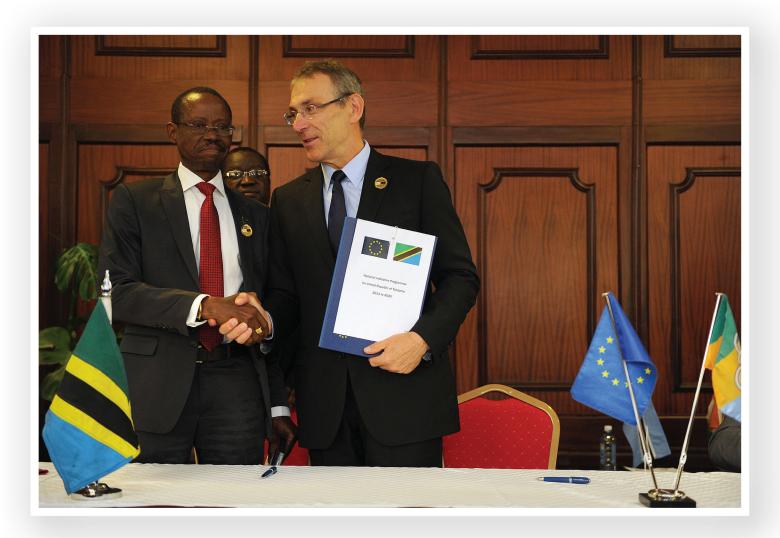


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## Signing the 11<sup>th</sup> European Development Fund National Indicative Programme for Tanzania

19th June 2014



The 11 EDF National Indicative Programme for Tanzania was co-signed by the Tanzania Minister for Industry and Trade, Honourable Abdallah Kigoda and EU Commissioner for Development Andris Piebalgs, in the margins of the meeting of the Joint Council of Ministers of the African, Caribbean and Pacific countries and the EU, in Nairobi, Kenya.



The European Development Fund National Indicative Programme (NIP) for Tanzania, once again, marks an important milestone of the unique and unprecedented historic cooperation between the European Union and Tanzania. The cooperation has come a long way since 1975 when the Lomé Convention was signed in Georgetown. Since the signing, the EU has remained a true partner in development through its sustained financial and technical support under the (Lomé-successor) Cotonou Partnership Agreement.

One of the unique features of the EU support is its alignment with our national strategies and plans. This has to a great extent promoted and enhanced ownership and minimised duplication of efforts and in doing so it has promoted aid effectiveness. Preparation of the 11th EDF NIP has proved this as the selection of sectors of intervention is solidly based on Tanzania's Government's national strategies and plans. Moreover, key stakeholders – including Members of Parliament, civil society organizations and private sector representatives – have participated to its preparation. Preparation and initial implementation of the NIP has taken place at an important and critical point as international community takes stock of achievements of the Millennium Development Goals and ponders the post-MDG development objectives. The EU's general goal to promote sustainable and inclusive growth as well as democracy and good governance is crucial as we consolidate gains for our country's development. The EU has effectively supported the Government's efforts through predictable financing in the form of general budget support.

The cooperation between the EU and Tanzania has evolved from being aid driven to trade and development cooperation through partnership in trade and in industrial and agricultural development. The EU will in Tanzania therefore tap into opportunities to promote trade, investment and cooperation with and through the private sector. As the Tanzanian economy expands and priorities evolve, the EU support will accompany Tanzania lessen and its dependence on ODA. We are pleased to note that EU will contribute into promoting pro-poor, inclusive and sustainable growth, in coherence with the EU's Agenda for Change and with the Big Result Now Initiative launched in 2013, inspired by a Malaysian experience.

The three sectors agreed in the NIP - i.e. Good Governance and Development; Energy and Sustainable Agriculture - are key for Tanzania development. Agricultural development and transformation is a driver of growth in Tanzania's strategy to reduce poverty and offers an opportunity to strengthen commercial linkages with the EU. Furthermore, the discovery of substantial off-shore gas will have a significant transformational impact on the Energy sector where Europe can help with investment technology transfer and green foot-print.

