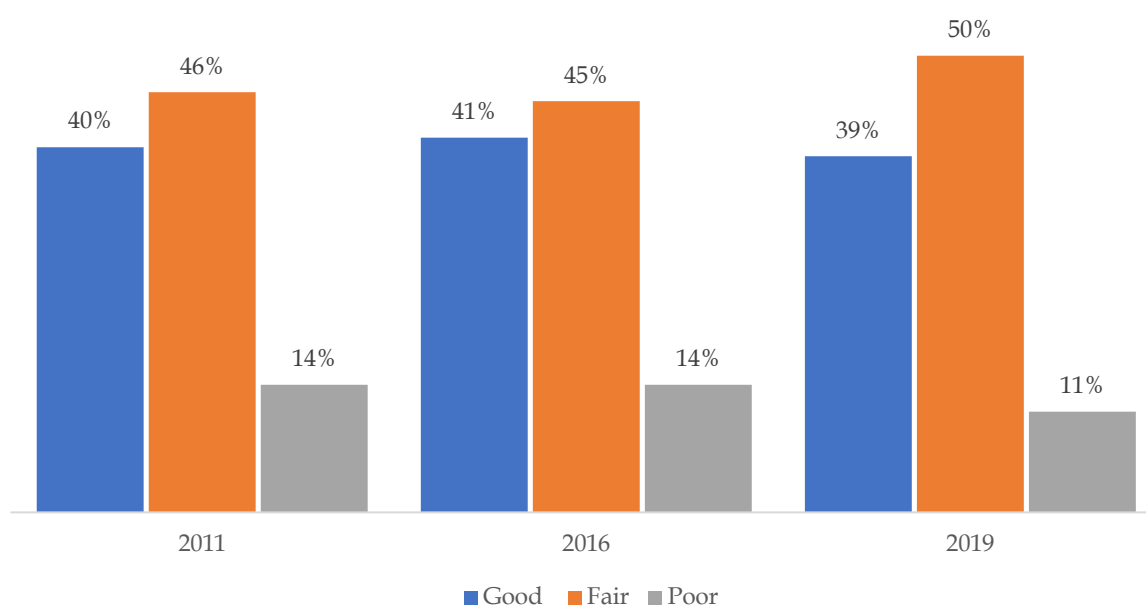
Investments to expand and improve the national road network have been among the Government's top priorities. As of December 2019, the total classified road network in Mainland Tanzania is 92,882.56 kilometres (km) (Table 2). Out of this total, 36,257.97 km (or 39% of the total network) were national roads, comprising 12,222.24 km of trunk roads and 24,035.74 km of regional roads.

Table 2: Road network in Mainland Tanzania (2019)

		Road type	Length (km)	% of total network
Trunk roads	Paved		8,210.84	13
	Unpaved		4,011.40	
Regional roads	Paved		1,541.23	26
	Unpaved		22,494.51	
Total national roads			36,257.97	39
Total local roads			56,624.59	61
Total roads network (km)			92,882.57	100

Source: Tanzania National Roads Agency (TANROADS)/Tanzania Rural and Urban Roads Agency (TARURA)

The road network condition has improved during the period under review with the proportion of paved national roads increasing from 8% (2011) to 27% (2019). The proportion of trunk and regional roads in fair condition has increased from 46% to 50% over the same period. The marginal decline in the proportion of the road network in good condition (Figure 2) was the result of heavy rains from late 2019 to early 2020. It is, however, worth noting that the total road network has increased by 6,410.57 km over the 2011-2019 period.

Figure 2: Condition of trunk and regional roads (2011-2019)

Source: TANROADS

The improvement in road network condition can be largely attributed to increased public investment in road construction, rehabilitation and maintenance. The road construction budget has increased exponentially from TZS 367.8 billion in 2010/11 to

TZS 1,136 billion in 2019/20, and the rehabilitation and maintenance budget from TZS 221.6 billion to TZS 862.4 billion over the same period. Increased public investment in the infrastructure sector has, therefore, enabled Tanzania to undertake major road construction projects including bridges and flyovers, some of which have been completed. Other important interventions undertaken have included:

- i) Enhancing the road subsector's policy, legal and regulatory frameworks, including the enactment of the East Africa Vehicle Load Control Act (2016) and Land Transport Regulatory Authority Act (2019); and
- ii) Strengthening institutional frameworks and capacities, including the establishment of Tanzania Rural and Urban Roads Agency (TARURA) in 2017, and the reorganization of the Surface and Marine Transport Regulatory Authority (SUMATRA) to establish the Land Transport Regulatory Authority (LATRA) in 2019.

Other reforms have included strengthening road safety by increasing axle-load control supervision through the construction of weigh-in motion facilities and One-Stop Inspection Stations (OSIS) to reduce road infrastructure damage caused by overweight vehicles.

Similarly, by 2018, a total of 1,261.7 kilometer of road were constructed in Zanzibar. Of this total, 775.3 kilometer are paved roads (up from 668 kilometer in 2013) and 486.40 are unpaved (see Table 3). The newly constructed and rehabilitated roads have increased the movement of people and goods from one place to another including from remote areas. This is evidenced by the number of public transport routes (*daladala* and rural passenger transport) that have increased from 14 routes in 2001 to 106 routes in 2018. However, data further show that about 83% of the feeder roads in Zanzibar remain unpaved.

Table 3: Road Network in Zanzibar (km) (2018)

	Total	Paved	Unpaved
Trunk roads	352.7	318.9	33.8
Urban roads	549.7	351.6	198.1
Rural roads	67.5	55.5	12
Feeder roads	291.9	49.37	242.5
Total	1261.71	775.31	486.4

Source: Office of the Chief Government Statistician (OCGS)

Rail

The country's rail system has a total length of 3,682 kilometer, of which 2,707 kilometers are owned and operated by the Tanzania Railways Corporation (TRC). The Tanzania-Zambia Railway Authority (TAZARA), which is co-owned by the Governments of Tanzania and Zambia, has a total length of 1,860 kilometer, of which 975 kilometers are located in Tanzania. The two rail systems link 14 Mainland regions. The two systems operated at much higher capacity, close to 1.5 million tonnes per year during the period 1995 to 2002, but performance has been declining since then. In 2014, an average of 2.9% of bulky cargo in Tanzania was transported by rail. This decline has been due to inadequate investment in the maintenance and rehabilitation of railway tracks as well as inadequate rolling stock. Several measures are being undertaken to address this situation, which are detailed in the sections below.

Rehabilitation of the central railway line

The Government through TRC is implementing the Tanzania Intermodal and Rail Project (TIRP) that aims to deliver a reliable, open-access infrastructure on the central railway line. The project is rehabilitating the Dar es Salaam-Isaka segment of the line to achieve a minimum permissible axle load capacity of 18.5 tons per axle, re-laying the 970 km of railway line with 80 pound/yard rail, and procuring rolling stock. The Government has also invested in constructing the Mwanza and Shinyanga inland container depots to facilitate cargo handling.

Improvement of rolling stock

The Government has been striving to ensure that existing meter gauge railways resume operations effectively. Efforts being taken include:

- Re-manufacture of 14 shunting locomotives;
- Rehabilitation of 307 freight wagons, 20 commuter coaches and 13 long-distance passenger coaches; and

- Procurement of 44 container carriers, 22 new passenger coaches and 3 new locomotives.

Construction of a new central standard gauge railway line

The construction of phase one of the new central standard gauge railway line, with a total length of 1,219 kilometer, is at an advanced stage. Construction is being undertaken in five sections, namely, Dar es Salaam-Morogoro (300 kilometer), Morogoro-Makutupora (422 kilometer), Makutupora-Tabora (294 kilometer), Tabora-Isaka (133 kilometer), and Isaka-Mwanza (246 kilometer). The construction of the Dar es Salaam-Morogoro and Morogoro-Makutupora sections (totaling 722 kilometer) is underway. The government has also secured financing and signed contract for construction of Mwanza – Isaka (km 341) section and efforts to mobilize resources for the remaining 2 sections are ongoing.

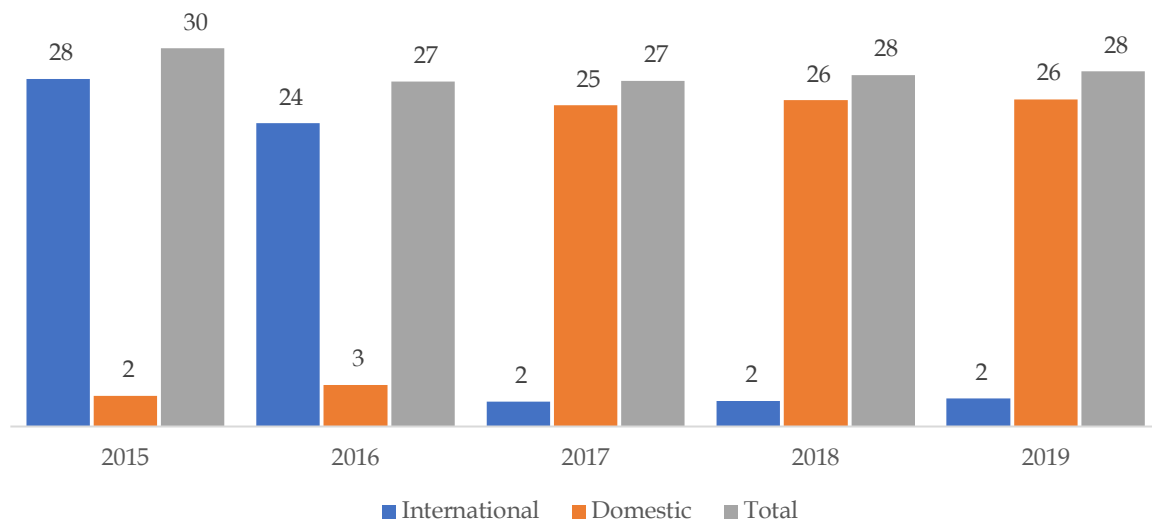
Urban commuter railway system

The Government has introduced commuter train services in the City of Dar es Salaam. These services have reduced traffic congestion with the number of passengers increasing each year. The Government has also concluded the feasibility study and preliminary design for constructing new commuter railway lines that will connect the city of Dar es-Salaam with neighbouring towns. A feasibility study and preliminary design for construction of new commuter railway lines in Dodoma, the capital city, are also advancing.

Air transport

Tanzania has a total of 541 airports/aerodromes/air strips, including four international airports: Julius Nyerere International Airport (Dar es Salaam), Kilimanjaro International Airport, Mwanza International Airport and Abeid Amani Karume International Airport (AAKIA) in Zanzibar. The air transport subsector plays an important role in boosting the country's economy, particularly in the tourism sector and horticulture subsector. In recent years, the country's air transport services have improved significantly as a result of the increase in licensed service operators/providers from 54 in 2011 to 111 in 2019. Tanzania has signed Bilateral Air Service Agreements (BASAs) with 74 countries, but only 19 countries have their airlines offering services with Tanzania through these agreements. In Mainland Tanzania, air cargo freight has been above 26,085 tons for the past five years, increasing to 28,202 tons during the financial year ending June 2019 (Figure 3).

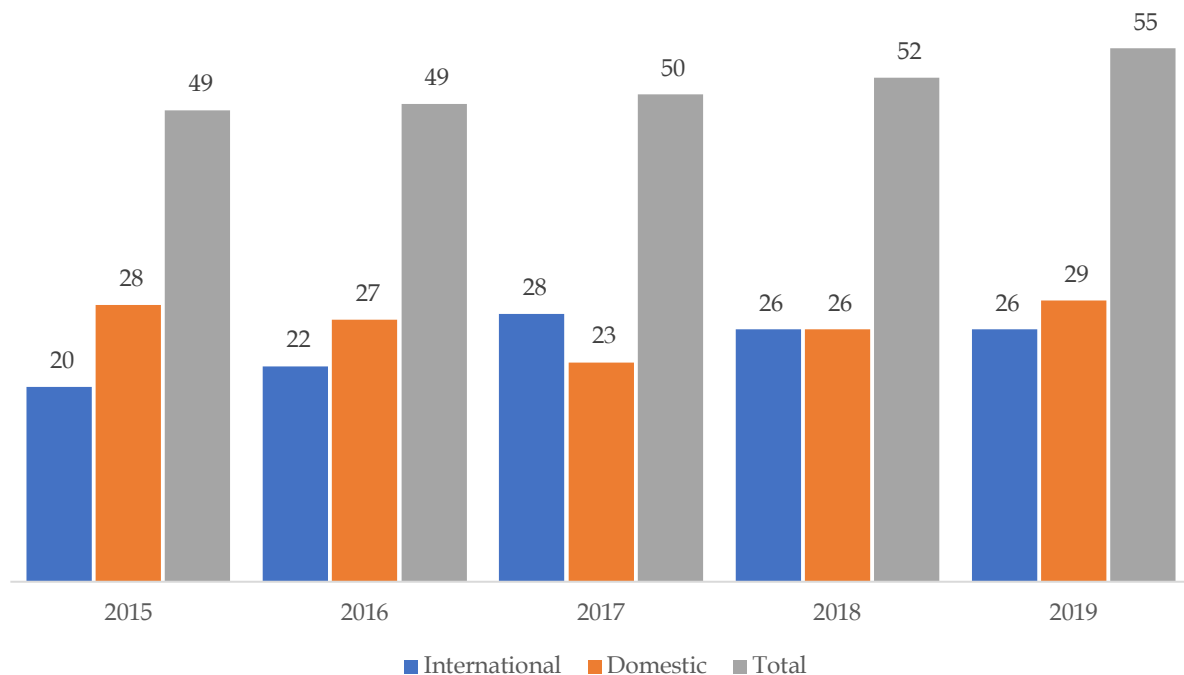
Figure 3: Cargo transported by air ('000 tons)



Source: Statistical Report (2019)

The number of air passengers has increased significantly from 5.1 million (2017) to 5.5 million (2019), equivalent to an increase of 7.8% over this two-year period (Figure 4). The number of international passengers reached 2.8 million in 2017, with the number of domestic passengers increasing from 2.3 million in 2017 to 2.9 million in 2019.

Figure 4: Number of passengers in 100,000 (air transport)



Source: Statistical Report (2019)

In Zanzibar, over the past 20 years, the Revolutionary Government of Zanzibar

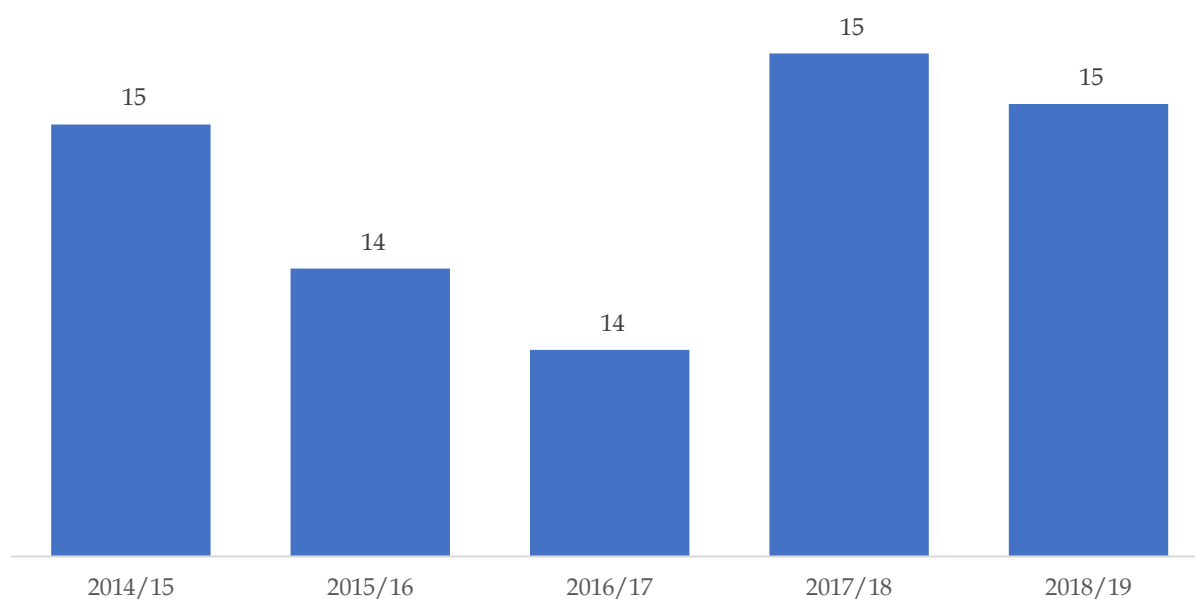
(RGoZ) has invested in upgrading and maintaining airport and seaport facilities. The upgrading of terminal II, construction of the new terminal III, expansion of the runway (to a length of 3,022 metres and width of 45 metres), and extensions of the apron and taxiway at the AAKIA have increased the capacity and numbers of passengers at the airport. The Pemba airport has also been renovated, including the expansion of the runway from 1,500 metres to 2,300 metres, extension of the apron, installation of runway lights, and upgrading of the terminal building including the passenger waiting room. These investments have allowed the airport to operate 24 hours a day. In addition, the RGoZ with support from the African Development Bank (AfDB) has concluded the feasibility study and the design for the construction of a new modern airport in Pemba.

As a result of these investments, the number of passengers (transit, embarked and disembarked) has increased from 994,171 (2014) to 1,600,919 (2019). The number of aircraft movements (domestic and international; scheduled and non-scheduled) has also increased from 119,832 to 130,115 over the same period. The average time spent for departing passengers at the AAKIA is 37 minutes, lower than the 40 minutes maximum time set by International Air Transport Association (IATA). Average time taken for arriving passengers at AAKIA is 44 minutes, slightly above the 40 minutes standard time set by IATA.

Ports

Tanzania has 4 major seaports (Dar es Salaam, Zanzibar, Tanga and Mtwara), 3 minor seaports (Kilwa, Mafia and Lindi) and 3 major lake ports (Mwanza, Kigoma and Kyela). The Dar es Salaam port is the largest port in Tanzania, handling most of Tanzania's international trade, amounting to approximately USD 15 billion of merchandise annually (equivalent to 6.8% of Tanzania's GDP in 2014). The cargo being handled by the Dar es Salaam port has increased by an average of 26,463 metric tons per annum, from 14.8 million tons (2014/15) to 14.9 million tons (2018/19) (Figure 5). The trend is an outcome of the ongoing modernization including the deployment of new and modern cargo handling equipment. Reforms to improve business environment are also contributing factors and have included measures such as increasing port operations from 12 to 24 hours.

Figure 5: Total cargo handling at the Dar es Salaam port (million metric tons)



Source: Tanzania Ports Authority (TPA)

Through the ongoing efforts to deepen and widen the port's quay side, the entrance channel and turning basin, improvement in customs procedures and the use of modern container handling equipment, the country has managed to reduce the container dwell time from 10.3 days (2014/15) to an average of 9.8 days (2018/19). Despite of these improvements, efficiency is still below the internationally acceptable standard of maximum 3 days.

Similar efforts to improve port performance have been undertaken in Zanzibar including: expansion of passenger and cargo handling capacity at the Malindi seaport, and preparations for construction of new ports at Mpiga Duri and an oil and gas port at Manga Pwani. These efforts were accompanied by the procurement of a new passenger ship (MV Mapinduzi II) and an oil tanker (MV Ukombozi II) with carrying capacity of 3,500 tons of oil. The RGoZ has also procured five (5) landing craft for transportation at Tumbatu, Kisiwa Panza, Fundo, Kojani and Makoongwe islets.