As Tanzania's economy continues to expand and diversify, we are optimistic that it is possible for the country to reach middle income status in the medium term. The EU general budget support under the Good Governance and Development sector will play an important role in implementing the requisite governance related reforms and public investments.

Dr Servacius Likwelile Permanent Secretary of the Ministry of Finance EDF National Authorising Officer



The National Indicative Programme, which underpins the 11th European Development Fund partnership between Tanzania and the European Union for the period 2014-2020, was co-signed in June 2014 by the Tanzanian Minister for Industry and Trade, Abdallah Kigoda and the European Commissioner for Development, Andris Piebalgs.

"I want to make sure that every Euro reaches those that need it most. Fighting poverty abroad is EU "insurance policy" for a more stable and prosperous world"... these were the words of Commissioner Andris Piebalgs, when he launched the Agenda for Change in 2011. The EU and its Member States were already then the largest donor in the world, cooperating with partner countries on all continents with a multifaceted approach to their development. Nevertheless the EU needed to focus its offer to partner countries where it could have the greatest impact and decided to concentrate its development cooperation in support of two main areas: 1/ human rights, democracy and other key elements of good governance; and 2/ inclusive and sustainable growth for human development.



In 2014, when signing the NIP, and considering the transition of Tanzania's economy, the focus was on how to ensure that the European Development Fund (EDF) had the best impact on Tanzania's development. The EU Delegation to Tanzania thus started discussions with representatives of civil society, the private sector and government partners on the mainland and in Zanzibar exchanged on priorities, on success stories and on challenges of implementation also with other Development Partners, including the EU Member States present on the ground. The outcome of this work resulted in a draft National Indicative Programme 2014-2020 (NIP) with total amount of EUR 626 million (or TSH 1.36 trillion) focused around three focal areas:

- Good Governance and Development: through direct funding to the country's budget and targeted capacity building measures, this programme should a) promote inclusive, sustainable and employment-based economic growth;
   b) strengthen human capital and social safety through improved quality and equity in the provision of social services and c) enhance the effectiveness and accountability of public administration through improvements in public financial management and increased transparency;
- 2. Energy: to enhance the contribution of the power sector to inclusive and sustainable economic growth;
- 3. Sustainable Agriculture: to improve the sustainability of and increase the wealth created by the agricultural sector and reduce vulnerability in the context of a changing climate.

While these focal areas will remain the core of the EU-Tanzania cooperation for the concerned years, the NIP will also bring support to private sector organisations aimed essentially at job creation. In addition, Civil Society and Local Authorities of the country will continue to benefit from support under EU global thematic programmes in the field of Human Rights, Democracy, Health, Environment, Culture, governance, etc.

The European Union is also supporting Tanzania in its efforts to promote regional integration, particularly in the East African Community. Indeed, the EU has also signed in 2015 a Regional Indicative Programme (RIP) with the EAC mainly targeted at Peace and Security, Economic Integration and Natural Resources Management. The Regional Programme is part of a broader cooperation on framework with SADC, COMESA, IOC, EAC and IGAD.

Filiberto Ceriani Sebregondi Ambassador EU Delegation to Tanzania and the EAC

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#### **GENERAL CLAUSES**

The Government of the United Republic of Tanzania and the European Commission hereby agree as follows:

- The Government of the United Republic of Tanzania and the European Commission, hereinafter referred to as the Parties, determined the general orientations for cooperation for the period 2014- 2020. These orientations which are included in the National Indicative Programme, concern the European Union Aid in favour of the United Republic of Tanzania and were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, revised and signed in Luxemburg burg on 25 June 2005 and revised and signed in Ouagadougou on 22 June 2010. The National Indicative Programme is annexed to the present document.
- As regards the indicative programmable financial resources which the European Union envisages to make available to the United Republic of Tanzania for the period 2014 2020, an amount of EUR 626 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation). A B-allocation referred to in Article 3.2 (b) can be established to cover unforeseen needs. This allocation is at EUR 0 until a need arises. These allocations are not entitlements and may be revised by the Commission, following the mid-term and end- of- term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.
- The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects. The National Indicative Programme concerns the resources of the A-allocation. It also takes into consideration financing from which the United Republic of Tanzania benefits or could benefit under other European Union resources. It does not pre-empt financing decisions by the Commission.
- The B-allocation is destined to cover unforeseen needs such as humanitarian, emergency and post
  emergency assistance, where such support cannot be financed from the EU budget, contributions to
  internationally agreed debt relief initiatives and support to mitigate exogenous shocks. The B-allocation
  shall be established according to specific mechanisms and procedures and does therefore not constitute
  a part of the programming.
- Pending the entry into force of the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting with the Council on the financing of European Union Aid under the multiannual financial framework for the period 2014 to 2020, financing decisions for projects and programmes can be taken by the Commission at the request of the Government of the United Republic of Tanzania within the limits of the A- and B-allocations referred to in this document under the condition that sufficient financial resources are available in the transitional measures ("Bridging Facility") composed of uncommitted balances from the previous EDFs and from funds decommitted from projects or programmes under thoseEDFs. The respective projects and programmes shall be implemented according to the rules and procedures of the 10th EDF until the entry into force of the 11th EDF implementing rules and financial regulation.
- The European Investment Bank may contribute to the implementation of the present National Indicative Programme by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 2c and 3 of the 11th EDF multi-annual financial framework for the period 2014-2020.
- In accordance with Article 5 of Annex N to the ACP-EC Partnership Agreement, the National Indicative Programme as well as the A-and B-allocations can be revised following the mid-term review and the end-of-term review or ad hoc reviews.

Done in Nairobi on 19 June 2014 in two originals in English language.

For the Government of United Republic of Tanzania

For the European Commission

## SUMMARY OF THE 11th EDF FOR THE REPUBLIC OF TANZANIA

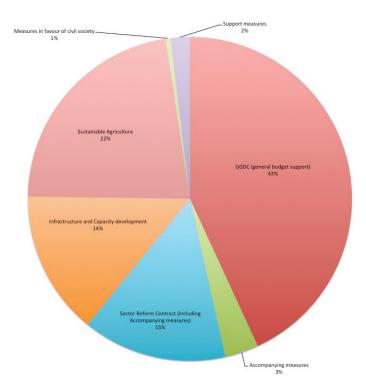
In spite of the turbulent global economic crises of the past years, Tanzania has managed to maintain relative macroeconomic balance. The economy has been growing at an average annual rate of 6% over the past decade and growth prospects remain strong. However, this economic growth is yet to translate into significant reduction of poverty as over 30% of the population continues to live under the national poverty line. The challenges that Tanzania faces are in relation to investment climate, overall economic governance, poor state of economic infrastructure, low productivity and limited skills base.

EU will promote pro-poor, inclusive and sustainable growth in Tanzania, in coherence with the Agenda for Change and with the country national development strategies and the corresponding Big Results Now (BRN) initiative launched in 2013 to boost results in certain sectors (education, water, energy, transport, agriculture). The EU will at the same time tap into opportunities to promote trade, investment and cooperation with and through the private sector.

The NIP proposes to focus on the following three sectors:

- Good Governance and Development,
- Energy and
- Sustainable Agriculture.

The indicative allocation to Tanzania will be EUR 626 million, subdivided as follows:



The Good Governance and Development focal sector will focus on domestic revenue mobilisation, budget transparency, reinforcement of domestic accountability as well as continuing efforts to reduce poverty through investment in social services and productive capacities. The general budget support will be implemented through a Good Governance and Development Contract (GGDC). Accompanying measures will include: i) Support to Public Finance Management: ii) Democratic Governance and Accountability with an emphasis on the local level; iii) Support to Monitoring of Results, including data collection, statistics, research and studies and iv) Support to the General Budget Support Secretariat for the management, monitoring and evaluation of GBS.