Transport sector challenges

Several challenges limit the optimal contribution of the transport sector to national GDP. These include:

- i) Inadequate resources to invest in high priority infrastructure projects, including the construction of the standard gauge rail line between Dar es Salaam and Mwanza, and in repairing and maintaining existing transport

infrastructure.

- ii) Shortages of highly experienced specialists to sustain the ongoing investments in the transport subsectors. For example, shortages of pilots and aircraft engineers remain a challenge for Air Tanzania Company Limited (ATCL) considering the significant investment already committed by the Government.
- iii) High maintenance costs due to frequent flooding on parts of the rail network, for example, along the Kilosa-Gulwe section of the central line.
- iv) Inadequate systems and technologies affecting regulatory functions in commercial shipping.
- v) Lack of a national network of meteorological stations, which limits the availability of accurate and up-to-date geographical data and affects sub-regional forecast services, as well as inadequate resources to replace existing mercury equipment with automated weather measurement systems.
- vi) Climate change which has affected climate patterns and, in turn, agricultural seasons, and damage to infrastructure through extreme weather events.

Energy infrastructure

As of 2019, the installed electricity capacity in Tanzania was 1,601.8 MW, comprising 1,565.7 MW connected to the national grid and 36.1 MW off grid. The country's installed electricity capacity has increased by 63.3% since June 2011. The current grid installed capacity comprises 573.7 MW of hydropower, 892.7 MW from natural gas, 88.8 MW from heavy fuel oil (HFO) and diesel, and 10.5 MW from renewable energy.

Access to electricity has increased from 67.8% to 84.6% between 2016 and 2019. Access to electricity in urban areas is almost universal (99.2%), and in rural areas, accessibility has improved ten-fold from 6.6% (2011) to 70% (2019). However, the connectivity level, i.e., percentage of households connected to electricity, is 32.8% (urban areas, 65.3%; rural areas, 16.9%). The Government intends to increase the connectivity level to 75% in urban areas and 50% in rural areas by 2025. In Zanzibar, connectivity has increased from 25.2% (2004/05) to 44.2% (2014/15). By 2019, over 84% of villages in Zanzibar were electrified. For small isles, such as Tumbatu and Kujani, deliberate efforts have been undertaken to provide electricity through solar generation.

Increased oil and gas exploration activities from the mid to late 2000s resulted in the discovery of massive natural gas reserves. As a consequence, Tanzania's proven reserves increased from 26.99 trillion cubic feet (tcf) in 2011/12 to 57.54 tcf in 2019 (of which 47.13 tcf is off-shore and 10.41 tcf is on-shore). The discoveries have provided Tanzania with a number of opportunities with respect to energy sector development in particular and socio-economic transformation in general. Importantly, the increased availability of natural gas has enabled the country to diversify its energy mix away from more costly and environmentally harmful sources such as diesel and HFO. Natural gas production has increased by 24%, from an average of 37 billion cubic feet per annum (2015) to 46 billion cubic feet (2019). Increasing utilization of gas for industrial, domestic and other uses has also been observed.

Increased Government investments in the energy sector together with enhancements in the policy, legal, regulatory and institutional frameworks for the sector have been the key factors behind the improvements in energy accessibility over the past decade. The Government has put in place a number of policies for the sector, including the Natural Gas Policy (2013), Energy Policy (2015) and Local Content Policy (2015). The Government has also enacted relevant legislation, including the Petroleum Act 2015, Oil and Gas Revenue Management Act 2015, Tanzania Extractive Industry Transparency Initiatives (TEITI) Act 2015 and the Electricity Market Regulations 2016. Other efforts to strengthen the sector's regulatory environment have included the introduction of new regulatory bodies, including the Petroleum Upstream Regulatory Authority (PURA).

Other interventions have included investments in the major electricity generation projects of Kinyerezi I (150 MW), Kinyerezi II (240 MW), Nyakato Mwanza (60 MW), Mwenga-Iringa HFO plant (4 MW), Julius Nyerere Hydro Power Project (2,115 MW) and Rusumo 80MW. Geothermal initiatives are also being pursued through the newly established Tanzania Geothermal Development Company (TGDC). In addition to investment in generation capacity, several projects have been implemented to strengthen energy transmission and distribution, including natural gas transmission infrastructure (Mtwara and Songosongo natural gas pipelines to Dar es Salaam), development of a liquefied natural gas (LNG) plant in Lindi region, and rural electrification through the implementation of Rural Energy Agency's (REA) Turnkey Phase III.

Energy sector challenges

Despite recent interventions, several challenges characterize the energy sector in Tanzania. They include: managing public expectations on the discovery of oil and

gas reserves; meeting increasing power demand in the country; the volatility of the oil price in the world market; sustainable and effective utilization of available resources while conserving the environment; and inadequate resources and delays in funds disbursement, especially for project implementation.

Ongoing priorities in the energy sector

The ongoing priorities in the energy sector include:

- i) Increasing electricity production, transmission and distribution by finalizing major projects, including the Julius Nyerere Hydro Power Project (2,115MW), Kinyerezi I – Extension (185MW), North-West Grid Extension 400 kV, and continuation of phase III of the Comprehensive Rural Power Transfer Project through REA;
- ii) Proceeding with the implementation of the oil and gas pipeline projects. They include: Hoima (Uganda) to Tanga pipeline; Tanzania (East African crude oil pipeline (EACOP); Ndola (Zambia) to Dar es Salaam (new Tanzania Zambia Mafuta (TAZAMA) pipeline); and gas distribution facilities to factories and residential areas;
- iii) Developing and strengthening research activities in the oil and natural gas subsector;
- iv) Strengthening the implementation of the Natural Gas Utility Plan (NGUMP) and the Domestic Natural Gas Promotion Plan;
- v) Developing renewable energy projects (heat, wind and solar) as well as investing in efficient use of energy; and
- vi) Ensuring an adequate oil supply in the country.

Science, Technology and Innovation (STI)

Research and Development

The public sector research and development system in Tanzania consists of 62 research institutes specializing in the agriculture, livestock and forestry sector (28), industry (4), medical (11), wildlife and fisheries (4), and higher education (5). There are also a number of private sector research institutions, including the Tea Research Institute of Tanzania (TRIT), Tanzania Coffee Research Institute (TaCRI) and Tobacco Research Institute of Tanzania (ToRITA). With the exception of a small number of low-technology start-up enterprises, the contribution of the private sector to research and development remains limited. The higher education institutions that contribute significantly to national STI performance include the University of Dar es Salaam, Sokoine University of Agriculture, Ardhi University, Muhumbili University of Health and Allied Sciences, and Mbeya University of Science and Technology.

Information and Communications Technology (ICT)

The ICT sector, which expanded by 9.1% in 2018, contributed 1.5% to national GDP in the same year. Currently, 94% of the population access communication services, and efforts have been made to upgrade network in rural areas from 2G to 3G to enable citizens to access internet services easily through the Universal Communication Access Fund (UCSAF). The expansion in telecommunication services has enabled the wider provision of services including mobile money, payment of bills such as water and electricity, payments for various subscriptions, and money transfers. The growth of communication services has also facilitated collection of Government revenue through the Government e-Payment Gateway (GePG). Some notable achievements in the ICT sector are as follows:

- i) Increasing the number of fixed and mobile subscribers from 21.2 million (2010) to 48.9 million in (2020). This increase is attributed to the continued investment in communication services, including in rural areas via the UCSAF.
- ii) Increasing the number of internet users from 5 million (2010) to 26.8 million (March 2020). The increase is partly attributed to the optic fibre cable backbone linking regions and districts across the country. Postal service operators have also increased from 30 to 92 during the same period.
- iii) The number of radio broadcasting centres (Digital Terrestrial Television (DTT), Digital to Home (DTH) and Television (TV) stations) has increased from 7 (2010) to 183 (2020) while TV broadcasting centres have also increased from 25 (2015) to 37 (2020) in Mainland Tanzania. In Zanzibar,

the number of radio stations has increased from 18 (2012) to 30 (2020) and the number of television stations from 8 (2012) to 17 (2020).

National ICT Broadband Backbone (NICTBB)

NICTBB is being implemented in five (5) phases. Phases I and II and sub-phase I of phase III have been completed. Phases I and II involved the construction of 7,560 km of NICTBB to cover all regional headquarters, cross-border connectivity to the neighbouring countries of Kenya, Uganda, Rwanda, Burundi, Zambia and Malawi, and international connectivity to the submarine cables of the Eastern Africa Submarine Cable System (EASSy) and Seacom. Phase III sub-phase I involved the construction of an Internet Protocol (IP)/Multiprotocol Label Switching (MPLS) layer on top of the core NICTBB, a connected optical fibre cable (OFC) between Mainland Tanzania and Zanzibar, and the first national data centre in Dar es Salaam, which is operational as a tier 3 data centre. The implementation of Phase III sub-phase II will involve the expansion of NICTBB networks to all district headquarters as well as the construction of national data centres in Dodoma and Zanzibar. The Government is engaging the private sector under a public-private partnership (PPP) arrangement to construct ICT infrastructure that includes metro fibre networks in urban areas, and the construction of missing links through a consortium of operators. Through this initiative, a total of 2,595 km (missing links: 2,020km and metro: 575km) have been deployed as phase IV of the NICTBB.

Other systems and infrastructure have been deployed by the Government to enhance the capacity of the NICTBB so as to improve business processes and the living standards of the general population. These include:

- Installation of video conferencing facilities in 31 regions, rural connectivity coordinated by the UCSAF, last-mile connectivity through operators, including the Higher Education and Research Institutes (HERI) connectivity, which connects 28 institutions (involving 31 sites) to the NICTBB with coverage of 127 km in total and a number of cores based on each institution's setup;
- Government Communications Network (GOVNET), which connects 149 institutions to the independent Government communications network;
- e-schools initiative, including equipping 129 public secondary schools with ICT equipment, information systems, such as birth and death registrations and e-procurement; and
- Other data centres, including the National Identification Authority (NIDA), National Electoral Commission (NEC) and National Health Insurance Fund

(NHIF).

National infrastructure challenges

Despite advances made with respect to transport, energy and ICT infrastructure, Tanzania still faces a number of challenges. They include:

- i) Rapid technological advancement, which demands huge resources to acquire modern equipment and new skills;
- ii) Inadequate capacity of local contractors in terms of finance and equipment to take up major construction works, which leads to high costs and/or delays in implementation of programmes;
- iii) Climate change and environmental disasters, especially heavy rainfall, which affect the condition of roads and result in unplanned road maintenance needs;
- iv) Increased rate of vehicle overloading, which causes premature deterioration of roads and bridges;
- v) Increased use of substandard super single tyres on trucks, which adversely impacts road infrastructure;
- vi) High compensation costs due to increased land values, which delays implementation and/or increases project costs;
- vii) High construction costs due to the need to relocate utility assets from the project construction sites;
- viii) Vandalism of infrastructure, which increases road maintenance and rehabilitation costs;
- ix) Inadequate flow of funds to facilitate expanding investment in communication facilities in rural areas;
- x) Inadequate supportive environment for private sector to invest in the communications sector;
- xi) Rapid technological growth globally, leading to increases in the need for financial resources to invest in the communications sector; and
- xii) Increasing incidence of cybercrime.

Land sector

Regularized properties in unplanned settlements

Despite having policies and laws regulating urban settlements, unplanned settlements have been on the rise. The rising number of unplanned settlements is an outcome of the slow pace in delivering on planning schemes as well as financial and human resource constraints to implement such schemes. The increasing number of unplanned settlements has negative repercussions, including intensifying environmental pollution in urban areas. From 2011/12 to 2019/20, the number of approved plots in layouts was 1,714,780. However, in recent years, the number of land parcels regularized has been increasing following deliberate Government efforts to implement land formalization projects. As a result, 715,603 plots in various LGAs were regularized over the past ten years, which is equivalent to an average annual rate of 71,560 plots. Such progress is also attributable to the involvement of the private sector in the regularization exercise. Other notable achievements include the introduction of 26 regional land offices and the continued improvement of the country's 185 land council offices by equipping the offices with basic equipment, furniture and financial resources to undertake land planning, surveying and titling.

Land use planning and management

Land use planning is carried out at national, zonal, regional, district and village levels under the supervision and guidance of the National Land Use Planning Commission (NLUPC). Land use planning at the village level involves zoning and demarcating different land uses, enhancing security of land tenure, and detailed management planning. Data show that up to May 2020, only 18.6% of villages in Tanzania had land use plans and 35.2% districts had land use framework plans.

Urban land use planning and management

Urban planning and implementation are largely done by planning authorities (city councils, municipal councils, town councils and township authorities) with supervision and coordination from the central Government. Sustainable development, growth and control of urban areas are guided by general and detailed planning schemes. Over the years, the Government has managed to prepare and approve general plan schemes for 24 towns. In most cases, the detailed planning scheme is used in almost all urban areas to prepare land use plans. This planning process is participatory. Since 2015/16, the Government has set the target of approving about 2,000 detailed planning schemes (town planning drawings) each year. From 2015/16 to 2019/20, the Government had prepared and approved 6,143 detailed planning schemes with the total number of 1,456,548 plots, (equivalent to 1,228 schemes per year), focusing on village settlements and designated urban

centres. At the intermediate level, there is rapid growth of settlements, including expanding township centres which are yet to be declared planning areas.

Land sector related challenges

Despite the observed achievements, several challenges constrain the land sector. They include:

- i) A weak land development control mechanism both at national and local government levels (planning authorities). As a result, the problem of haphazard development and mushrooming of informal settlements persist.
- ii) Slow pace in the development of village land use plans compared to the number and needs of villages. As a result, social conflicts occur as well as increased environmental concerns associated with over-use of land for farming, livestock, timber, firewood and charcoal production especially due to the pressures of both a rising population and livestock numbers.
- iii) Limited data sharing mechanisms across organizations in the land sector, which leads to limited exchange of spatial information for environmental analysis, transport planning, logistics, physical planning, land administration, and control systems for emergency services.
- iv) Inadequate financial and human resources for preparing base maps, general planning schemes and detailed planning schemes.

To address the aforementioned challenges, the Government will implement the following measures:

- i) Installing an integrated land management information system or digitizing land administration and management services across the country;
- ii) Improving land tenure security across the country through implementation of land tenure improvement projects that address informal urban and rural settlements through regularizing land tenure;
- iii) Scaling up land planning, surveying and titling through implementation of planning, surveying and titling programme;
- iv) Continuing to decentralize land administration services to regions and districts to ensure that they are affordable to citizens, especially the poor;
- v) Modernizing geodetic reference frames;
- vi) Harmonizing laws and removing overlaps of duties and functions on land planning and management, and improving multi-sectoral linkages;
- vii) Capitalizing the compensation fund;

- viii) Modernizing the production of base maps and other spatial data;
- ix) Developing national spatial data infrastructure;
- x) Strengthening the land management information system by improving district land registry offices; and
- xi) Enhancing human resource capacity in delivering quality land services especially hydrography, ICT and photogrammetry for the land sector.

b. Agriculture, food security and rural development

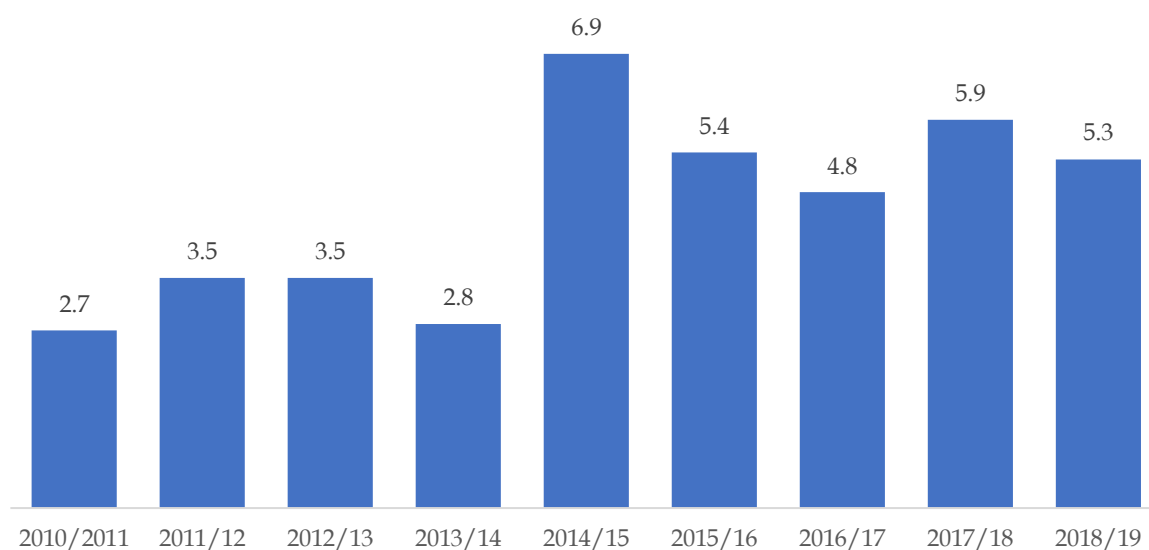
Box 2: IPoA targets – Agriculture, food security and rural development

- a) Make substantial progress towards eradicating hunger by 2020.
- b) Substantially increase in investment in rural infrastructure.
- c) Ensure access to safe food and emergency food assistance.

Agriculture sector performance

The agricultural sector in Tanzania accounts for about 28.2% of GDP and about 24% of export earnings. The sector also provides about 65% of raw materials to industries. In recent years, employment in agriculture has declined from 75% to 58% due to growth in the services and industrial sectors. Annual real agricultural growth rate has averaged 5.1% for over nine years (2010/11-2018/19) (Figure 6). The sector grows at a higher rate than the annual population growth rate of 2.8%, but slower than the overall economy, which grows at 7% annually. There are compelling signs of agricultural transformation with the rise of medium-sized farms (of between 5 to 20 hectares in area) from 23% of all farms in 2008 to 35% in 2014. Transformation is also taking place in the nation's food system with food items more often purchased and more processed.

Figure 6: Annual growth rate in the agriculture sector (%)



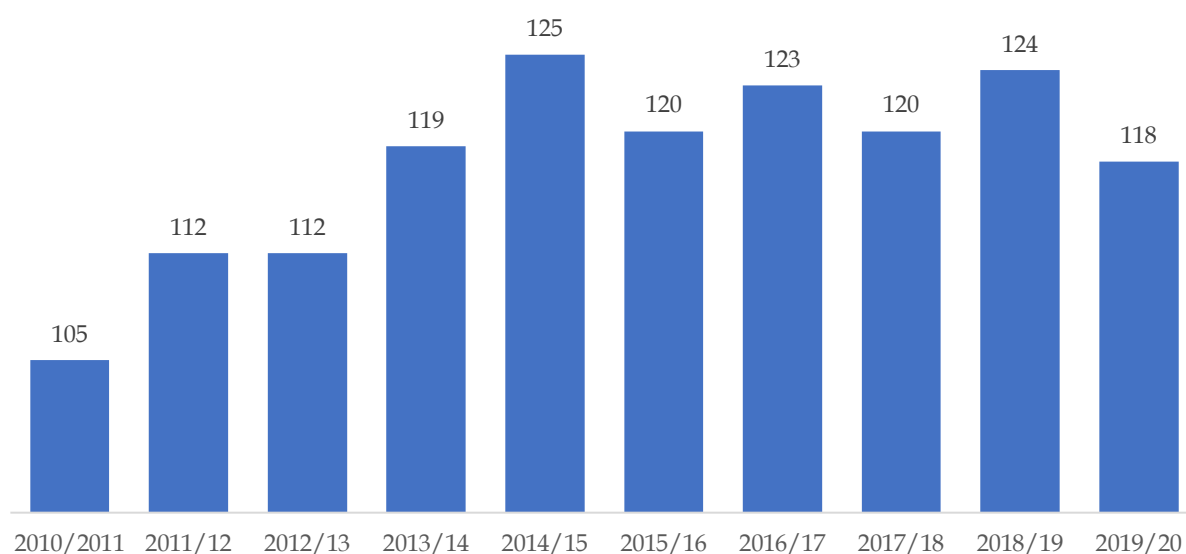
Source: NBS

Food self-sufficiency

Over the last decade, the country has been food secure with the Self-Sufficiency Ratio (SSR) exceeding 99%.² In line with IPoA targets, the country has succeeded in raising SSR from 105% (2010/11) to 118% (2019/20). This implies that Tanzania is food self-sufficient (Figure 7). The increased level of stocking by the National Food Reserve Agency (NFRA) has also contributed to ensuring food security in the country. To further strengthen food security and address the possibility of food vulnerability, Tanzania has developed an Agriculture Climate Resilience Plan (ACRP) 2014-2019 and is currently developing the national strategy for climate change adaptation and resilience of dry land farming systems.