The Energy focal sector will contribute to increased energy access and security and the strengthening of Tanzania's role in the regional energy markets through support to core reforms in the electricity sector, notably to restore the long term financial viability of the utility operator and to adopt transparent, cost effective and efficient management measures, including institutional reforms and capacity development. It will also strengthen capacities and governance systems in the oil and gas sector. Furthermore, it will contribute to the scaling up of access to modem energy services and rural electrification, in line with priorities under national and sector development plans, and will also include the promotion of renewable generation capacity in Zanzibar.

EU support to Sustainable Agriculture will aim to achieve three specific objectives: i) Generate agriculture wealth, through linking farmers to markets and value chains (indicative amount EUR 90 million); ii) improve food and nutrition security, through improved access, availability, use of food (indicative amount EUR 12 million); and iii) enhance management of natural resources and ecosystem services for sustainable agriculture development and climate change adaptation (indicative amount EUR 38 million).

The envelope for Measures in favour of civil society will promote private sector-, employment and economic development through supporting civil society organizations, in particular business associations and organisations promoting business and employment as growing stakeholders in development.

#### 1. THE OVERALL LINES FOR THE EU RESPONSE TO TANZANIA NATIONAL DEVELOPMENT

## 1.1 Strategic objectives of the EU's relationship with the partner country



While the EU relations with Tanzania have been for long driven by the aid agenda, a number of Member States have developed over time important commercial ties in logistics, extractive industries, tourism, and services. As the Tanzanian economy expands and the scope of international partners is widening, the country is getting relatively less dependent on ODA resources.

The EU too is developing a broader partnership encompassing aid, trade, investment and common agendas on global and regional issues. The signature of an Economic Partnership Agreement (EPA) with the East African Community (EAC) would help the EU build further policy coherence between aid and trade in its relations with Tanzania during the period 2014-2020, also in line with its commitments at WTO level. The EU will promote pro-poor, inclusive and sustainable growth in Tanzania, in coherence with the Agenda for Change and with the country national development strategies (Tanzania Vision 2025 - TV 2025-, the National Strategy for Growth and Reduction of Poverty -MKUKUTA II<sup>1</sup> / MKUZA II-, the Five Year Development Plan 5YDP<sup>2</sup>-) and the corresponding Big Results Now (BRN) initiative launched in 2013, based on a Malaysian model, to boost results in certain sectors (education, water, energy, transport and agriculture). The EU will at the same time tap into opportunities to promote trade, investment and cooperation with and through the private sector.

1 2010/11-2014/15 2 2011/12-2015/16 Agricultural development and transformation is a key driver of growth in Tanzania's strategy to reduce poverty and offers an opportunity to strengthened commercial linkages with the EU. Yet, productivity is hampered by poor state of rural infrastructure, limited mechanisation as well as untapped potential of economies of scale. EU-Tanzania cooperation will aim at overcoming those challenges. Furthermore, the discovery of substantial off-shore gas (and possibly oil) will have a significant transformational economic impact. It has however already unearthed important governance and social challenges. It will hence be crucial to work closely together with the Government, civil society and the private sector in ensuring that the governance structures as well as the domestic skills base are strengthened during the period leading to commercialisation of the natural resources.

Tanzanian vision for economic development is to be reconciled with its regional integration plans, also with regards to the EPA prospect. The multiple membership to the EAC and to the Southern Africa Development Community (SADC) continues to represent challenges for the integration processes.

From a political point of view, with the ruling party in power since independence and in the absence of tribal conflicts, Tanzania's internal political situation has been relatively calm. The situation in Zanzibar has however been a source of concern recently, partly because of the rise of religious tensions but also in relation to calls for independence from the mainland. The EU will continue to support the consolidation of multiparty politics with a view to preserve long-term stability. High demographic growth with a rising - largely underemployed and unskilled - young population will change the political and economic dynamics. The EU may seek to forge stronger ties with traditional media as proponents of a plural society, as well as interacting with the media and political parties on their role visà-vis the youth. The constitutional review process of 2013-2014 offers opportunities to promote EU values through dialogue, such as in relation to good governance and human rights, including key issues such as women's rights, economic rights and land management.

Tanzania has long been a front-runner in implementing the aid effectiveness agenda: since the mid-1990s, Development Partners (DPs) have largely aligned to national policies, aid has become more predictable and has reduced parallel implementation structures. Harmonisation is made through good division of labour and rationalisation of donor programming to better fit with national strategies, sector definitions and Government timetables. The growing practice of sharing monitoring and evaluation reports is also creating

a better basis for results-based management and mutual accountability. However, DPs agree that fragmentation is a persisting issue, that coordination structures need to be rationalised and that there is still insufficient Government led coordination and dialogue at sector levels. The 'Joint Assistance Strategy for Tanzania', which came to an end in December 2012, is yet to be replaced. A 'Development Cooperation Framework' has been in the making since then but is unlikely to be approved in the short term. In the meantime, the EU and Member States have stepped up efforts in relation to joint programming, with, in an initial period, focus on joint analysis and coordination in sectors such as agriculture, energy and governance. From 2015, consideration will be given to aligning and synchronising with Tanzania's next five year development plan: a more systematic exercise would then frame the country programming in selected areas by the EU and interested Member States.

The EU response and the National Indicative Programme may be complemented by operations financed by the EIB from the Cotonou Investment Facility and/or its Own Resources.

#### 1.2 Choice of sectors



In spite of the turbulent global economic crisis of the past years, Tanzania has managed to maintain relative macroeconomic balance. The national strategic framework and policies are underpinned by a continued commitment to macro-economic stability despite recent slippage on fiscal deficit which rose from 5% over GDP in fiscal year 2011-12 to 6.2% 2012-13³. Public debt has increased

3 Government has confirmed its commitment to reduce the budget deficit to medium term target of 5% for fiscal year 2013/2014. (source:IMF's Assessment of Performance under SCF Mission, IMF February 2014)

from 32% in 2008/2009 to 42 % of GDP in 2013. The economy has been growing at an average annual rate of 6% over the past decade and growth prospects remain strong. However, this economic growth has not yet translated into reduction of poverty as over 30% of the population continues to live under the national poverty line<sup>4</sup>. Improvement in human development remains slow: the 2012 UNDP Human Development Indicator ranked the country as 152nd (from 163rd in 2000) out of 186 countries. The level of inequality is relatively high and increasing, as showed by the Gini index estimated at 0,346 in 2000 and at 0,376 in 2007. Regarding the progress in relation to the MDGs, the country should be in a position by 2015 to achieve goals of primary education, gender equality, reduction of infant mortality and fight against HIV and AIDS, malaria and others diseases. However, goals related to the eradication of extreme poverty and hunger, maternal health and access to safe drinking water and sanitation are likely not to be met.

The TV2025 and the 5YDP give wide recognition to the challenges that Tanzania faces in relation to investment climate, poor state of economic infrastructure, low productivity and limited skills base. An extensive investment plan has been outlined to "unleash the latent growth potential of Tanzania" through implementation of the first five year development plan. Two further five year plans are set to focus on "nurturing an industrial economy" and "realizing competitiveness-led export growth". In the short term, the Government is implementing these policies through a novel results-oriented agenda focussing on a few identified areas where meaningful impacts are expected to be achieved (the "Big Results Now" initiative). The MKUKUTA II/MKUZA II strategies, which were centred on the MDGs and encompassed general governance reforms and crosscutting issues, might probably not be continued. Informal discussions with the government indicate that Post MDG outcomes will be integrated in the second generation of the 5YDP (2016-2017-2019/2020).

In this context, this NIP proposes to focus on three sectors which will contribute to the achievement of the strategic objectives of the EU-Tanzanian relationship and are coherent with both the Government national development strategies and the EU Agenda for Change: i) Good Governance and Development, ii) Energy and iii) Sustainable Agriculture.