² At the national food security planning scale, food security is measured in terms of SSR. SSR is derived by comparing production and consumption requirements of all food crops converted into grain equivalents. SSR ranges of 0-99, 100-119, and > 120 represent food shortage, food self-sufficiency, and food surplus, respectively.

Figure 7: Tanzania food self-sufficiency trend 2010/11-2019/20 (%)



Source: Ministry of Agriculture

In Zanzibar, significant progress has also been made in food self-sufficiency and food security. It is an outcome of increased food crop, livestock and fisheries production as well as increased agricultural products for export. For example, the application of modern technology in paddy irrigation has increased rice production over the last 15 years from 15,935 tons (2005) to 46,472 tons (2019). To further enhance productivity, the RGoZ, in collaboration with the World Bank and the EXIM Bank of Korea, has invested about USD 70 million to raise annual paddy production to 80,000 tons by 2024. The investment aims to increase the coverage of irrigation infrastructure in Zanzibar by over 200% from the current 810 hectares to 2,457 hectares in different locations across Unguja and Pemba.

Food security and rural development initiatives

Over the implementation period of the IPoA programme, the country has done the following:

i) Improved food and nutrition security

Tanzania is currently implementing the National Multi Sectoral Nutritional Action Plan (NMNAP 2016-2021). As a result, between 2015 and 2018, the proportion of children under five years of age who were stunted declined from 34% to 32%, who were underweight from 3.8% to 3.5%, and who had anaemia from 44.7% to 28.7%.

ii) Increased access to quality seeds

Access to quality seeds has increased substantially from 16,148 tons (2010/11) to 76,726 tons (2019/20) due to the improved seed systems in the country. In 2016, Tanzania joined the Organisation for Economic Cooperation and Development (OECD) Seed Schemes, and, in 2018, the National Seed Testing Laboratory in Morogoro under the Tanzania Official Seed Certification Institute (TOSCI) was accredited by the International Seeds Testing Association (ISTA). Consequently, the country can now participate in the international trade of seeds.

iii) Increased availability of fertilizer

The supply of fertilizer has increased from 302,200 tons (2010/11) to 604,978 tons (2019/20). The increase is an outcome of the improvement and application of the bulk procurement system, which reduces the cost of fertilizers and increases the availability, distribution and access to fertilizers by smallholder farmers.

iv) Mechanization

In Tanzania Mainland, the use of agricultural machinery in land cultivation has increased. The area cultivated by tractors increased from 12% (2010/11) to 20% (2019/20), while the area cultivated by draught animals increased from 24% to 27% over the same period. In Zanzibar, the Government's agency for tractors and farm machinery services has been established to increase the use of tractors and other extension services. Since its establishment, repairs and maintenance of agricultural machinery and equipment, including tractors have been delivered on time. To meet the capacity required and farmers' demand, ongoing efforts are being made to raise the number of tractors in Zanzibar from 47 to 100.

v) Irrigation

The country's surface and underground water resources have the potential to irrigate 2.3 million hectares. During the IPoA implementation period, some progress has been made but not to the desired level. Total area under irrigation has increased from 345,690 hectares to 694,715 hectares between 2010/11 and 2019/20. Zanzibar is currently implementing a paddy production improvement project, which is expected to expand the irrigation infrastructure coverage from the current area of 810 hectares to 2,457 hectares by 2024.

vi) Storage facilities

Tanzania has been implementing various programmes and projects, including the Agriculture Sector Development Programme (ASDP), Sasakawa Global 2000, District Agricultural Development Plans (DADPs), and the District Agricultural Sector Investment Project (DASIP). Through these projects, a total of 3,864 storage facilities were constructed and/or rehabilitated. Also, through Collective Warehouse Based Marketing Schemes (COWABAMA), the country aims to increase smallholders' access to warehouse facilities, which, in turn, should scale down post-harvest losses. The initiative has demonstrated promising results. Other efforts include expanding paddy storage facilities through the implementation of the Expanded Rice Productivity Project (ERPP). The NFRA is also expanding its emergency food storage capacity from the existing 251,000 tons to 501,000 tons by the end of 2020.

Agriculture sector related challenges

Challenges that continue to constrain the development of Tanzania's agriculture sector include:

- i) Low productivity due to limited use of technology and inadequate extension services;
- ii) Inadequate access to financial services, particularly in rural areas;
- iii) Dependence on rain-fed agriculture and continued reliance on hand-hoe driven agriculture;
- iv) Inadequate agricultural marketing infrastructure and weak agricultural marketing risk management systems;
- v) Inadequate infrastructure for agriculture development, including storage facilities, rural roads and irrigation infrastructure;
- vi) Low private sector investments in the agriculture sector; and
- vii) Low quality of agricultural products.

Mitigation measures

To ensure progress of the sector, Tanzania has taken, and continues to take, a number of measures, including updating and implementing policies, strategies, plans and guidelines that aim to foster gender equality and empower women and youth in the sector. Policies and guidelines that have been recently introduced or updated include the National Agriculture Policy 2013, National Plan of Action to End Violence Against Women and Children (NPAVAWC) 2017/18-2021/22, Guideline for Gender Mainstreaming in Agriculture 2015, National Strategy for Youth Involvement in Agriculture 2016/17-2020/21, and the flagship Agricultural Sector Development Programme Phase II (ASDP II). The ASDP II aims at transforming the agricultural sector (crops, livestock and fisheries) towards higher productivity, greater commercialization and increased incomes for smallholder farmers.

Tanzania is already experiencing a number of climate change challenges that are threatening the livelihood of its citizens and the national economy. Thus, the Government launched the National Climate Change Strategy (NCCS) in 2012 for Mainland Tanzania and the Zanzibar Climate Change Strategy (ZCCS) was launched in 2014. The overall objective of the strategy is to enhance technical, institutional and individual capacities to address climate change challenges. The strategy was developed in response to the growing concerns of the negative impact of climate change and climate variability on the country's social, economic and physical environment. To implement the strategy, the Government has developed the Tanzania Climate Smart Agriculture Programme 2015-2025 as part of the Agriculture Climate Resilience Plan 2014-2019, which has six strategic priorities as follows: i) improved productivity and incomes; ii) building resilience and associated mitigation co-benefits; iii) value chain integration; iv) research for development and innovation; v) improving and sustaining agricultural advisory services; and vi) improved institutional coordination.

Industrial sector

The contribution of the industrial sector to the national GDP for the year 2019 was 8.5% compared to 8.1% in 2018, an increase of 0.4 percentage points. Between 2015 and 2019, a total of 8,477 new manufacturing firms were established in Tanzania, of which 201 were large-scale, 460 were medium-sized enterprises, 3,406 were small firms, and 4,410 were micro firms. New enterprises included Kilimanjaro Cement, Fujian Hexingwang Industry Co. Ltd, KEDA Ceramic Ltd, Kairuki Pharmaceutical, Zesta Pharmaceutical, 21st Century Food Processing, Sayona Fruits Ltd, Inhemeter

Co. Ltd and Europe Inc. The establishment of new firms and expansion of existing ones has increased employment from 254,786 (2015) to 306,180 (2018), equivalent to an increase of 20.2%.

Interventions to advance the industrial sector

The URT is committed to transform the economy to become semi-industrialized by putting in place the necessary prerequisites for the effective development of industries. Government efforts have focused on industries that use local inputs in production. Initiatives have included:

- i) Implementation of the Blueprint for Regulatory Reforms, a policy document guiding Government efforts to improve the business environment so as to increase foreign and local investments in the industrial sector.
- ii) Investments in infrastructure including roads, water, electricity and ICT.
- iii) Implementation of FYDP II, which has a dual focus of economic growth and transformation, and human development. The Plan therefore includes growth-focused interventions geared towards transforming Tanzania into a middle-income country through industrialization, and human development-focused interventions to reduce poverty and improve living standards.

Industrial sector related challenges

Challenges facing the Government in pursuing its industrialization agenda include:

- i) Unstable markets for industrial products;
- ii) Technological gaps and constraints in accessing modern production methods;
- iii) Financial constraints for startups and SMEs; and
- iv) Dumping and importation of products at low prices resulting in unfair competition for domestic industrial goods.

c. Trade

Box 3: IPoA targets – Trade

- a) Significantly increase the share of LDCs' trade in global trade with the aim of doubling the share of LDCs' exports in global exports by 2020, including broadening LDCs' export base.
- b) Make substantial efforts for an early and successful conclusion of the Doha round of trade negotiations with an ambitious, comprehensive, balanced and development-oriented outcome.

Trade performance

Tanzania's share of total world trade averaged 0.026% between 2011 and 2019. Tanzania's foreign trade value (merchandise and service receipts) was USD 8,395 million in 2018, an increase of 12.5% increase from USD 7,461.3 million in 2011. The services sector (notably the tourism, transportation and communications sectors) contributed about 70% of the recorded growth. For example, receipts from tourist travel services was USD 2.4 million in 2018 compared with USD 1.5 million in 2011, equivalent to a 68.1% increase. The country has also increased the export of 'dynamic products', such as fish, oil seeds, vegetables and spices.

Tanzania has also recorded an increase in intra-regional trading activities from USD 574.3 million in 2009 to USD 750.4 million in 2018. Tanzania's trade in goods remained diversified, albeit exporting to only a few countries. In 2018, about 53% of Tanzania's exports were destined for South Africa and India. In terms of imports, more than 35% originate from China and India while in 2018, Tanzania imported goods mainly from Saudi Arabia, China, India, United Arab Emirates (UAE), Norway, Malaysia, Indonesia, South Africa, Switzerland, United Kingdom (UK), United States of America (USA) and Japan. Together, these source countries accounted for 50.1% of all imported goods. The goods imported were largely petroleum from Saudi Arabia and the UAE, and machinery, tractors and electronic products from China.

Zanzibar has also seen a remarkable improvement in trade value. Imports to Zanzibar increased from TZS 58,964 million (2001) to TZS 335,848 million (2018). Export value has also increased from TZS 14,141 million to TZS 58,187 million over the same period.

Strategies to raise the country's share in the world market

Between 2010 and 2019, Tanzania reduced several barriers limiting market access, including 95 out of 110 reported non-tariff barriers (NTBs). Further efforts to improve trade included the use of bar codes, implementation of Export Processing

Zones (EPZ) and Special Economic Zones (SEZ), reciprocal and non-reciprocal trade agreements with various countries along with negotiations around market access issues, and the continuation of export guarantee schemes overseen by the central bank. All of these measures continue to yield positive outcomes. Other initiatives to facilitate trade include:

- Establishment of a commodity exchange market;
- Construction of border markets, including Nyamgali (Tanzania and Burundi), Mtambaswala (Tanzania and Mozambique), Mnanila (Tanzania and Burundi) and Mkenda (Tanzania and Malawi); and
- Expansion of major ports in Dar es Salaam, Tanga and Mtwara.

Lessons learnt

East African Community (EAC) integration has contributed to positive progress in intra-regional trade among member states. The experience from the EAC and the Southern Africa Development Community (SADC), of which Tanzania is a member, shows that limiting restrictions on the free movement of goods, persons, labour, capital and services, and cooperation in trade can promote harmonious balanced development.

Trade sector related challenges

Challenges in the trade sector have included:

i) Technical challenges

Unreliable power supply, use of old machines and equipment; lack of proficient manpower; and inadequate information and communication technology were the most important issues.

ii) Administrative challenges

Issues range from the macro level (policy dimension) to the micro level (firm-specific administrative conditions). With regard to the policy arena, the country's industrial sector is constrained by ineffective policies, particularly because of poor enforcement of laws, complex legal and institutional frameworks, as well as a disapproving attitude towards the use of locally produced goods which has led to overconsumption of foreign products.

iii) Financial challenges

Difficulties in accessing financial resources and the high cost of capital, which can be explained by the fact that firms operate largely on borrowed capital acquired at high interest rates; raw material and other inputs are expensive; depreciation of the nominal exchange rate that adversely affects the cost of imported inputs; and unbearable cost of energy.

iv) Market challenges

Competition from products produced abroad. Some imported goods, which are more price-competitive, are low-quality counterfeits.

v) Policy challenges

Policy hindrances include tax laws, local government bylaws, environmental legislation requirements, etc., payable to both the central and local governments. Among other concerns is the waste disposal question which has not been addressed adequately. Weaknesses in firm-specific policies, comprising among others, the lack of human resource incentives and motivation.

vi) Infrastructure challenges

Limited trade-related infrastructure to fully exploit the country's potential to utilize its diverse resources to produce goods and services for African markets.

d. Commodities

Box 4: IPoA targets—Commodities

- a) Highlight actions towards the reduction of vulnerabilities associated with external economic shocks, such as commodity price volatility.
- b) Progress towards greater productivity and vertical diversification. When appropriate, policies and actions oriented towards reducing commodity dependence should be highlighted.
- c) Indicate resource management strategies as well as sector and commodity-specific measures that have contributed to maximize benefits derived from the national resource base and increase value retention.

Most of Tanzania's exports are natural resources that experience price fluctuations in the international market. Commodity booms and busts affect prices and hence the amount of foreign exchange that the country earns, which, in turn, impacts the ability to finance development projects. Measures taken to address vulnerabilities associated with external shocks and commodity price volatility include: 1) initiatives to increase productive capacity; 2) increasing value addition to export products; 3) capitalizing on the services sector by strengthening the financial sector; and 4) increasing the efficiency of ports. In addition, with the objective to improve the trade of commodities, the Tanzania Mercantile Exchange's PLC was established in 2018, which provides a platform for buyers and sellers can come together to trade, assured of quality, quantity, payment and delivery.

The Government has also introduced a series of legislative, policy and regulatory reforms to improve natural resource management, including the National Natural Gas Policy 2013 that governs the exploration and exportation of natural gas products. The Government also formulated laws that govern the exploitation of, and management of oil and gas revenues. The laws include: Oil and Gas Revenues Management Act (OGRM) 2015, Tanzania Extractive Industries (Transparency and Accountability) (TEI) Act 2015, and the Petroleum Act (PA) 2015. The OGRM provides the framework for fiscal management of oil and gas revenues and stipulates stiff penalties for misappropriating proceeds from the Oil and Gas Fund. These measures are expected to improve the Government's efficiency in managing natural resources. In Zanzibar, the RGoZ has established the Zanzibar Utilities Regulatory Authority (ZURA) to regulate the energy and water sectors. Zanzibar has also enacted legislation for the oil and gas sector, namely, Oil and Gas (Upstream) Act 2016.

The Government has also implemented significant reforms in the mining sector, including enactment of the Natural Wealth and Resources (Permanent Sovereignty) Act 2017 and the Natural Wealth and Resources (Review and Re-Negotiation of Unconscionable Terms) Act 2017 as well as the new Local Content Regulations which followed the amendments of the Mining Act 2010 through the Written Laws (Misc. Amendments) Act 2017, which introduced the local content requirements.

e. Private sector development

Private sector involvement and development is one of the key components for economic management in Tanzania. The Government has made deliberate efforts to create a favourable environment for the private sector, including the introduction of the PPP policy to mainstream the role of the sector in socio-economic development.

The Prime Minister's Office has been given a coordination role for implementing the Government's *Roadmap for Improving the Investment Climate*, using the *Blueprint for Regulatory Reforms to Improve the Business Environment (the Blueprint)* which was approved in May 2018. The establishment of a policy, legal, technical and operational environment conducive to investment and business activities is one of the four priorities of the FYDP II. The main objective of the Roadmap is to accelerate economic growth and expand the tax base by creating an enabling environment that will attract investment from private enterprises in all sectors. It also intends to strengthen the competitiveness of the private sector and facilitate the growth of private enterprises. These efforts are expected to enable the private sector to be more

productive, free to trade, and, ultimately, raise employment prospects and incomes. Tanzania is fully committed to using the Public Private Partnership (PPP) modality to implement key development projects as a part of its efforts to promote the private sector. The PPP Act of 2010 was amended by the PPP (Amendment) Act, 2014, with regulations introduced thereafter in 2015. The amendments involved:

- Moving the primary role for PPPs to Minister of State for Investment in the Office of the Prime Minister;
- Establishing a Tanzania PPP Centre within the Office of the Prime Minister;
- Establishing the PPP Technical Committee (PPPTC) comprising the permanent secretaries of respective ministries. The PPPTC is responsible for approving PPP projects; and
- Inclusion of the National Investment Steering Committee in the supervision of PPPs.

Furthermore, the Ministers (Discharge of Ministerial Functions) Act, which was enacted in April 2016, mandates the Minister for Finance and Planning (MoFP) to oversee the implementation of the PPP policy, law and regulations. In compliance with this presidential instrument, the PPP law was amended in 2018 and the PPP Regulations were reviewed to accommodate the changes in the law. As a result, the PPP Regulations 2020 are now in place.

A number of reasons make Tanzania an attractive destination for PPP investments. They include:

- i) Political will, peace and a stable political environment;
- ii) A large endowment of natural resources including wildlife, minerals and forests;
- iii) Presence of legal and institutional framework for PPPs;
- iv) High economic growth, averaging 7.0% over the last five years;
- v) High demand for investments in the energy sector (oil and gas, electricity generation and distribution projects);
- vi) Agribusiness opportunities from a large and diversified agricultural sector;
- vii) A well-diversified infrastructure sector;
- viii) A well-developed country-wide ICT backbone infrastructure, which offers wide investment opportunities;
- ix) Strategic geographical location that links the markets of the EAC, SADC

- and COMESA regional economic groupings with the rest of the world; and
- x) A growing population, which provides a labour force as well as market opportunities for industrial output.

PPP-related challenges

The Government has created a conducive environment for private sector involvement in PPP implementation by putting in place the law, policy and regulations for PPPs as well as the administrative units responsible for overseeing PPP initiatives. Further, the Government has trained more than 900 officials from various ministries, departments and agencies on PPP concepts and practices. Emerging successes include the ongoing operations of the Dar es Salaam Rapid Transit, which has reduced traffic congestion in the city by ferrying an average of 200,000 passengers per day.

Despite such efforts, a number of challenges persist, including:

- Inadequate capacity to develop, select and implement PPP projects for contracting authorities;
- Insufficient financial resources to undertake feasibility studies and develop supportive infrastructure;
- Infant domestic private sector;
- Underdeveloped capital markets to provide long-term financing instruments for PPP projects; and
- Coordination difficulties in undertaking business reforms due to the cross-cutting nature of the private sector, which involves multiple institutions and ministries.