The focal sectors addressed by the NIP have been identified in consistency and complementarity with the support that the country will be able to receive under the Regional Indicative Programme (RIP) for Eastern Africa, Southern Africa and the Indian Ocean

<sup>4</sup> Household Budget survey 2001,2007 and 2012

(EA-SA-IO). The main objective of this Programme is to support peace and stability, including, but not limited to, maritime security cooperation and relating capacity-building; trade and regional economic integration, including infrastructures and addressing the needs arising from future EPA implementation; and natural resources management. Individual Member States of Regional Organisations may receive direct financing from the RIP for projects with a regional dimension based on the regional policies and strategies of the respective Regional Organisation. The National Indicative Programme will contribute to promoting regional cooperation and integration in the EA-SA-IO region; moreover it will complement support to the EPA process at regional level by addressing the challenges Tanzania is facing.

In the implementation of this NIP synergies will be sought in particular with the EU Africa partnership and its proposed focus on sustainable agriculture, food and nutrition security, as well as with EU initiatives in the fields of science, technology and innovation. Attention will be paid to the exploitation of the potentials of Information and Communications Technologies (ICT) in providing or facilitating viable solutions in all focal sectors. The findings of evaluations and lessons learnt, presented in subsequent sections as relevant, will also be taken into account.

**Focal sector 1: Good Governance and Development:** 



Tanzania's expanding economy is in process of diversification. Future growth prospects fuelled by the gas discoveries should make it possible for the country to reach middle income status in the medium term. Major governance related reforms and public investments are foreseen by the Government in the process. An effective way to accompany these efforts is to continue providing

the Tanzania budget with predictable residual financing through general budget support.

Furthermore, in the short-term, inequalities may increase and access to social service delivery will continue to be a challenge for an important part of the population. Budget support will provide the extra funding allowing these sectors not to become marginalised. In the period 2006-2012, as shown by an independent evaluation carried out in 2012, budget support contributed to doubling the total spending on the six priority sectors of the country's Poverty Reduction Strategy, namely agriculture, education, energy, health, roads and water. It therefore had an important influence on growth and improvements in non-income poverty. Furthermore, steady progress has been seen in Public Finance Management reforms and in governance although weaknesses remain. The Government has made considerable efforts to increase its development spending and progress in resource mobilization. For the first time in 2012 the level of non-concessional loans overcame the level of concessional loans. budget support and grants. The share of budget support in total expenditure decreased from 15% in 2005 to 6,8% in 2013, but still represents a significant part of the development spending of Government priority sectors.

Given that Tanzania continues to be committed to the fundamental values of human rights, democracy and the rule of law, general budget support through a Good Governance and Development Contract (GGDC) remains an appropriate vehicle for the delivery of development cooperation. As "preferred" modality of Government, Budget Support gives the EU visibility and is conducive to high policy dialogue. With a relative decrease of general budget support from some DPs, or a shift to sector operations, the Government looks at the EU to ensure a predictable flow of resources.

The GGDC design will build on the findings of the aforementioned evaluation which shows that budget support flows have secured a fiscal space allowing the financing of priority sectors. The GGDC is based on the assumption that GBS Partners and Government will reinforce the quality and results of their dialogue and that the design of the EU GBS will be enhanced following the new GGDC scheme developed in the 2012 EU Budget Support guidelines.

Accompanying measures to strengthen good governance and institutional capacity will also be funded under this strand of cooperation.

Support to trade and regional integration will mainly originate from the EDF Regional Indicative Programme. Nonetheless, this NIP embeds measures improving the business environment and

trade facilitation in coherence with the EU trade objectives of supporting EAC integration, also within the world economy. The Good Governance and Development sector will track indicators related to the improvement of business climate and notably trade across borders.

#### Focal sector 2: Energy



Lack of reliable, affordable and sustainable energy services continues to be a critical constraint to poverty alleviation and socio-economic development. Tanzania's energy sector is characterised by low electricity access rates and by the reliance on biomass as a source of energy (fuel wood and charcoal account for more than 90% of total). Electricity access rates (estimated below 20%) remain among the lowest in the world, particularly in rural areas (below 10%). Despite the increase in number of connections (7.5% on a yearly basis over the last decade), the number of customers served by the power utility TANESCO is still below one million, and electricity consumption per capita remains very low (97kWh/capita in 2012).