However, the Government is introducing several measures to address the aforementioned challenges. These efforts include the introduction of the PPP Facilitation Fund to finance preparation and development of PPP projects, capacity building and gap funding in undertaking viability studies.

Current status of private sector development

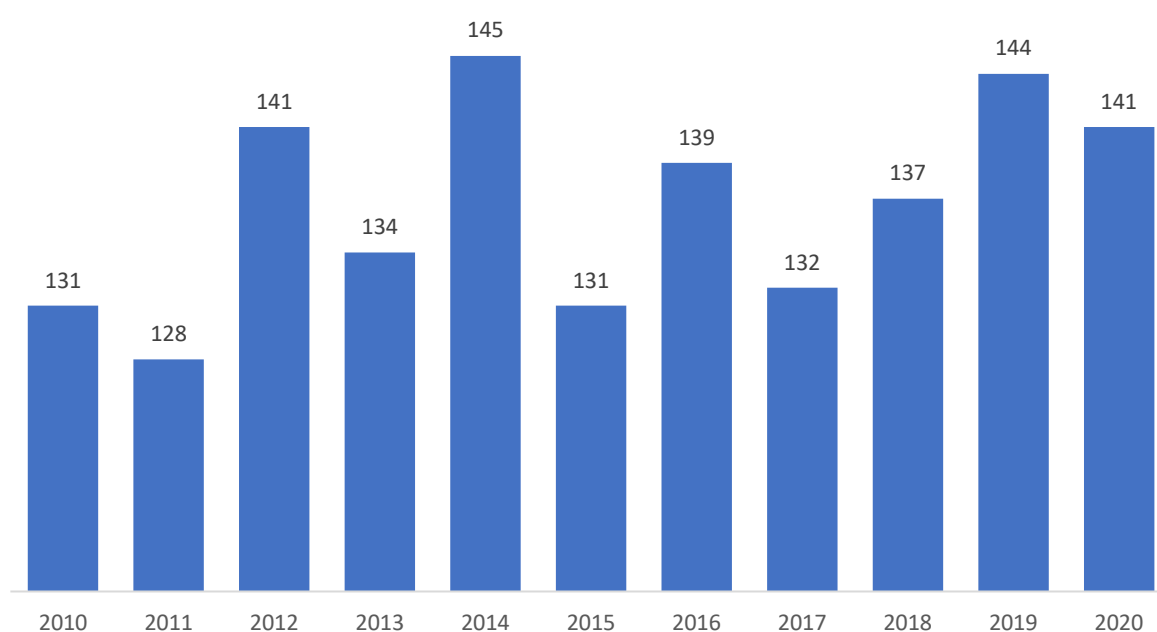
The Government has already undertaken a host of initiatives to promote the private sector, which include the following:

- i) A one-stop facilitation centre under Tanzania Investment Centre (TIC) has been established. The centre has employees from more than ten (10) Government agencies who provide investors with timely access to various services related to permits, licenses and approvals. As of February 2020, a total of 146 projects worth USD 1,514.57 million have been registered at the

centre. The projects are expected to create 26,384 jobs.

- ii) Recognition of private property and protection against any non-commercial risks. Tanzania is an active member of the World Bank foreign investment insurance wing, the Multilateral Investment Guarantees Agency (MIGA). It is also a member of the International Centre for Settlement of Investment Disputes (ICSID).
- iii) The income tax law, which allows for a 50% capital depreciation allowance in the first year of use for plant and machinery for manufacturing.
- iv) Zero import duty on project capital goods, computers and computer accessories, raw materials and replacement parts for agriculture, animal husbandry and fishing, human and livestock pharmaceuticals and medicaments, motor vehicles in completely knocked down form, and inputs for manufacturing pharmaceutical products.
- v) The Government in collaboration with TPSF has established an online complaints and feedback platform to help improve the business environment in the country. The platform will be operational from 2020/21.
- vi) Data from the World Bank's 'Ease of doing business' index shows Tanzania has not achieved the goal of a double-digit ranking over the past 10 years. However, the country's rank in 2020 has improved marginally from 2019 (Figure 8).

Figure 8: Tanzania's position in the 'Ease of doing business' index (190 countries)



Source: World Bank

- vii) Employment prospects in more than 20 PPPs large projects related to rail and airport facilities, natural gas distribution, education (hostels), water and sanitation, specialized health facilities, pharmaceuticals and the ongoing operation of the Dar es Salaam Rapid Transit (DART). The projects are at different stages of implementation as follows: the pharmaceutical projects are in procurement stage. The preparation of feasibility studies for the four student hostel projects are being finalized ready for launching the procurement process. In addition, about 21 local government PPPs are being prepared under the coordination of the PPP node within the President's Office—Regional Administration and Local Government's (PO-RALG). They cover markets, bus terminals, solid-waste management facilities and systems, slaughterhouses, student hostels and city parks.

Lessons learnt

Several lessons have emerged in the course of supporting private sector development. For example, the introduction of electronic systems improves the business and investment climate as it helps to reduce the costs of doing business by reducing the number of procedures that investors must adhere to. In stark contrast, the multiplicity of Government regulatory authorities hampers business and investment by imposing unnecessary costs on investors.

Remaining priorities

An important priority will be to further integrate the online business registration systems to facilitate exchange of information between institutions involved in business registration. Participating institutions include:

- Business Registration and Licensing Authority (BRELA);
- Tanzania Revenue Authority (TRA);
- Occupational Safety and Health Authority (OSHA);
- National Environment Management Council (NEMC);
- National Social Security Fund (NSSF);
- Workers Compensation Fund (WCF);
- Tanzania Insurance Regulatory Authority (TIRA); and
- District councils.

Currently, only BRELA and TRA are linked in the online registration system.

f. Human and social development

Education

Box 5: IPoA targets – Education

- a) Ensure universal access to free primary education in LDCs by increasing the enrolment and retention rates, and also increase access to secondary, tertiary and vocational education and skill development training.
- b) Increase the quality of education and training that is offered at all levels and increase literacy and numeracy rates of adults and children.
- c) Eliminate gender disparities in education and training and ensure equal quality of education between males and females.

Enrolments at all levels of education have improved over time. Pre-primary enrolment in Mainland Tanzania increased by 27.3% between 2013 and 2019 from 1.1 million pupils to 1.4 million pupils. The net enrolment rate (NER) for pre-primary school stands at 38.7% (2019) with the rates by gender in favour of girls (39.1% for girls and 38.2% for boys). A similar pattern is observed for the gross enrolment rate (GER) which stands at 84.0% (83.8% for girls and 84.2% for boys). These statistics evidence the successful implementation of the Government directive to have pre-primary enrolment at every primary school. Furthermore, Pre- Primary enrolment increased from 1,422,868 (female was 702,786 and male was 720,082) in 2018 to 1,429,169 (female was 706,547 and male was 722,622) in 2019. Primary enrolment rate has increased from 8,298,282 in 2015 to 10,605,430 (female was 5,304,648 and male was 5,300,782) in 2019 and the number of pupils transitioning to secondary school has increased from 67.1% (2015/16) to 74.1% (2019/20). Total enrolments across all grades of secondary school (Forms 1-6) have increased by 31.8% from 1,774,383 pupils (2015) to 2,338,457 pupils (2019). The increase in enrolments in pre-primary, primary and lower secondary is mainly attributed to the implementation of the fee-free basic education policy, improved teaching and learning environments, including rehabilitation and construction of school infrastructure, as well as strong partnerships between Government and non-governmental actors in the education sector.

Higher education infrastructure has also expanded rapidly to over 50 institutions in 2016, with enrolment of more than 200,000 students from 2016 to 2019. At tertiary level, the number of students who benefitted from higher education student loans was 132,119 (2019) against 122,623 (2018).

The adult literacy rate in Mainland Tanzania was estimated at 79% in 2018 with more men than women being literate. Further efforts are being made to improve adult literacy. In Zanzibar, the literacy rate for the population aged five years and above has reached

83.7% (88.3% for males and 79.4% for females). The RGoZ through the Ministry of Education has made tremendous efforts to reduce illiteracy. Initiatives include ensuring that every child is enrolled in school and making early childhood education compulsory. The gross enrolment rates for pre-primary, primary and secondary have increased from 13%, 94.6% and 94.6% (2001) to 81.4%, 118.1% and 87.2% (2019), respectively.

Education related challenges

The education sector is experiencing the following challenges:

- i) Inadequate supply of school infrastructure, and teaching and learning materials at pre-primary, primary and secondary levels
- ii) Gender disparity in both higher secondary and tertiary education, especially in science, technology, engineering, and mathematics (STEM) subjects
- iii) Low survival rates for students at lower secondary level
- iv) Low enrolment in technical and higher learning institutions
- v) Programmes that do not adequately provide skills that the labour market demands.

To address these challenges, the Government is implementing the Education Sector Development Programme (ESDP) 2016/17-2020/21. The ESDP aims to transform the education sector into an efficient, effective, outcomes-based system to ensure equitable access to education and training for all, including the most disadvantaged. The priorities of the ESDP include equitable participation and completion of free basic education for all, with particular attention on marginalized groups, children with disabilities, and out-of-school children.

Key lessons

To begin, improved adult literacy programmes are needed to accommodate out-of-school adolescents. Currently, two programmes are in place: Complementary Basic Education and Training (COBET), which caters for out-of-school children aged 9-18 years; and the Integrated Community Basic Adult Education (ICBAE), which caters for youth and adults aged 19 years and over. A third programme for out-of-school adolescents aged 14-17 years, the Integrated Programme for Out-of-School Adolescents (IPOSA), was introduced in 2018. This programme is designed for adolescents who in one way or another have either missed the chance to join the formal school system or failed to proceed due to pregnancy, truancy or other reasons. The IPOSA curriculum consists of four learning areas, namely, literacy skills, pre-vocational skills, life skills and entrepreneurial skills.

Second, budgetary allocation to the education sector needs to be raised to cater for the costs of building and upgrading schools.

Third, there is an effective pandemic response (such as the coronavirus disease 2019 (COVID 19) recovery response) within the education sector policy, strategies and plans.

Lastly, the Government and other stakeholders in education should continue to emphasize the teaching of science and mathematics in primary and secondary schools. This includes a greater focus on raising the standards of mathematics and science teacher training in Teacher Training Colleges (TTC).

Population and primary health

Box 6: IPoA targets—Population and primary health

- a) Achieve targets under Millennium Development Goals 4 and 5 by 2015 and, building on these, further significantly reduce the infant, under-five and maternal mortality rates and child under-nutrition by 2020.
- b) Provide universal access to reproductive health by 2015, including integrating family planning, sexual health and health-care services in national strategies and programmes.
- c) Achieve targets under Millennium Development Goal 6 by 2015 and, building on this, further reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases.

Child and infant mortality, maternal mortality and child under-nutrition

Guided by the National Nutrition Strategy, the Government has continued its efforts to reduce malnutrition in the country. Remarkable advances include the improved nutrition status of children under five years of age. Despite the achievement, about 2.7 million children continue to suffer from stunting and over 100,000 children suffer from severe wasting every year. In 2015/16, the incidence of anaemia among children under five years of age was estimated at 58%, while the incidence of severe anaemia among children aged 6-59 months has declined from 6% (2011-12) to 4% (2017). The percentage of children aged 6-59 months with severe anaemia (less than 8.0 g/dl) is highest in Kagera (7%) and lowest in Iringa (0%).

Better health services as a result of improved health facilities/infrastructure has improved the rates for maternal mortality, neo-natal mortality, under-five mortality and HIV prevalence. In 2015/16, neo-natal mortality and under-five year mortality rates declined to 25 deaths per 1,000 live births and 67 deaths per 1,000 live births, respectively. Implementation of the Integrated Non-Communicable Diseases (NCD) Strategy 2014-2019 aims to reduce the under-five mortality rate from 67 to 40 by 2020 in Mainland Tanzania. Table 4 summarizes trends in child, infant, and maternal mortality, based on facility-level data.

Table 4: Trends in child, infant and maternal health indicators (facility level data)

	2011	2019
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% children aged 12 to 59 months receiving at least one dose of vitamin A	79	147
% children aged under 5 years with vitamin A deficiency	* 0.06	0.03
Number of maternal deaths in health facilities	1,695	1,655
% of women who attended at least four antenatal care (ANC) visits	* 39	81
% ANC 1st visit coverage before 12 weeks among expected women	* 13.5	34.3
% of children aged 12-23 months with Diphtheria Tetanus Pertussis (DPT)3 - Penta3 coverage	88	100
% postnatal care coverage within 7 days of delivery (child)	25.6	53.3
No. deaths in health facilities caused by neonatal death	* 2,938	4,150
% of children <1 year of age who received measles-rubella vaccinations	57	90
% of institutional deliveries	61	82.7

*Baseline data is 2015 instead of 2011

Antenatal Care (ANC) services are vital interventions for monitoring pregnancy and ensuring optimal health outcomes for mothers and their infants. Data show that almost 9 out of 10 health facilities provide ANC services. Facility-based labour and deliveries have increased from 75% (2014) to 82% (2019) while ANC visits have improved from 63% (2014) to 81% (2019). In Zanzibar, the ANC 4th visit coverage stands at only 31.3% in 2019 with limited improvement since 2016 (28.7%).

Fertility and unmet need for family planning are still high despite of declining trends. In 2019, the total fertility rate was estimated at 4.9 births per woman (2019), a decline from 5.2 births per woman in 2016. In 2016, about 32% of married women reported to have used modern methods of family planning. The rate for unmarried women stood at 46% in the same year.

The Government continued to provide sexual and reproductive health services to ensure access to antenatal, delivery and postnatal services. Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) services are important to reduce maternal mortality. Implementation of RMNCAH services aims to reduce the maternal mortality rate from 556 deaths per 100,000 live births to 292 per 100,000 live births between 2016 and 2020. To achieve this, the Government aims to provide free services to all women and rehabilitate health facilities at village level. Special priority has also been given in addressing reproductive cancers and hepatitis and strengthening of reproductive health services through increased human and financial resources. This involved the review of the community health strategy, which is also expected to contribute to reducing maternal mortality.

HIV-AIDS and incidence of malaria and other major diseases

The Government continued to implement strategies to prevent and control transmittable diseases such HIV/ AIDS, malaria and tuberculosis. Substantial progress has been made in controlling malaria through recommended preventive and curative interventions.

Malaria incidence has declined to 1.42 cases per 1,000 persons to 1.13 cases per 1,000 persons in 2017.

The improvements are an outcome of Government investments in strengthening treatment and prevention programmes. One of the key control interventions of malaria in Tanzania is the ownership and use of Insecticide-Treated Nets (ITNs) and Intermittent Preventive Treatment (IPTp) during pregnancy. The Government has prioritized scaling up these interventions. The malaria strategic plans are focused on ensuring coverage with ITNs through mass campaigns and routine distribution. About 3 in 4 households (78%) in Tanzania owned at least 1 ITN in 2019. This percentage has fluctuated in recent year, declining from 75% in 2011-12 to 56% (2015-16), before trending upwards again to 63% (2017) and now 78% in 2019. The National Malaria Control Programme (NMCP) and Strategic Plan for Malaria 2015-2020 also seek to expand the use of rapid diagnostic tests (RDTs) for malaria diagnosis in conjunction with the use of artemether + lumefantrine (ALu combination therapy) as recommended drugs for the treatment of uncomplicated malaria.

Tuberculosis continues to be among the top causes of death in the country. The National Tuberculosis and Leprosy Programme (NTLP) is entrusted to facilitate early diagnosis, treatment and cure of patients with tuberculosis and leprosy. The incidence of TB has declined from 306 per 100,000 population (2015) to 253 per 100,000 (2018), indicating a 17% decline in TB incidence. There has been a 31% reduction in TB mortality from 58 deaths per 100,000 population (2014) to 40 deaths per 100,000 population (2018). The observed progress is attributed to improvement in provision of essential drugs, TB prevention, education and awareness programmes as well as dissemination of nutritional information among patients.

HIV prevalence in Tanzania has gradually declined over the past decade from 7% (2003) to 4.7% (2016). The prevalence varies by geographical location, social-economic status, age and gender, indicating differentials in the risk of transmission. The prevalence rate, for example, is higher in urban areas (7.5%) than in rural areas (4.5%). The declining trend in new HIV infections is due to improved prevention strategies, which include intensifying HIV testing and counselling programmes, and implementing treatment as well as social and behaviour change programmes across the country. More than 77% of people eligible for treatment were receiving anti-retroviral therapy (ART) in 2019. Comprehensive sex education is also provided in schools, which includes information about HIV and AIDS prevention as well as specific awareness-raising campaigns.

In Zanzibar, the incidence of malaria continues to decline. According to the Health Management Information Systems (HMIS) 2017, the number of confirmed malaria cases reported was 2.7 per 1,000 persons, while the incidence of malaria is less than 1% (2015/16). Progress is attributed to the distribution of treated nets to pregnant women as

well as to children when they receive their first dose of the measles vaccination.

Lesson learnt in the health sector

- i) Supportive economic investments are necessary to improve health outcomes. For example, investment in road construction, especially in rural areas, has increased access to healthcare facilities where medical professionals are now easily accessible.
- ii) Resource mobilization efforts by local authorities have secured resources for building and rehabilitation of health facilities and, ultimately, contribute to reducing maternal, neonatal, infant and under-five deaths.
- iii) Construction of health facilities have ensured health services are accessible at the village level. Efforts have contributed to realizing the objective of having a health centre in every ward in the country.

Challenges

- i) Long distances to health facilities especially in rural areas.
- ii) Insufficient number of health workers in both urban and rural areas.
- iii) Low enrolment in health insurance. Only one-third of Tanzania's population is currently covered by any form of health insurance.
- iv) Discriminatory attitudes towards people living with HIV prevail, especially in rural settings.
- v) Weak linkages between HIV counselling and testing services and care and treatment services, irregular supply of HIV test kits and ARV drugs, and delays in Cluster of Differentiation 4 (CD4) results which, in turn, delays initiation of ART.
- vi) TB notification rate is still below the World Health Organization (WHO) recommendation (142 versus 165/100,000). Reasons include a low number of diagnostic health facilities, including low capacity to diagnose MDR-TB cases.

Youth development

The Government is committed to empower young men and women in social, economic and political aspects. The responsibilities for youth development issues are shared between all ministries, departments and agencies, regions, districts/councils, the youth themselves and other development stakeholders. Youth are one of the most important segments in Tanzanian society. Based on the 2012 Census, the population of Tanzania stood at 44.9 million people. Of these, 16.2 million

individuals or more than 35% of the total population were aged between 15 and 35 years. Even more significantly, this age bracket made up around 56% of the country's total labour force.

The National Youth Development Policy 2007 in Tanzania Mainland defines "youth" as men and women aged 15 to 35 years—recognizes young people as a vital resource for social and economic development. The overall objective of the policy is to empower, facilitate and guide youth and other stakeholders in the implementation of youth development issues by:

- i) Facilitating youth to acquire skills and competence for employment;
- ii) Facilitating youth to accept responsibilities so as to be able to practice good values, ethics and conduct;
- iii) Creating a conducive environment for youth participation in decision making; and
- iv) Enhancing establishment and utilization of youth-friendly social services.

Government interventions to address youth challenges

Despite the fact that young people constitute over half of the country's labour force, they still experience major challenges that hinder their ability to pursue their life goals. Youth aspires to have access to quality education, decent jobs, participate in decision-making processes, and vote and be voted for during elections.

Some of the challenges include: skills mismatch between formal education and job market requirements; lack of access to capital for start-up businesses; high costs of running existing businesses; lack of entrepreneurial spirit; lack of suitable markets for locally made products; and lack of technology.

Actions by the Government to promote youth development have included:

- i) Mainstreaming of youth development in national policy platforms

In addition to the National Youth Development Policy 2007 and National Youth Employment Action Plan 2006, the economic empowerment of youth has been accommodated in major policy platforms including:

- Tanzania's Development Vision 2025
- National Employment Policy 2008
- National Employment Creation Strategy
- National Employment Programme 2007
- National Economic Empowerment Policy 2004

ii) Implementation of youth development programmes

In collaboration with youth development stakeholders, the Government continues to implement comprehensive, customized youth programmes based on the needs and expectations of young people. These initiatives focus on:

- Creating an environment which supports young people's sustainable development and growth;
- Strengthening the monitoring and evaluation of youth development work at regional and district levels;
- Initiating and strengthening livelihood skills development for young people to enable their full participation in the free market economy and contribute to national development;
- Scaling up life skills initiatives so as to strengthen the capacity of young people in fighting against HIV and AIDS, encourage and enhance client-initiated counselling and testing for HIV (CITC), and promote beneficial behaviour change; and
- Enhancing the environment in which young people are respected, recognized, valued and incorporated in all societal initiatives and are involved in decision-making processes at all levels.

iii) Promotion of economic development and coordination

Under these initiatives, youth are mobilized to form income-generating groups for their own benefit and for the sustainable development of their communities. Many Tanzanian young people are engaged in agriculture, which is the main employer for most Tanzanians, fishing, mining and animal husbandry, and in small and medium-sized enterprises.

iv) Operation of the Youth Development Fund (YDF) and Zanzibar Economic Empowerment Fund (ZEEF)

In Mainland Tanzania, the Prime Minister's Office is the custodian of the YDF, a revolving fund offering soft loans to eligible youth economic projects to enable them to own and run sustainable development projects and businesses. The loans are provided through the Savings and Credit Co-Operative Society (SACCOS). Youth are encouraged to form groups of a minimum of 5 young persons (aged between 15 and 35 years), be registered at community level as a community-based group, and become a member of SACCOS. They are also required to develop a business/project plan to

apply for a loan from YDF which is 100% financed through the Government budget. During the financial years 2016/17, 2017/18 and 2018/19, the YDF set aside a total of TZS 2,223,387,000 to fund more than 376 youth projects.

Similarly, in Zanzibar, a total of 796 youth entrepreneurial groups were empowered by receiving interest-free loans through the RGoZ's Empowerment Fund over the last nine years. The fund encourages loan beneficiaries to engage in self-employment (and to employ other youth) in different sectors, including agriculture, livestock and embroidery. Also, around 660 youth were engaged in a six-month vocational training course. At the end of the training, participants received agricultural inputs, livestock and fishing tackle, and tools and material for embroidery.

v) Local government revenue reserved for youth projects

It is mandatory for all LGAs to set aside 10 percent of their internal revenue for youth, women and people with disability empowerment activities (4% - Youth, 4% - Women and 2% - people with disability). The funds are used to finance projects of registered youth groups within each constituency, such as group loans for start-up businesses or other income-generating activities. The loans are approved by finance committees at the council level.

vi) Council land allocation programme

Youth access, use and effective control of land are important factors for employment. Land, like paid work, is a factor of autonomy for youth and provides them opportunities to maintain their livelihoods, especially in rural areas. To address difficulties in access to land, the Government through LGAs established a land allocation strategy in 2016, which requires councils to set aside special land for youth activities. Currently, a total of 217,886.36 acres has been allocated.

vii) Skills development programme in youth training centres

The Office of the Prime Minister recognizes the potential of youth to build the country's economy and contribute to development in general. To strengthen and enhance the capacity of young people, the Government has established three youth training centres:

- Marangu Training Centre in Kilimanjaro region, mainly for an outward-bound programme
- Ilonga Training Centre in Kilosa, Morogoro region, mainly for training in the fields of agriculture and livestock production, food

science and nutrition

- Sasanda Training Centre in Mbeya region, which focuses on model farming and agribusiness.

In Zanzibar, a total of 220 youth have received job training through a special programme to enhance their employability in the tourism and hospitality sector. This entrepreneurial incubator was established in Mbweni, Unguja, and the RGoZ is in the process of building another incubator in Pemba at Mbuzini. Between 2015 and June 2019, about 1,069 (253 male and 816 female) entrepreneurs in Unguja benefitted from the incubator. These graduates managed to establish their own businesses.

viii) National skills development programme

This programme is designed to enhance the employability and labour productivity of young Tanzanians in the domestic and global labour markets. It provides skills for both self and paid employment. Several modes of training and certification are used, including apprenticeships/internships, skills upgrading/updating, tailor-made trainings, and recognition of prior learning. The framework for apprenticeships and internships, which provides the necessary procedures and basic guidance to stakeholders participating in these training programmes, was adopted in 2017. The programme is expected to contribute towards minimizing skills mismatch of graduates in the labour market. In 2018/19, the Government trained 32,563 young men and women on skills development, including 18,800 trained on agribusiness through the greenhouse system, 2,750 trained on vocational skills (masonry, tailoring, electricity, ICT, plumbing, welding, mechanics, etc.), and 10,443 had their informal prior learning recognized and certified by the Vocational Education and Training Authority (VETA).

The RGoZ has established the Zanzibar Youth Council programme from *shehia* level to national level. The programmes are meant to achieve the Government's aim of broadening opportunities for youth and promoting their participation in national development. Up to December 2019, a total of 16,340 youths (8,537 females and 7,803 males) were registered in 388 youth councils across Zanzibar.

ix) National Strategy for Youth Involvement in Agriculture 2016-2021

This strategy focuses on reducing youth unemployment by increasing youth engagement and investment in agriculture and agribusiness, by

facilitating land acquisition, increasing their access to financing resources, agricultural inputs, machinery and support services, and expanding the development and use of irrigation. The strategy also aims to enhance markets for agricultural products, mitigation and adaptation to climate change, promotion of youth technical and entrepreneurship skills, facilitation of linkages between youth and other youth agriculture support initiatives, and promotion of decent work in the agricultural sector.

x) Youth Self Employment Programme

This programme supports under-served young entrepreneurs across Tanzania to start up and thrive in business. The programme aims at empowering young Tanzanians to establish or enhance their businesses through which they can employ themselves and others, create wealth and reduce poverty. The programme is sponsored by the Government of Tanzania through support from Tanzania LNG, a joint venture between BG Tanzania, Statoil, ExxonMobil, Ophir Energy and Pavilion Energy. It targets young people (aged 18-30 years) with the potential to be entrepreneurs (i.e., those with a viable business idea), but without the means to access the support needed to start in business. Specific interventions of the programme include:

- Training in business and entrepreneurial skills;
- Mentoring and coaching;
- Enabling access to finance; and
- Linking to business programmes and networks.

Water and sanitation

Box 7: IPoA targets – Water and sanitation

- a) Halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation and strive to provide sustainable access to safe drinking water and basic sanitation to all by 2020.

Policies in the water and sanitation sector

National and international development frameworks all acknowledge the fundamental importance of access to clean water and improved sanitation for human development. SDG 6 seeks to provide clean, accessible water for all by 2030, and the African Union's "*Agenda 2063-The Africa We Want*" advocates for the equitable and sustainable use and management of water resources for poverty

alleviation, socio-economic development, regional cooperation and the environment. Likewise, in Tanzania, the TDV 2025 identifies water as one of the priority sectors contributing to higher-quality livelihoods for all Tanzanians. At the policy level, the implementation of the National Water Policy (NAWAPO) 2002 supports and is consistent with the realization of TDV 2025, Agenda 2030 and Agenda 2063.

The Government has continued to invest in the development of water resources and increasing access to safe and clean water as part of its broader development strategy. Various interventions have been put in place to protect, conserve and efficiently utilize the country's water resources so as to improve access to water supply and sanitation services in rural and urban areas. The Government has committed to increasing the access to clean and safe water in rural areas to 65% by 2010, 79% by 2015 and 90% by 2025, and in urban areas to 90% by 2010, 95% by 2015, and 100% by 2025.

In Zanzibar, in line with Agenda 2030, the National Water Policy 2004 aims to provide all consumers with clean and safe water. Following the enactment of the Water Act 2006, the Zanzibar Water Authority (ZAWA) was established, and management of Zanzibar's water resources was transferred to the authority.

Water sector development initiatives

In Mainland Tanzania, the proportion of the population with access to piped or protected water as their main source in district capitals and small-town areas has increased from 47% (2010) to 64% (2019). Similarly, the implementation of rural water supply schemes has increased the percentage of the rural population with access to clean and safe water from 57.8% (2010) to 70.1 (2019) as shown in Table 5.

Access to and use of sanitation facilities and services for the safe disposal of human waste have increased over the last ten years. However, only 11 out of 26 regional centres have sewerage infrastructure in place while the remaining regional centres, district headquarters and townships have no sewerage infrastructure. Households connected to conventional public sewer systems in regional centres have decreased from 14% in 2010 to 13% in 2019. The overall average sewerage coverage has increased to 15% in 2020.

The data on sanitation services indicates that the proportion of households with basic toilets have increased from 93% (2007) to 98.16 (2019). However, most of the latrines do not comply with non-sewerage standards which increases environmental pollution. Each segment in the sanitation chain is not safely managed. Despite of these challenges, the Government has made deliberate efforts by enacting the Water Supply and Sanitation Act no. 5 of 2019 which governs, among other things, non-sewerage sanitation services.

Table 5: Status of water and sanitation in Mainland Tanzania

Target	Status in 2010 (%)	Status by 2015 (%)	Status by 2019 (%)
% population in rural settlements provided with water supply services increased from 57.8% in 2010 to 65% by 2015	57.8	55.9	70.1
% population in district and small towns provided with water supply services increased from 53% to 57% in 2015	53	60	64
% urban population in regional centres provided water supply services increased from 86% to 95% by 2015	86	86	84
% population in Dar es Salaam provided with water supply services increased from 55% in 2010 to 75% by 2015	55	68	85
Households connected to convention public sewer systems in regional centres	14	7	13
Household connected to conventional public sewer systems in Dar es Salaam	7.4	5	10
National sanitation campaign and school WASH		1.52 million households reached	

Source: Ministry of Water.

In Zanzibar, significant progress has been made in the supply of safe and clean water. In 2014/15, 90.5% of all households had access to clean and safe water (Table 6). Much success has been realized in urban areas where 96.3% of urban households have access to clean and safe water as compared to 86.3% of rural households. However, relatively less progress has been made in access to sanitation.

Table 6: Status of water and sanitation in Zanzibar (2014/15)

	Rural	Urban	Zanzibar
% households using protected water source for drinking in dry seasons	86.3	96.3	90.5
% households within 1km of drinking water source in dry season	95.3	99.0	96.9
% population using latrine	72.1	97.9	83.3
% population using hand washing facility with soap and water	18.9	31.7	25.3

Source: OCGS

The proportion of households using an improved sanitation facility in Zanzibar (flush or pour flush toilets to sewer systems, septic tanks or pit latrines, ventilated improved pits) was 83.3% (2014/15) compared with 66.8% (2004/05). The proportion

of households using handwashing facilities was only 25.3% in 2014/15.

Gender equality and women empowerment

Box 8: IPoA targets—Gender equality and women’s empowerment

- a) Achieve equal access of women and girls to education, basic services, health care, economic opportunities, and decision-making at all levels;
- b) Take steps to realize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, including sexual and reproductive health;
- c) Accelerate efforts to promote women’s rights and gender equality, including women with disabilities.

In Mainland Tanzania, LGAs are required to maintain a fund that facilitates and provides loans to special groups, i.e., women, youth, children, and people with disabilities. In 2019, the Government introduced regulations to support the implementation of the Local Government Finance Act cap 290 and guide LGAs on how to manage the funds. Between 2015 and 2020, loans amounting to TZS 93.3 billion were provided to groups of women, youth, and people with disabilities. The loans have improved access to capital for small businesses and facilitated poverty reduction through promoting income-generating activities. In effect, the loans reduced gender and income inequality. Other interventions include: the implementation of the Productive Social Safety Net (PSSN) programme undertaken through the Tanzania Social Action Fund (TASAF) and the implementation of the Community Health Fund (CHF) (health insurance). Both interventions have improved living standards, including the financial and economic inclusion of poor people living in rural areas.

Zanzibar has made commendable progress towards women’s development and gender equality, especially in access to primary and ordinary-level secondary education, the proportion of women in decision-making positions, and their representation in the Zanzibar House of Representatives. Table 7 highlights the proportion of women in senior decision-making positions.

Table 7: Selected gender indicators in Zanzibar (2018)

	%
Proportion of seats held by women in the House of Representatives	37
Proportion of women ministers	28
Proportion of women deputy ministers	36
Proportion of women judges	33
Proportion of women court magistrates	29
Proportion of women regional magistrates	33
Proportion of women district magistrates	42
Proportion of women primary court magistrates	69

Source: OCGS

Furthermore, women have benefitted from the process of economic transformation in Zanzibar through increased access to new employment opportunities in sectors such as manufacturing, trade, hotels and food services. In 2013, the RGoZ established the Zanzibar Economic Empowerment Fund to channel soft loans to small entrepreneurs, mostly women. Between 2010 and December 2019, a total of 3,458 loans have been disbursed to 42,207 people (24,058 women and 18,149 men) amounting to TZS 4.5 billion. Another important initiative was the establishment of the Barefoot College in Kibokwa in 2015, which trains illiterate and semi-literate women to become solar engineers so that they are able to build, install and maintain household solar electrification systems in villages not connected to the national grid.

Social protection

Box 9: IPoA targets—Social protection

- a) Enhance social protection systems to improve the resilience of all, including poor and disadvantaged groups.

PSSN programme under TASAF

The Government has continued to implement policies and programmes that target poverty reduction and social protection to special groups. The Government is implementing the National Social Security Policy 2003, which includes contributory and non-contributory pillars. Also, as part of its commitment in advancing people's livelihoods, the Government has been implementing the third phase of the PSSN programme under TASAF. This programme aims to increase access to income and economic opportunities for extremely poor households. Currently, the PSSN has reached all 161 programme districts.

PSSN interventions include cash transfers (conditional and unconditional), public works, and livelihood enhancement initiatives aimed at raising beneficiaries'

incomes. It targets infrastructure development (education, health and water) in addition to capacity building to ensure adequate programme implementation. Unconditional cash transfers are basic transfers given to all targeted poor households. Conditional cash transfers are provided to extremely poor families and are designed to create an additional incentive for households to invest in their children. Beneficiaries are required to comply with a set of activities such as taking children to health facilities and enrolling them in school. The maximum total cash benefit per household is TZS 37,765 per month. A household can receive both unconditional and conditional cash transfers depending on its composition. The programme has also been designed to empower women economically, mostly because women are the recipients of the cash on behalf of their household.

Since its inception in March 2012 Tanzania Mainland, a total of 1,067,041 households with 5,130,001 beneficiaries have been enrolled in 159 programme districts. In the public works component, 8,384 projects have been implemented and have produced temporary employment in 230,738 households in 42 project districts. The infrastructure development component has launched a total of 47 projects in the education, health and water sectors. The PSSN programme also promoted savings groups. By March 2020, a total of 16,366 savings groups had been formed, accommodating 226,050 members in total, with total savings of TZS 2,491,993,261.

In Zanzibar, the RGoZ has managed to develop a comprehensive life-cycle-based social protection system, which covers social assistance and social insurance interventions. Social assistance coverage and spending expanded significantly following the inception of the conditional cash transfer programme and PSSN in 2014 through the TASAF programme. At present, TASAF III is operational, which focuses on cash transfers to very poor households with vulnerable children. The programme assists vulnerable households to secure their basic needs, including food, clothing and other social services, such as education and health services for children.

The programme is operational in 204 *shehia* (126 in Unguja and 78 in Pemba). About 33,532 households (18,844 in Unguja and 14,688 in Pemba) met the criteria set to access cash transfers and a total of TZS 27.8 billion (TZS 15.2 billion in Unguja and TZS 12.7 billion in Pemba) has been paid out. The programme also has components for temporary employment and creation of community assets. About 471 projects targeting irrigation, water, fishing, environment, roads and forestry have been implemented, and TZS 8.1 billion (TZS 4.3 billion in Unguja and TZS 3.9 billion in Pemba) were disbursed between 2014/2015 and 2017/18.

Unemployment benefits

One of the means to address the unemployment challenge in Tanzania was the

introduction of the Public Service Social Security Fund Act 2018 and its regulations. The law has introduced unemployment benefits for members who have contributed to the fund for a period of not less than eighteen months. Women living below the poverty line receive exemption cards that allow them to access free health services. The exemption scheme is categorized into permanent or temporary exemptions.

g. Multiple crises and other emerging challenges

Box 10: IPoA targets – Multiple crises and other emerging issues

- a) Build the resilience of least developed countries to withstand economic shocks and to mitigate their adverse effects.
- b) Strengthen least developed countries' ability to withstand and overcome the adverse effects of climate change, enhance sustainable growth and protect biodiversity.
- c) Build the resilience of least developed countries to withstand natural hazards in order to reduce the risk of disasters.

Economic shocks

Tanzania's growth experience during the period 2011 and 2020 has been in line with "*Africa rising*", a celebrated narrative of high and sustained growth in African nations. During this period, the country's growth rate has ranged between 4.5% and 7.0%, with the rate in most years exceeding 6%. This growth is attributed to several factors including sound macroeconomic management, high commodity prices, increased Government expenditure on infrastructure, growth in manufacturing and construction activities, and trade diversification, mostly through expanded trade partnerships with China, India and other emerging economies. For most of the period, Tanzania also maintained a single-digit inflation rate in line with the national target of maintaining inflation levels. A notable achievement was recorded in 2018 when the inflation rate was 3.5%, the lowest recorded in 40 years. Some of the contributing factors to macroeconomic stability during the period include sound implementation of monetary and fiscal policies, improvements in domestic food availability, and improvements in the value of the Tanzanian shilling relative to other currencies.

The global economy has remained fairly stable during the period of 2011 and 2020, following the global financial crisis in 2008. Put differently, the dynamics of the global economy did not pose elevated or inflated risks to Tanzania's economy in the period 2011 to 2020. Nevertheless, fears of a slowdown in the global economy started to rise from 2018 due to trade tensions between USA and China. A closely related dynamic is the likely changes to trade policies with EU countries after Brexit. The good news is that these dynamics at play in the global economy are yet to significantly impact Tanzania's economy. Nevertheless, it will be prudent for the Government to anticipate some effects once Brexit is fully realized and if USA-China trade disputes intensify.

In recent years, addressing "infrastructural deficits" and "service delivery" have been important facets of Tanzania's development agenda. While the enormous

benefits of public investments are indisputable, there are potential risks to the economy emanating from the financing of these investments, particularly in relation to escalating levels of foreign debt. This is not unique to Tanzania as debate on debt sustainability has dominated public discourse in many other African countries. This situation is also exacerbated by risks emanating from foreign exchange volatility of foreign currency denominated public and private debts. The good thing is that the value of TZS relative to major foreign currencies and especially USD has been stable in recent years.

A more recent threat of unprecedented magnitude to the world economy is the coronavirus pandemic. An early assessment by the central bank indicates that the impact of COVID-19 on the national economy was mild in February 2020 primarily because the country had not imposed trade restrictions and lockdown. However, as the spread of the disease globally is accelerating, a greater toll is being taken across many sectors of Tanzania's economy, including health, tourism and hospitality, transport and logistics, and foreign trade.