The 5YDP, the Power System Master Plan and the BRN initiative set out the ambitious objectives to bring electricity generation capacity from the current 1501 MW to 2780 MW by 2015, and to expand citizen's access to electricity to 30% by the same year. The planned investments should also allow for the upgrading of transmission and distribution lines and the construction of some 3000 km of new lines which will facilitate increase of power supply to rural areas. Most of the new generation capacity is foreseen to come at cheaper price from natural gas, coal and from hydropower. Hydropower, which accounted for 79% of generation capacity in 2003, accounted for less than 40% of total generation in 2012, while natural gas and oil accounted for most of the balance. The Government plans to further diversify its energy mix to reduce costs and to strengthen energy security.

The power sector faces numerous challenges. The fast increase in demand, coupled with ineffective generation planning and recurrent hydrology challenges within the water basins have combined to create a generation gap and persistent power shortages. Between 2008 and 2010 power interruptions to Tanzanian industries increased by almost 20% to a total of 26 hours/month. This cost the Tanzanian economy more than USD 500 million (EUR 369 million). To address the problem the power utility TANESCO had to procure in 2011 more than 300 MW of expensive emergency power generation capacity, based on fossil fuels. This has increased drastically the generation costs which have not been compensated by a sufficient increase in power tariffs. The 2013 average tariff of 195 TZS/ kWh (0.09 EUR/kWh) compares to an average cost of energy sold of around 300 TZS/kWh (0.14 EUR/ kWh), while transmission and distribution losses are above 20%. As a result, TANESCO losses for 2012 amounted to more than USD 300 million in 2012 (EUR 221 million), compared to revenues of only USD 536 million (EUR 395 million). As a result, a considerable level of Government subsidies to the national utility will be needed over the next years.

In parallel the Government is expected to complete by mid-2014 a road-map for the reform of the energy sector. This may include measures to ensure long term financial viability including a possible restructuring of TANESCO, measures to improve planning and attract investment, and measures to promote energy efficiency and renewable energies. The Government of Tanzania recognizes that core sector reforms are a critical condition for attracting the required level of investments in energy infrastructure and ensure the sustainability of energy service delivery.

The EU engaged in the energy sector under the 10th EDF National Indicative Programme and the Energy Facility to support access to sustainable and affordable energy services in rural areas with an investment exceeding EUR 20 million, targeting a population of some 200,000 people. Aligning on sector policy objectives the EU financially supported rural grid extension and the development of rural mini-grids by independent power generators and distributors, some of which have become a reference for future operations. The evaluation of these projects shows that subsidies continue to be needed at current tariffs and investments costs to make these projects financially viable. At regional level, through the 10th EDF Regional Indicative Programme and the EU-Africa Infrastructure Trust Fund, the EU has contributed funding for the Zambia Tanzania – Kenya interconnector including the "backbone" transmission project within Tanzania,

as well as the regional Rusumo Falls project which will inject 30MW into the Tanzanian grid upon completion.

In consideration of the importance of reliable energy supply as one key element of a conducive environment for doing business and a critical enabler of poverty-reducing growth, the assistance provided traditionally by the EU in the transport sector will move towards the energy sector under the 11th EDF. This is compounded by a number of reasons: (i) most of the road network in the country is completed; (ii) EU support to rural infrastructure will continue under the second and third focal sectors; (iv) critical regional connections would be supported through regional cooperation with EAC.

Tanzania's geographical location offers an economic growth opportunity as a gateway to and for markets of Eastern Africa. The EU will seek to facilitate Tanzania's integration in the East African Community and beyond by maximising linkages between national and regional level support initiatives in particular with regards to the infrastructure and in building up a positive environment for investment and trade.

Focal sector 3: Sustainable Agriculture



Some 70% of the Tanzanian population lives out of agriculture, the great majority of which remains at subsistence level. The growth rate of the agricultural sector has averaged 4% over the last decade, and its contribution to the national economy has gradually declined from 32% in the early 2000s to about 27% in 2012. Indeed, the performance of the agricultural sector has not yet allowed to lift the majority of rural poor out of income poverty and create nonfarm employment. Agricultural development and transformation, while offering an opportunity to strengthen external commercial flows, including

with the EU, is a driver of growth in Tanzania's strategy to reduce poverty.