Natural and man-made disasters and environmental degradation

Tanzania is prone to various natural and man-made disasters, many of which are increasingly associated with climate change and weather variability. Rapid population growth is also accelerating the growth of unplanned urban settlements and environmental degradation. Road and marine accidents also claim many lives each year.

Environment-related challenges include:

- i) An increase in desertification, drought and fire in parts of the country;
- ii) Recurrent and sporadic floods in multiple regions;
- iii) A surge in communicable diseases;
- iv) An increase in the number and types of invasive alien species;
- v) Reduction in clean and safe water for human consumption in urban and rural areas;
- vi) Destruction of ecological systems and loss of biodiversity; and
- vii) Destruction of forests

Disasters and environmental degradation not only result in the tragic loss of lives, disruption of livelihoods and destruction of infrastructure, but also have far-reaching negative consequences on progress towards socio-economic development. Drought is the most frequent disaster in the northern central and south eastern regions. Similarly, flooding is among the most overwhelming natural hazards in

Tanzania. The third national State of the Environment Report released in August 2019 points to stark facts signalling an increase in extreme weather patterns in the country. Unsustainable human activities are a major cause of global warming and environmental destruction, including environmentally unfriendly farming and livestock keeping, deforestation, illegal fishing, improper garbage disposal, and poor methods in the exploration for and extraction of minerals, biofuels and natural gas.

In 1997, the Government introduced the National Environment Policy to guide the preparation of laws, regulations and institutions for environmental management in the country. Thereafter, the National Environment Management Act 2004 was enacted to provide the legal and institutional framework for sustainable management of the environment. In addition, the Government developed the Disaster Management Act 2015 that sets out a comprehensive legal framework for disaster risk management. It provides for the establishment of the Tanzania Disaster Management Agency (TDMA), the national focal point for coordinating disaster risk reduction and management. By far and large, management of the environment and dealing with natural hazards in Tanzania is conducted within the aforementioned policy, legal and institutional frameworks. Within these frameworks, the Government has implemented a number of activities, including the introduction of a national action plan to control invasive alien species, and the introduction of guidelines for land use within 60 metres of water sources. In June 2019, the Government also banned importation, sale, distribution and use of plastic bags in Tanzania. This dramatic move is expected to make a significant impact on the environment given the widespread negative effects of plastic waste.

Given the strong association between the environment and natural disasters, Tanzania is working to conserve its land and aquatic resources for sustainable development. The Government is introducing a number of measures to better manage the environment and natural disasters. Efforts include:

- Public education including awareness and sensitization campaigns on environmental protection;
- Empowerment of district councils to construct and designate special garbage collection centres;
- Encouraging innovations in alternative energy sources; and
- Undertaking research and data collection to inform relevant actions on environmental protection and monitoring.

One of the indicators for monitoring progress on environmental conservation is the area of forest under sustainable forest management. In 2019, forests and woodland

covered 54.6% of the total area in Tanzania with notable variations across regions, but only around one-third (32.5%) of the country's total forest area is under sustainable forest management. This includes a total of 240,000 hectares of natural forest cover, which is protected to encourage mountain biodiversity. In addition, around 18 new plantation forest areas have been established with 554,000 hectares now under commercial forest plantation.

In Zanzibar, the proportions of terrestrial and marine protected areas in 2015 were 16% and 8.1%, respectively. Zanzibar has targeted to have 20% of its terrestrial and 10% of its marine areas protected by 2020. In addition, about 640 hectares were planted with trees in 2015.

The RGoZ has also established the Zanzibar Disaster Management Commission as the responsible agency for preparedness and response to disasters. An early warning system has been established and about 387 *shehia* have been trained on disaster preparedness and prevention. The communication system with modern equipment has been developed. Two speed boats under the custodianship of the Zanzibar Anti-Smuggling Unit (*Kikosi Maalum cha Kuzuia Magendo* or KMKM) have been procured to respond to disasters that could occur at sea, and three rescue centres with modern facilities have been constructed in Kibweni, Nungwi and Mkoani. Construction of hyperbaric chambers to treat diving-related illness is in progress. Fire and rescue services are also being strengthened through procurement of modern vehicles and equipment.

h. Mobilizing financial resources for development and capacity building

Domestic resource mobilization

Box 11: IPoA targets – Domestic revenue mobilization

- a) Enhance the mobilization of domestic resources, including by raising domestic savings, increasing tax revenue and strengthening institutional capacity.
- b) Reduce corruption and increase transparency at all levels.

The Government has taken a number of measures to expand the scope for domestic resource mobilization. They include the establishment and strengthening of the Dar es Salaam Stock Exchange (DSE) and the Unit Trust of Tanzania (UTT), expanding credit to the private sector, introducing a supportive microfinance policy environment and institutional framework, cross-border programmes to enhance trade, trade financing instruments and financial deepening. Also, the Government has undertaken measures to raise tax and non-tax revenue, including exploring innovative means of resource mobilization and financing.

The Tax Modernization Project (TMP) is currently assisting the Government through the Tanzania Revenue Authority (TRA) to come up with an effective and efficient tax administration that delivers high-quality services with fairness and integrity. TRA has been successful in deploying ICT to integrate and automate its operations. The move has led to efficiency gains and improved service delivery. Automated systems for e-filing (data warehouse, central motor vehicle registration and driver licensing) have been installed and are operational in all TRA regional offices. These systems are also being introduced in selected districts to further improve revenue collection, increase efficiency, and bring services closer to taxpayers. Compliance management of medium-sized taxpayers and audit performance of large taxpayer units have both been strengthened. The exercise to introduce Electronic Fiscal Devices (EFD) for both Value Added Tax (VAT) and non-VAT registered traders has been accomplished.

In Zanzibar, domestic revenue mobilization is categorized into tax revenue and non-tax revenue, whereby tax revenue is mostly collected by distinct authorities, namely TRA and the Zanzibar Revenue Board (ZRB). In contrast, non-tax revenue is collected by MDAs. Figures 9 and 10 show that domestic revenue collection (tax and non-tax) has dramatically increased from TZS 428 billion (2015/16) to TZS 750 billion (2018/19), equivalent to a 75.2% increase. This increase is attributed to the increase in non-tax revenues where it is now mandatory for MDA revenues to be paid through banks.

Figure 9: Tax revenue (TZS billion)

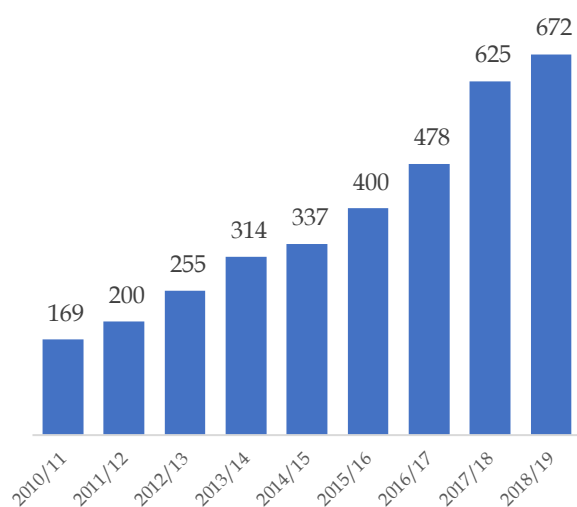
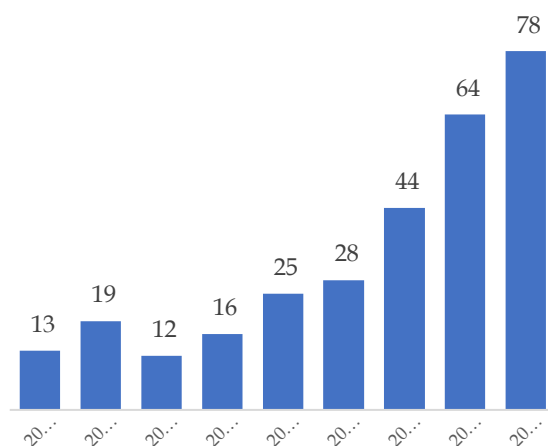


Figure 10: Non tax revenue (TZS billion)



Source: OCGS

Other policies that have contributed to increasing domestic resource mobilization include:

- i) Raising domestic savings;
- ii) Strengthening capacity for tax and non-tax revenue collection and management training;
- iii) Customs modernization through the implementation of an import and export commodity database system;
- iv) Promotion of voluntary compliance by increasing use of EFD; and
- v) Curbing incidences of corruption and increasing transparency at all levels.

The Government also continues with efforts towards domestic resource mobilization and execution of the national budget on a cash basis, and implementing expenditure control measures to ensure that available funds are channelled to higher productive expenditure.

Official Development Assistance (ODA)

Box 12: IPoA targets—ODA

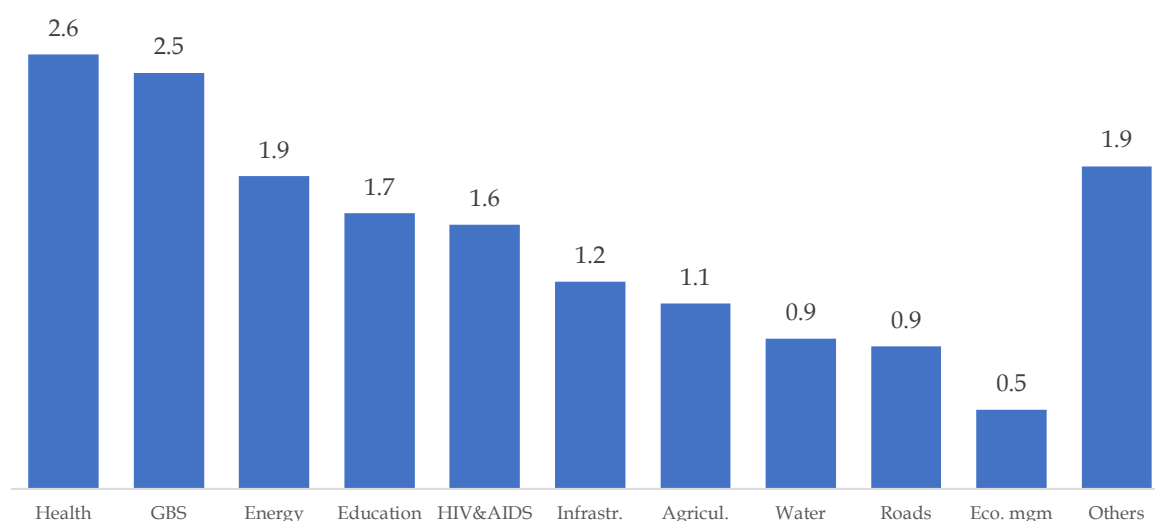
- a) Ensure the fulfillment of all ODA commitments to LDCs.
- b) Ensure the alignment of aid with LDCs' national priorities and increase the alignment of aid with least developed countries' national systems and procedures.

ODA alignment with national development priorities

The integration of ODA within national plans and priorities has resulted in large and positive changes over the past ten years. Public expenditure and financial accountability reports show significant progress in strengthening Public Finance Management (PFM) systems. Likewise, statistics reveal a positive trend on inclusion of aid in the national budget. This effort is the outcome of maintaining transparent and open development partnerships under parliamentary oversight.

Figure 11 highlights actual disbursements to various sectors for the past ten years from 2010/11, during which the funds were distributed in relation to national plans and priorities. The three sectors that received the highest disbursements of grants and concessional loans were energy, health and education. The contribution through budget support has enabled the Government to allocate funds to national priorities, especially to the growth of infrastructure (energy, road, rail and ports) to support the economy. In recognition of the contribution of social sectors to the economy, ODA has also been allocated to the water and health sectors.

Figure 11: Disbursement of grants and concessional loans (USD billion)



Source: Ministry of Finance and Planning

Aligning development partners' support with Government priorities is a fundamental part of strengthening national ownership and Government leadership in the development process. During the implementation of the IPoA, the

Government introduced frameworks such as the development cooperation framework, dialogue structure, and procedures that promote harmonization of Government and development partners' processes. In addition, the Government prudently managed resources to achieve development results by promoting mutual accountability for use of these resources to benefit Tanzania's citizens.

Progress of ODA on the priorities set in the IPoA

Significant achievements have been made in using grants and concessional loans to realize targets under the 17 SDGs. Analysis shows most of the support from development partners has targeted the SDGs with notable progress in goals 2, 3, 4, 5, 6, 8, 10, and 16. For example, over the last ten years, approximately USD 1.1 billion has been disbursed through the ASDP programme to reduce hunger and ensure food availability and security (Goal 2), USD 2.65 billion to the health sector (Goal 3), USD 1.65 billion to the education sector (Goal 4) and USD 1.87 billion to the water sector (Goal 6). Significant domestic efforts and international support are still needed to achieve Goal 7 (Affordable and clean energy), Goal 9 (Industry, innovation and infrastructure), Goal 11 (Sustainable cities and communities), and Goal 12 (Responsible production and consumption), which are closely related to the Government's industrialization agenda under FYDP II.

Challenges and constraints in ODA

Aid fragmentation, lack of donor coordination, and the volatility and unpredictability of aid flows limit the development impact of ODA. Significant progress has been made in improving in-year aid predictability since the implementation of IPoA but multi-year aid predictability remains an area of concern. More efforts are required from development partners to provide better forecasts of their ODA allocations and more closely align aid flows with national priorities. Greater realism on the pace of programme implementation is needed along with conditions set for disbursements. The conditionality on aid should also be revisited especially borrowing terms to ease debt stress.

During 2011/12, actual disbursements were less than the planned disbursements, while analysis indicates some improvements in disbursements in other years, during which actual disbursements surpassed planned disbursements. The positive progress is an outcome of Government efforts to collect information associated with funds direct from implementers (D-fund).

In terms of funding type, the Government received more grants than concessional loans and technical assistance during the period of implementing the IPoA. The Government will continue to prudently use grants and concessional loans to advance domestic resource mobilization as one of the means to reduce aid

dependency. However, developing countries should revisit their strategies to ensure they reduce debt distress to achieve sustainable development.

Developing countries should continue to take account of other factors limiting the development impact of ODA. They need to:

- Strengthen their productive capacity through structural transformation;
- Build human capacities by fostering sustained, equitable and inclusive human and social development, gender equality and women's empowerment; and
- Reduce LDCs' vulnerability to economic, natural and environmental shocks and disasters, including climate change.

LDCs need to enhance their ability to meet these and other challenges through strengthening their resilience and ensuring availability of financial resources and their effective use for development, including domestic revenue, ODA, external debt relief, FDI and remittances.

External debt

Box 13: IPoA targets – External debt

- Achieve sustainable debt levels in all LDCs, bearing in mind LDCs' special development needs.
- Remain vigilant in monitoring the debt situation of LDCs and continue to take effective measures within the existing frameworks.
- Provide specific debt relief measures for LDCs that are not HIPC countries on a case-by-case basis.

In 2017, the Debt Sustainability Analysis (DSA) was conducted using the World Bank/IMF Debt Sustainability Framework for Low Income Countries (DSF-LIC). The DSF uses thresholds of debt burden indicators, which depend on the quality of a country's policies and institutions as measured by the World Bank's Country Policy and Institutional Assessment (CPIA). According to the 2016 CPIA rating, Tanzania is classified as medium policy performer with a three-year moving average score of 3.7. Relevant solvency thresholds of external debt for Tanzania are shown in the third column of Table 8.

Table 8: Indicative external debt burden thresholds

	Weak CPIA <3.25	Medium 3.25 < CPIA <3.75	Strong CPIA >3.75
Solvency ratios			
PV of debt to GDP	30	40	50
PV of debt to exports	100	150	200
PV of debt to revenue	200	250	300

Liquidity ratios			
Debt service to exports	15	20	25
Debt service to revenue	18	20	22
PV of public debt to GDP	36	56	74

Source: Ministry of Finance and Planning

Based on the baseline assumptions, external debt will accumulate rapidly in the short-term, consistent with anticipated financing needs for the large national infrastructure projects. In the long term, debt accumulation is, however, expected to subside, reflecting economic returns following the completion of these major projects. Moreover, the grant element of new borrowing is projected to decline significantly in the long run, reflecting reduced access to concessional financing. This trend is consistent with the country's desire to become a middle-income country by 2025.

Debt burden indicators

DSA findings show that Tanzania remains at low risk of debt distress, with all relevant debt ratios below their thresholds throughout the projection period. The present value (PV) of external (public and private) debt to GDP in 2018/19 is projected at 22.2% and will decrease moderately in the medium to long term, reaching 8.4% by 2038/39. The long-term projection is supported by strong GDP growth and expected slowdown of borrowing after completion of major projects under FYDP II. The PV of external debt-to-export is projected to decrease from 157.3% (2018/19) to 138.2% (2021/22) and thereafter to 54.7% (2038/39). Liquidity as measured by the ratio of debt service to exports is projected to decrease from 15.2% (2018/19) to 10.6% (2021/22) and thereafter stabilize at around 4.9% in the long run (Table 9).

Table 9: External debt sustainability indicators

External DSA	Threshold	2018/19	2019/20	2020/21	2021/22	2022/23	2028/2029	2038/39
PV of debt-to GDP ratio	55	22.2	21.2	20.5	19.7	18.7	13.5	8.4
PV of debt-to-exports ratio	240	157.3	149.3	144.7	138.2	124.7	88.1	54.7
Debt service-to-exports ratio	23	15.2	12.7	10.8	10.6	9.0	7.0	4.9

Source: Ministry of Finance and Planning

The low risk of debt distress reflects the recent GDP rebasing and reclassification of the country from a medium policy performer to a strong policy performer, which raised its debt carrying capacity and accompanying debt burden thresholds. All debt burden indicators remain below the thresholds under stress tests, though sensitivity to export and commodity price shocks remain. The following are the measures considered to achieve debt sustainability:

- i) Ensuring long-term debt sustainability through increased grant-based and other forms of concessional financing, including through multilateral institutions.
- ii) According to the latest DSA report in 2019, the overall debt for Tanzania is sustainable, reflecting robust economic growth and prudent implementation of monetary and fiscal policies. The analysis indicates that the cost of the country's debt portfolio is rising in tandem with the increasing commercial component. This will likely pose risks to debt sustainability in the medium term. To avoid the associated risks, the Government plans to use commercial loans for projects that have high economic returns within a short period, including projects which support the country's export base.
- iii) The Government is adopting domestic debt market development by reducing the share of short-term debt securities from 63.9% of the domestic borrowing in 2018/19 to 50.0% by 2022/23. A gradual increase in the proportion of domestic financing is assumed, from 42% in 2018/19 to about 65% by 2022/23. This strategy aims at mitigating refinancing risk emanating from short-term domestic borrowing and exchange rate risks associated with foreign currency fluctuations.
- iv) Also, increasing the share of fixed rate semi-concessional borrowing with a proportionate decline of variable rate commercial borrowing aims to reduce financing costs and risks in the medium term.

Foreign Direct Investment (FDI)

Box 14: IPoA targets – FDI

- a) Attract and retain increased FDI in LDCs, especially with the aim of diversifying the production base and enhancing productive capacity
- b) Enhance initiatives to support investment in LDCs.

Foreign Private Investment (FPI)

The stock of FPI reached USD 15,392.9 million in 2017, representing an increase of 5.2% from USD 14,634.3 million in 2016. Of this total, FDI amounted to USD 13,499.5 million, equivalent to 87.7%. Portfolio and other investments accounted for 0.5% and 11.8%, respectively. FPI inflows increased by 5.7% to USD 1,052.0 million (2017) from USD 995.5 million (2016) (see Figures 12 to 19).

Data further show that FDI flows declined in 2016 compared with the flows

registered in 2015. This trend was consistent with the general global trend, exacerbated by large repayment of loans to the related parties and losses retained, particularly in the telecommunications and electricity and gas sectors.

Figure 12: Total FPI (inflows)

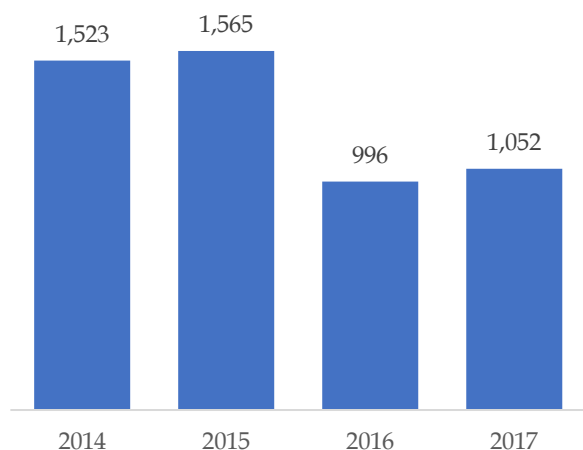


Figure 13: Total FPI (stock)

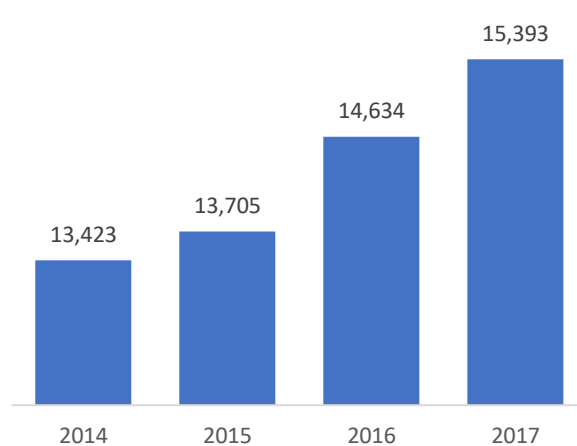


Figure 14: FDI (inflows)

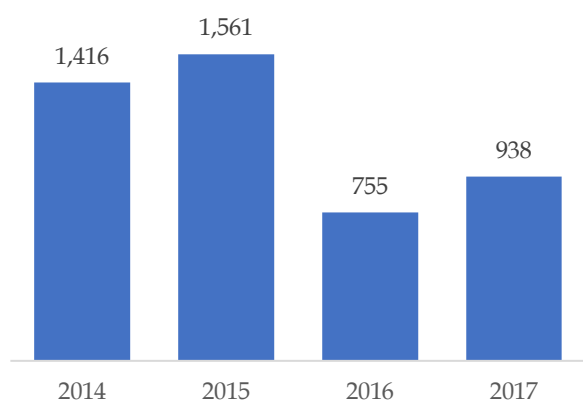


Figure 15: FDI (stock)

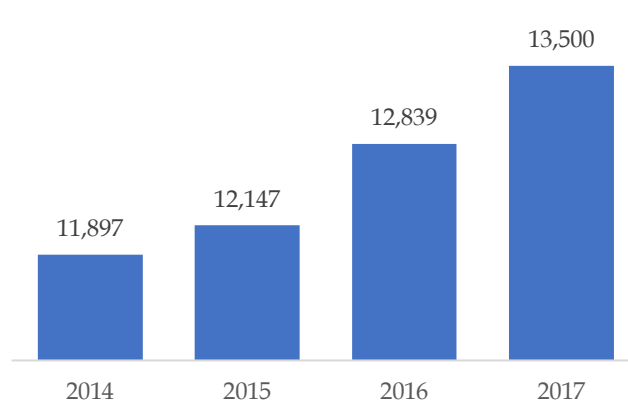


Figure 16: Portfolio investment (inflows)

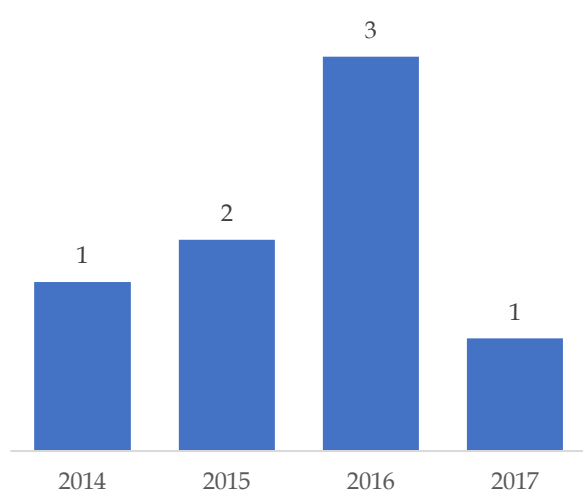


Figure 17: Portfolio investment (stock)

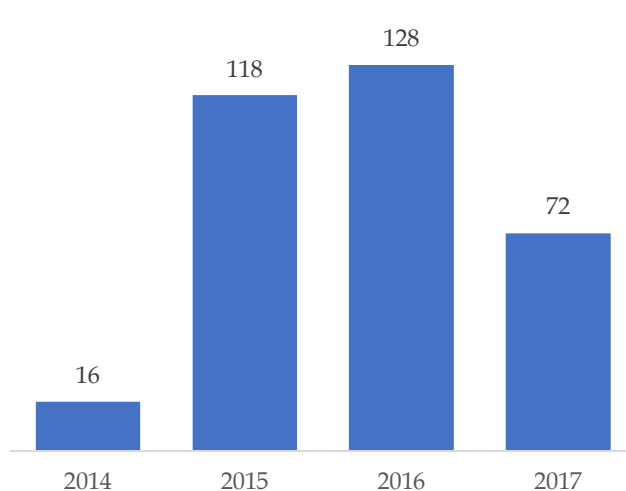


Figure 18: Other investments (inflows)

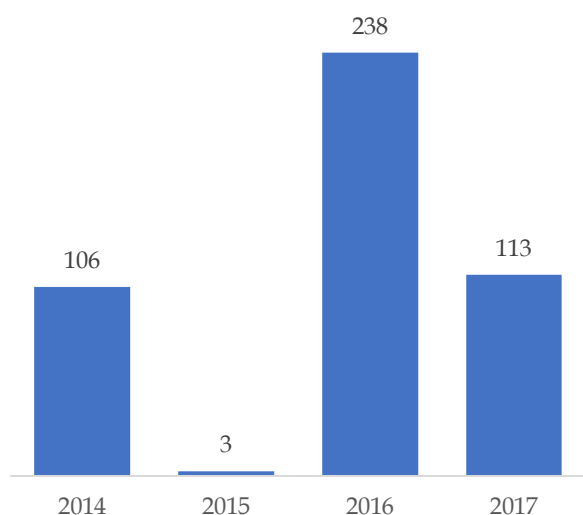
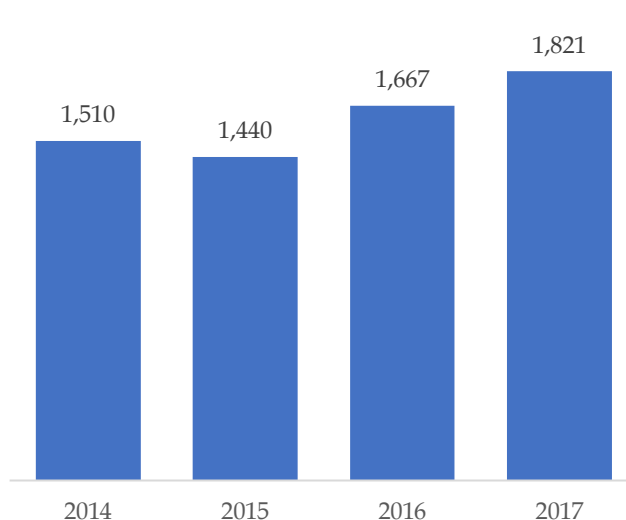
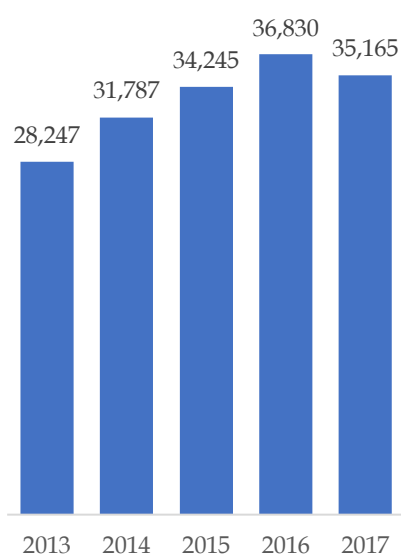
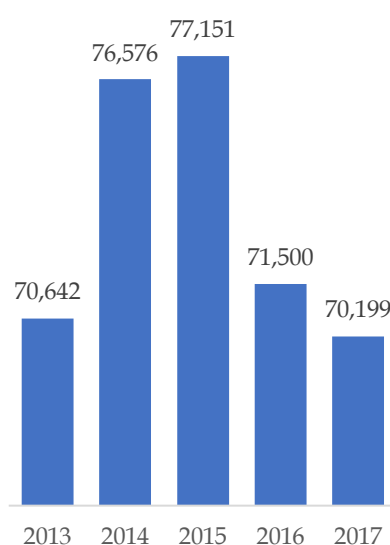
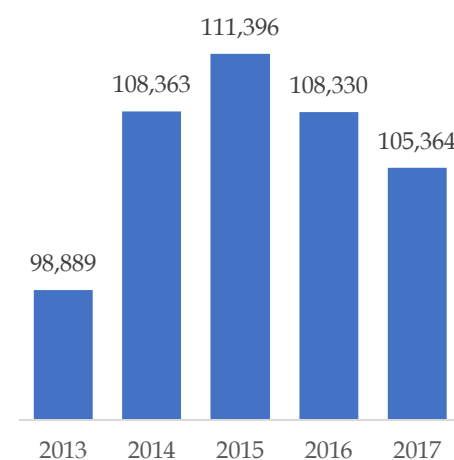


Figure 19: Other investments (stock)



Source: Ministry of Finance and Planning

The quality of jobs offered to locals is among the important benefits of FDI to host economies and an important element in gauging potential for domestic skills transfer. Data for 2017 show that companies with foreign liabilities in Tanzania employed 105,364 people (2017), a slightly lower number compared to 108,330 persons hired in 2016 (Figures 20 to 22).

Figure 20: Professionals**Figure 21: Non-professionals****Figure 22: Total**

Source: National Bureau of Statistics

The manufacturing, agriculture, finance and insurance, and administrative services sectors accounted for the largest share of employees (65.0% of total employees), while the majority of professional employees were hired in the finance sector.

Financing of FDI

Financing of FDI inflows has been oscillating between equity and investment shares, and loans from related parties. In 2017, the largest source of inflows was equity and investment shares (65.4%), which amounted to USD 613.3 million, compared to USD 576.8 million in 2016. Financing of the FDI inflows by reinvestment of earnings improved significantly from a net outflow of USD 109.1 million (2016) to USD 242.4 million (2017) (Table 10). The dominance of equity financing and long-term loans from related parties is normally interpreted as a sign of increasing investors' confidence in the macroeconomic stance of the host economy.

Table 10: Financing of the FDI 2013-2017 (USD million)

	2013	2014	2015	2016	2017
Equity and investment fund shares	410.5	775.9	247.1	576.8	613.3
Reinvestment of earnings	534.2	167.1	40.3	(109.1)	242.4
Long-term loans from related parties	1,105.1	461.0	967.9	268.5	34.9
Short-term loans from related parties	81.7	12.1	305.3	18.8	47.1
FDI	2,131.5	1,416.1	1,560.6	755.0	937.7

Source: Ministry of Finance and Planning

In conclusion, Tanzania has remained an attractive destination for investments, reflected by continued FDI inflows, which was earlier dominated by greenfield investment. The current findings show that, in 2017, the stock of FPI increased by 5.2% to USD 15,392.9 million dominated by FDI, which accounted for 87.7%, followed by other investments with 11.4%. Profits recorded during 2017 were higher than 2016 but slightly lower than in 2015 owing to adverse developments in world commodity prices. Inflows of FDI to Tanzania in 2017 amounted to USD 937.7 million, which is 24.2% higher than inflows registered in 2016, largely explained by increased investments in accommodation, food, mining and quarrying, and finance and insurance sectors in response to the improved investment climate, specifically, the conducive macroeconomic environment in the country. In addition, the Government through the *Blueprint for Regulatory Reforms to Improve the Business Environment 2018* has provided a detailed analysis of existing challenges in the business environment and has articulated interventions to be addressed by each MDA.

To attract foreign investments, the Government aims to offer a well-balanced and competitive package of fiscal incentives to both domestic and international investors. In particular, Tanzania provides generous fiscal incentives under the EPZ/SEZ schemes. The Export Processing Zone Authority (EPZA) offers investment land and operates as a one-stop service centre to provide opportunities for potential investors in manufacturing. The Government is also collaborating with the private sector through PPP arrangement by allocating more resources to cater for necessary infrastructure in areas earmarked for EPZ. However, the scale of incentives has sparked heated debate in the country that they waste potential Government revenue for the country's social and economic development.

The Government has also signed Bilateral Investment Treaties (BITs) to promote new investments and safeguard existing ones, as well as Double Taxation Treaties (DTTs) with various countries. As of 2013, BITs are in place with the Governments of Germany, Italy, Finland, South Korea, the Netherlands, UK, Sweden, Denmark, Canada, Switzerland, Thailand, China, Oman and Kuwait. DTTs have been agreed

with the Governments of UK, Italy, Sweden, Norway, Denmark, Finland, South Korea, Switzerland, Oman, Malaysia, Thailand, Canada, the Netherlands and Kuwait. Tanzania is a member of MIGA, ICSID and is signatory to the United Nations Commission on International Trade Law (UNCITRAL).

Remittances

Box 15: IPoA targets – Remittances

-
- a) Reduce the transaction cost of remittance flows and foster the development impact of remittances
-

In May 2015, the Bank of Tanzania introduced a bureau de change system to monitor transactions in real time and to better accommodate a money remittance line of business.

The country's primary income account, which relates to the use of factors of production – i.e., interest and dividends from investments abroad, rents from natural resources and net remittance flows from migrant workers – experienced a deficit of USD 820.1 million (2018/19), lower than a deficit of USD 952.7 million (2017/18). The improvement came from a decline in interest payments and increase in interest receipts from overseas investments and compensation to employees working abroad. Interest payments decreased from USD 348.2 million to USD 279.6 million, while interest income and compensation to employees working abroad increased by 37.2% and 39.7% to USD 132.8 million and USD 58.4 million, respectively.

The secondary income account, which records current transfers between residents and non-residents, continued to record a surplus, despite declining to USD 380.6 million (2018/19) from USD 434.4 million (2017/18). The decrease in surplus was on account of a 56.1% decline in inflow of official current transfers to USD 68.2 million. Secondary income outflows declined by 31.2% to USD 59.6 million. Net capital transfers declined to USD 266.7 million from USD 396.8 million, largely on account of a decrease in project grants.

i. Good governance at all levels

Box 16: IPoA targets—Good governance at all levels

- a) Strengthen good governance, the rule of law, human rights, gender equality and empowerment of women, and democratic participation, including by enhancing the role of parliaments.
- b) Strengthen and effectively implement measures to prevent corruption and to increase transparency of budgets and expenditure.
- c) Enhance the institutional capacity of least developed countries to ensure good governance.
- d) Ensure that resources to least developed countries are provided and used in a predictable, transparent and timely manner.
- e) Provide continued support for strengthened and effective voice and participation of least developed countries in relevant international forums.
- f) Build durable peace and ensure stability, security, and sustainable and inclusive development in least developed countries.

Governance

Indicators for the prevention and control of corruption in Tanzania show a declining trend since 2011. However, oversight institutions, including the Parliament of Tanzania, the Controller and Auditor General (CAG), the Prevention and Combating of Corruption Bureau (PCCB), and the Registrar Of Political Parties need to be further strengthened, in order to improve transparency, accountability and good governance. Citizen participation through elections and parliamentary work is improving, building on progress related to voter registration for the 2015 general election and parliamentary oversight of government.

Corruption and rule of law

The Government continued to fight corruption with efforts being directed towards addressing various dimensions of corruption, including political, bureaucratic and judicial corruption, embezzlement of public funds, and fraudulent procurement practices. Awareness and anti-corruption education campaigns are among the efforts deployed by the Government. Other measures include:

- Establishment of zonal anti-corruption offices that are responsible for making follow-ups on the Public Expenditure Tracking System (PETS);
- Creation of the asset tracing and recovery unit, which is responsible for coordinating the return/transfer back of public assets or funds that had been acquired illegally or owned through corruption or bribery-related transactions; and

- Strengthening the capacity and working environment of responsible organs for managing corruption-related complaints.

There are improvements in the efficiency of processing reported complaints and processing files and cases, which are positive outcomes of the decision made by the Government to separate prosecution from investigation. These efforts to address corruption and increase transparency have enhanced governance, thereby reassuring donor confidence in the country's commitment to development and ensuring investor confidence in an economy operating with rules and regulations.

Table 11 presents data from the PCCB on allegations received, cases investigated and prosecuted, convictions, and money saved and assets recovered.

Table 11: Corruption case statistics

Category	Allegations received	Cases Investigated	Ongoing Investigations	Closed Investigations	File sent to DPP	Completed Investigations	New Cases filled into courts	Ongoing cases into courts	Conviction cases recorded	Acquitted cases recorded	Total Cases prosecuted	Saved Money/ Assets recovered
2011	4,765	829	2,546	323	143	868	193	435	52	61	709	4,639,939,558
2012	5,084	1,178	2,911	273	221	882	288	551	47	71	723	9,667,354,594
2013	5,456	1,100	2,785	209	358	1,027	343	684	89	62	894	4,260,043,591
2014	5,056	808	3,004	2,420	337	828	256	646	135	142	923	39,406,398,654
2015	5,000	802	3,410	164	366	133	384	596	188	32	1,200	636,209,552
2016 (Jan-March)	1,217	121	3,525	34	55	15	114	578	49	65	806	8,647,724,763
2017	6,691	613	2,818	103	575	143	435	602	159	234	1,403	14,680,000,000
2018	6,331	1,928	723	78	467	199	495	624	178	118	1,415	70,300,000,000
2019	4,425	1,560	1,160	15	911	161	497	672	206	135	1,510	82,800,000,000
2020 (Jan-April)	4,977	1,107	1,380	72	166	69	354	642	204	144	1,344	39,023,016,969
TOTAL	49,002	10,046	24,262	3,691	3599	4,325	3359	6030	1307	1064	10,927	274,060,687,681

Source: PCCB

The trend of new cases filed in court between 2011 to 2020, and the number of cases prosecuted reflect the increasing efforts by PCCB to fulfil its mandate for fighting corruption. Through these efforts, the Government recovered around TZS 274.1 billion between 2011 and 2020.

Other initiatives include:

- Establishment of the Judicial Service Commission responsible for improving efficiency in the judicial system;
- Reinforcing the Legal Sector Reform Programme through improving law enforcement infrastructure and facilities, for example, introducing gender and children's desks in police stations, connection of six regional police

stations and three police posts to the national broadband, updating communication systems from analogue radio calls to digital systems, installing an offender management information system, and strengthening community policing through improvement of police mobility and visibility;

- Improving working environments by constructing and renovating court buildings as well as increasing the number of judges, magistrates, lawyers, advocates and police.

All of these initiatives are undertaken amidst challenges posed by inadequate institutional capacity to implement processes to ensure good governance, and a low level of education and awareness of good governance, rule of law and human rights issues in the general population.

Transparency and accountability

The Government has undertaken several measures to ensure transparency and accountability in all facets of its operations. For instance, to ensure transparency in auditing, the consolidated financial statements of the central Government are now prepared according to the International Public Sector Accounting Standards (IPSAS) accrual basis. Moreover, the bank payment system, that is, the Tanzania Inter-Bank Settlement System (TISS), has been extended to 20 regions.

Donors have also been extending financial support to CSOs to monitor accountability and transparency in governance. The CSOs are engaging citizens in local budgeting, planning, public expenditure tracking and supporting Government efforts to enhance transparency and accountability.³ Governance at the local level requires active participation of citizens in all processes. Government and external support in this area adds impetus to improve citizen agency.

Among several efforts by Government to contain corruption in Zanzibar, in 2001, the RGoZ established the Ministry of State (President's Office) Constitutional Affairs of Good Governance. This went in hand with establishment of the Director of Public Prosecution (DPP), department for good governance and the enactment of the Zanzibar Anti-Corruption and Economic Crimes Authority (ZAECA) Act. Other interventions include reforms in public financial management and procurement procedures.

Human rights

Human rights issues continue to be prioritized by the Government, especially the rights of poor people and groups who are vulnerable to human rights violations, including children, women, elders, people living with disabilities (PLWDs) and

³ See <https://results.usaid.gov/tanzania/democracy-and-governance#fy2014>

those living with HIV/AIDS.

In 2015-16, 40% of women aged 15-49 years had experienced physical violence, and 17% had experienced sexual violence. In response, the Government is implementing the five-year National Plan of Action to End Violence Against Women and Children (NPA-VAWC) 2017/18-2021/22. The plan consolidates eight different action plans to address violence against women and children.

To promote the rule of law and access to justice, the Government has implemented a series of reform measures through the enactment of laws to provide the necessary legal framework, as well as established structures for the implementation of the laws. Notably, the Legal Aid Act 2017 and the accompanying Legal Aid Regulations 2018 make provisions for legal aid and services in various localities within the country. The Act has facilitated free access to legal services by women and children, especially in rural areas, in both civil and criminal cases. The Government also appointed a registrar of legal aid practitioners (paralegals) to coordinate provision of legal aid/services, particularly to poor citizens who previously could not access legal services.

Noticeable improvements have also been recorded in the criminal justice system. For example, in 2018, about 99% of the 176,652 cases registered at primary courts were cleared. The observed success is attributed to the amendments of the Legal Aid Act 2017, which provides access to legal aid for a person in custody. Congestion of inmates in prisons has declined after the introduction of fast-tracking of case hearings. The Government is also preparing a Criminal Justice Transformation Programme (2020-2024) to be launched in 2020. The overall objective of the programme is to transform the criminal justice system into a well-coordinated system so as to improve efficiency, effectiveness and equity in the delivery of justice in Tanzania, particularly in relation to the most serious crimes.

In Zanzibar, the RGoZ also introduced a five-year National Plan of Action to End Violence Against Women and Children (2017-2022). The plan emphasizes three key issues: prevention, enabling environment and strengthening supportive services. Further efforts include the introduction of six gender and children police desks that fast track cases associated with gender-based violence. In addition, six one-stop centres—three in Unguja (Mnazi Mmoja, Makunduchi and Kivunge) and three in Pemba (Wete, Chake and Micheweni)—provide services to GBV victims, including screening, post-exposure prophylaxis (PEP), counselling and legal aid services.

Despite the progress made, the capacity to deliver quality justice services remains inadequate, and the judicial system labours under long-standing challenges of limited infrastructure, inadequate equipment and lack of funding to support legal sector interventions.

V. Coherence and linkages with Agenda 2030 and other global processes

The Tanzania Development Vision 2025 has three main objectives: 1) attaining a high-quality livelihood for all; 2) good governance and the rule of law; and 3) a strong and competitive economy. To achieve these objectives, the Government has introduced and implements FYDPs and sector plans that take into account developments in the domestic socio-economic environment as well as the global development agenda. Development partners in collaboration with LGAs and CSOs have also implemented pilot projects in several rural districts targeting specific aspects of the 17 SDGs.

The URT has mainstreamed the 2030 Agenda in national development frameworks particularly through the medium-term planning frameworks: FYDP II on the Mainland, and Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Zanzibar III (MKUZA III) in Zanzibar (Figures 23 and 24).

Interventions in FYDP II are grouped into four priority areas:

- i) Growth and industrialization;
- ii) Access to quality social services;
- iii) Conducive environment for doing business; and
- iv) Fostering implementation of the plan.

MKUZA III outlines five key results areas (KRA) focused on economic growth, human capital, services, environment and governance.

- i) KRA A: Enabling sustainable and inclusive growth with seven outcomes
 - A1: A conducive business environment
 - A2: Resilient and growth enabling infrastructure
 - A3: A competitive tourism and hospitality sector
 - A4: A modernised agriculture sector
 - A5: A modernised manufacturing sector
 - A6: A vibrant private sector
 - A7: Improved social protection schemes
- ii) KRA B: Promoting human capital development with two outcomes
 - B1: Skills development for increased employability
 - B2: Enhancing entrepreneurial capacity

iii) KRA C: Providing quality services for all with six outcomes

C1: Improved access to quality health and sanitation services, safe and clean water, and a mitigated disease burden

C2: Inclusive and equitable access to quality education and skills training

C3: Increased access to decent and affordable housing, improved rational land use, and access to energy

C4: Enhanced prevention of and response to violence against women and children

C5: Enhanced national capacity to prepare and respond to all types of emergencies

C6: Attainment of national and household food security and nutrition for all.

iv) KRA D: Attaining environmental sustainability and climate resilience with three outcomes

D1: Improved gender-responsive climate change adaptation and mitigation measures

D2: Marine and terrestrial ecosystems protected and restored, with reduced biodiversity loss

D3. Environmental degradation is prevented, with reduced environmental and social risks of economic activities.

v) KRA E: Adhering to good governance with five outcomes

E1: Governance systems and structures are gender-responsive, accountable, capable, credible, transparent and corruption-free

E2: Attainment of gender equality and equity

E3: Increased access to justice, respect for rule of law, adherence to basic human rights, and greater participation in the democratic process

E4: Responsible corporate governance ensured

E5: Mobilized resources for implementation.

Figure 23: Links between FYDP II and SDGs

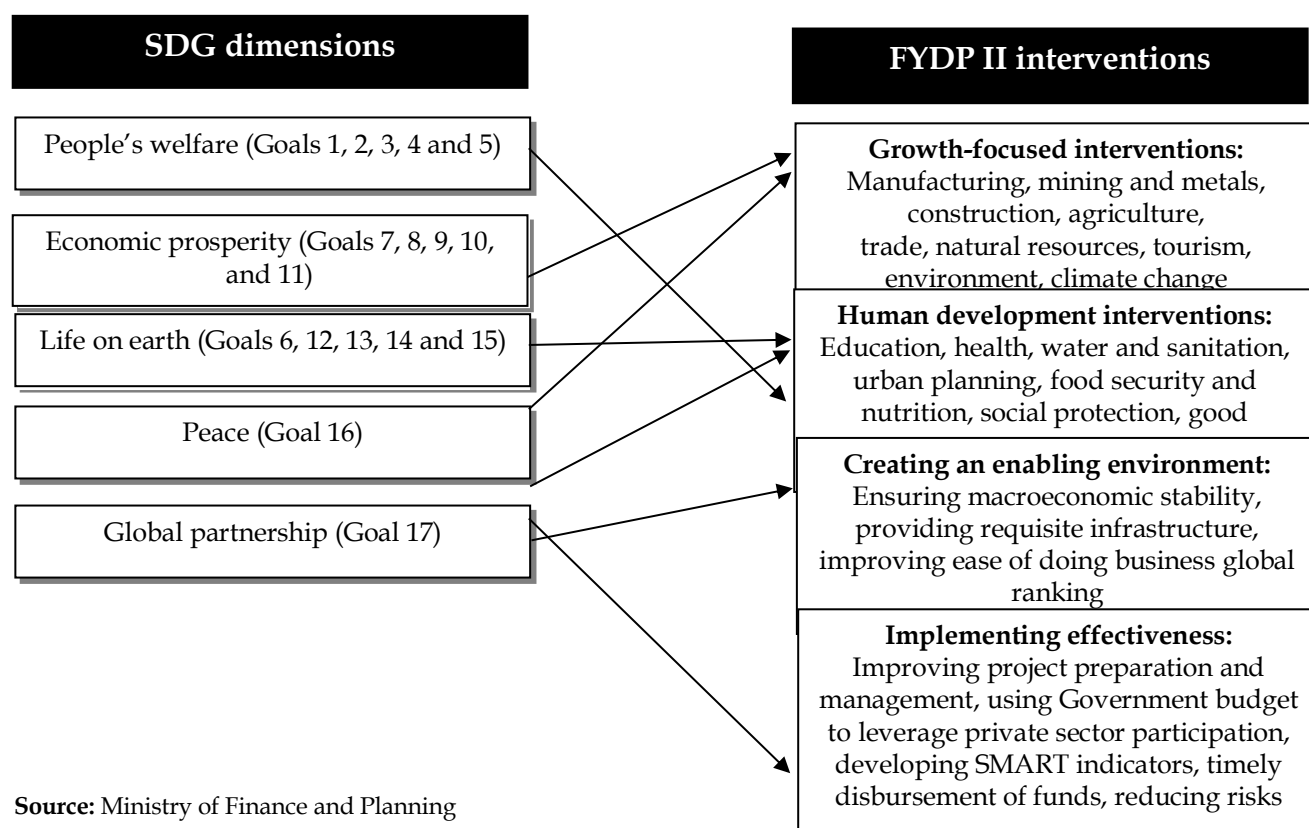
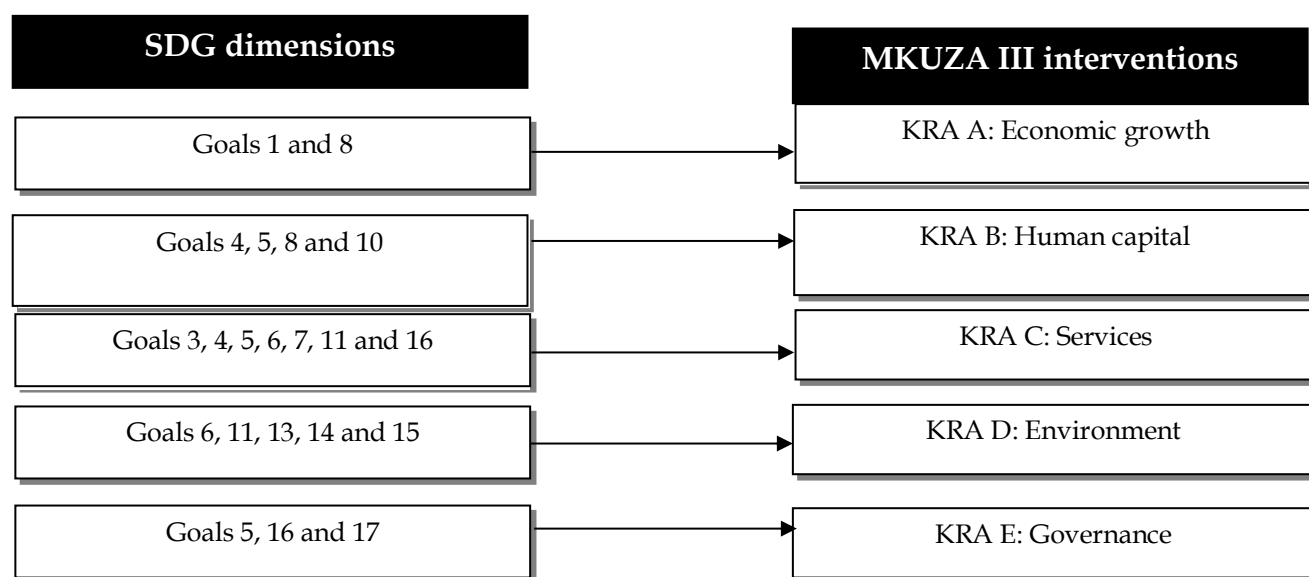


Figure 24: Links between MKUZA III KRAs and SDGs



VI. Towards the next LDC agenda

This report highlights the status of implementing the IPoA for the period of ten years from 2011 to 2020. The report shows that Tanzania has made significant progress in some of the priority areas identified in the IPoA. It also highlights where challenges persist. The country has registered good progress in areas of human and social development, including education and health. But more needs to be done to further raise the country's level of human development by containing vulnerabilities and removing economic and structural barriers to growth. In particular, greater efforts will be needed to address identified challenges in many areas, including population growth, youth development, water and sanitation, social protection, climate change adaptation and mitigation, and the environment.

To enhance the country's human capital and the capacity of its domestic institutions, strong partnerships with stakeholders will be essential. Given that financing was a critical factor during the implementation of the IPoA, the Government should ensure that adequate resources are mobilized and allocated in national priority areas. Innovative financing methods in national development plans and alternative funding options, such as partnership with the private sector, need to be further explored.

The IPoA identifies specific areas of interventions by development partners. Thus, increased support from the international community including the UN system will be essential for Tanzania to overcome some of its development challenges. Aligned with national priorities, this assistance will ensure that the country makes significant

strides towards the objectives set in the 2030 Agenda.

Annexes

Annex 1: Mainland Tanzania's national policies that support IPoA targets

A. Productive capacity

1. National Investment Promotion Policy 1997
2. Tanzania Investment Policy 2007 (under review)
3. The Public Private Partnership (PPP) Policy 2009
4. The Public Private Partnership (PPP) Act 2010
5. Blueprint for Regulatory Reforms to Improve the Business Environment
6. National Livestock Policy 2006
7. Agricultural Marketing Policy 2008
8. National Agriculture Policy 2013
9. National Fisheries Policy 2015
10. Agricultural Sector Development Programme II 2018-2023
11. Sustainable Industrial Development Policy (SIDP) 1996-2020
12. Integrated Industrial Development Strategy(IIDS) 2011-2025
13. Small-Medium Enterprises Policy 2006
14. Leather Sector Development Strategy 2016-2020
15. National Transport Policy 2003 (under review)
16. Construction Industry Policy 2003 (under review)
17. Industrial Policy 1998
18. Small and Medium Enterprises Development Policy 2003
19. Mineral Policy 2009
20. Tanzania Livestock Master Plan 2017
21. Infrastructure and Services
22. The Rural Energy Act 2005
23. The Electricity Act 2008
24. National Irrigation policy 2010
25. EWURA Act, 2001
26. National Energy Policy 2015
27. The Petroleum Act 2015
28. Power System Master Plan (PSMP) Update 2016
29. The Standardized Power Purchase Agreement and Tariffs (<10 Megawatts (MW))
30. The Model Power Purchase Agreement 2016
31. Oil and Gas (Upstream) Policy 2016
32. National Information Technology and Communication (ICT) Policy 2016

- 33. Financial Sector Reforms Programme
- 34. National Forest Policy 1998
- 35. Tanzania National Wildlife Policy 1998
- 36. National Tourism policy 1999
- 37. Forest Act no. 14 of 2002
- 38. Forest Regulations of 2004
- 39. National Fisheries Policy 2015
- 40. National Wildlife Policy 2007
- 41. Wildlife Conservation Act no. 5 of 2009
- 42. Tripartite Free Trade Area for Southern African Development Community (SADC), East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA)

B. Trade

- 43. Protocol on EAC single Customs Territory
- 44. National Trade Policy (2003) – under review
- 45. African Continental Free Trade Area (AFCFTA)

C. Human and Social Development

D. Education

- 46. Education and Training Policy (ETP) 2014
- 47. Education Sector Development Programme – ESDP 2016/17-2020/21
- 48. National Skills Development Strategy 2016-2027

E. Health, Nutrition and Demography

- 49. National Health Policy 2007
- 50. Tanzania Migration Policy 2012
- 51. Immigration Act 1995
- 52. Food and Nutrition Policy 1992
- 53. Food and Nutrition Strategic Plan 2014-2018

F. Employment

- 54. National Employment Policy 2008
- 55. Employment and Labour Relations Act No. 6 of 2004

- 56. National Action Plan on the Elimination of Child Labour and its Worst Forms 2009

G. National Action Plan against Violence to Women and Children

- 57. Labour laws
- 58. Social Security
- 59. Social Security Policy 2003

H. Safety

- 60. National Road safety Policy 2009
- 61. Occupational Safety and Health Act 2003
- 62. Addressing Gender disparities
- 63. Gender Development Policy 2000
- 64. Regional and International Agreements, Conventions, Protocols, Treaties and Instruments
- 65. Voluntary national review on the sustainable development goals

I. Water and Sanitation

- 66. National Water Policy 2002
- 67. The National Water Sector Development Strategy (NWSDS) 2006-2015
- 68. Water Sector Development Programme 2006-2025

J. Settlements

- 69. National Land Policy 1995
- 70. Human Settlements Policy 2000
- 71. Land Act 1999

K. Good Governance

- 72. Anti-Money Laundering Act no. 12 of 2006
- 73. Prevention and Combating of Corruption Act 2007
- 74. The National Prosecution Service Act no. 27 of 2008
- 75. Anti-trafficking in National Anti-corruption Strategy and Action Plan Phase III

Annex 2: Zanzibar's policies that support IPoA targets

A. Investment and partnerships

- 76. Zanzibar Investment Policy 2005
- 77. Zanzibar Public-Private Policy 2014
- 78. Zanzibar PPP Act
- 79. Zanzibar Empowerment Policy and Act

B. Productive sectors

- 80. Zanzibar Tourism Development Policy in 2004
- 81. Zanzibar Agricultural Transformation Initiative for Sustainable Development 2010-2020

C. Infrastructure and services

- 82. Zanzibar Transport Policy 2008
- 83. Zanzibar Energy Policy 2009
- 84. Zanzibar ICT Policy 2013

D. Natural resources

- 85. Zanzibar Fisheries Act no. 8 of 1988
- 86. Zanzibar Tourism Policy 1992
- 87. Zanzibar Forest Policy 1995
- 88. Zanzibar Fisheries Act 2015
- 89. Zanzibar forest Policy and National Forest Resources Management Plan 2008-2020
- 90. Deep Sea Fishing Authority Act
- 91. Zanzibar Marine Parks and Reserves Act 1994

E. Education policies, strategies and programmes

- 92. Zanzibar Education Policy 2006
- 93. Zanzibar Vocational Education and Training Policy 2005
- 94. ESDP 2016/17-2020/21
- 95. Technical and Vocational Education and Training Development Programme (TVETDP) 2013/14-2017/18
- 96. Second Zanzibar Education Development Plan 2017/18-2021/22

F. Health

- 97. Zanzibar Health Sector Policy 2011
- 98. Zanzibar Health Sector Reform Strategic Plan III 2013/14-2018/19
- 99. Zanzibar Drugs and Prevention of Illicit Drugs Trafficking Act 2011

G. Demography

- 100. Zanzibar Population Policy 2008

H. Gender disparities

- 101. Zanzibar Gender Policy 2016
- 102. Zanzibar Action Plan to End Violence against Women and Children 2017-2022

I. Employment

- 103. National Employment Policy 2008
- 104. Zanzibar Employment Policy 2009
- 105. Employment and Labour Relations Act no. 6 2004
- 106. Zanzibar Child Protection Policy 2016
- 107. Zanzibar Employment Act 2005

J. Water and sanitation

- 108. Zanzibar Water Policy 2004
- 109. Zanzibar Water Act 2006

K. Social protection

- 110. Zanzibar Social Protection Policy 2014