Both MKUKUTA II and the 5YDP put high emphasis on and set targets for increased agriculture productivity. In particular the 5YDP foresees an increasingly important role for private sector led growth in the agriculture sector. A central pillar in achieving the country's Vision 2025 and the implementation of MKUKUTA II, Kilimo Kwanza (Agriculture First), takes a holistic approach and widens the scope of the agricultural transformation agenda to all sectors of the economy, giving the private sector a leading role to play.

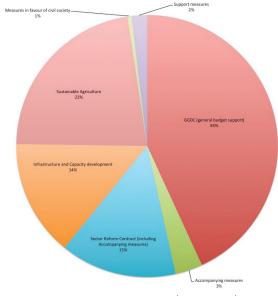
However, a complex land policy and a high cost of doing business continue to slow down the potential of increased private sector participation in agriculture. Agricultural productivity is also hindered by weak rural infrastructure, limited mechanization. Further economies of scale would also contribute to improve efficiency. The recent initiative to create an agricultural corridor (Southern Agricultural Growth Corridor of Tanzania) is encouraging and could attract significant investment, with the potential to lead to a real transformation of the sector to higher productivity and as a cash earner.

The EU has been a long-standing partner of Tanzania on agricultural development, which was already supported under the 10th European Development Fund. Over the period 2009-2012, Tanzania also benefited from the Food Facility to strengthen capacities of civil society organizations and local governments to support small holder farmers' development and public service delivery in order to cope with the negative consequences of soaring food prices.

Support to agriculture will therefore continue, in line with the Agenda for Change priority on strengthening sectors with strong multiplier effect for inclusive and sustainable growth and in line with the 2010 EU policy framework for food security and nutrition.

The EDF Regional Indicative Programme will remain the most appropriate instrument to promote a coordinated approach on sustainable fisheries, to complement a possible support package linked to a potential EU-Tanzania Sustainable Fisheries Partnership Agreement. Fisheries issues may also be addressed as appropriate in the policy dialogue.

## 2. FINANCIAL OVERVIEW (Indicative amounts)



Sector	Indicative Amount (in M€)	Indicative % of Total
Good Governance and Development	291	46,5 %
<ul> <li>GGDC (general budget support)</li> </ul>	270	
Accompanying measures	21	
Energy	180	29%
<ul> <li>Sector Reform Contract (including Accompanying measures)</li> </ul>	90	
<ul> <li>Infrastructure and Capacity development</li> </ul>	90	
Sustainable Agriculture	140	22%
Measures in favour of civil society	3	0.5%
Support measures	12	2%
Total of the NIP	626	100%

#### 3. EU SUPPORT PER SECTOR

## 3.1. Good Governance and Development [DAC code: 150 - 510] (indicative allocation: EUR 291 million)

The Good Governance and Development focal sector, with an allocation of million EUR 291 million, will focus on issues which are of the outmost importance for guiding Tanzania in its transformation process: domestic revenue mobilisation, budget transparency, reinforcement of domestic accountability as well as continuing efforts to reduce poverty through investment in social services and productive capacities. Important underlying principles are the protection of fundamental rights, including the promotion of

gender equality and women's empowerment, and the rule of law. The general budget support will be implemented through a Good Governance and Development Contract (GGDC) of EUR 270 million. The GGDC will include revision clauses to take into account potential changes of development plans in 2015.

Accompanying measures will focus on: i) Support to Public Finance Management (EUR 7 million); ii) Democratic Governance and Accountability with an emphasis on the local level (EUR 5 million); iii) Support to Monitoring of Results, including data collection, statistics, research and studies (EUR 6 million) and iv) Support to the GBS secretariat for the management, monitoring and evaluation of GBS (EUR 3 million).

## 3.1.1 The following overall and specific objectives will be pursued:



This Result framework as well as the proposed indicators are indicative and will be fine-tuned during the formulation phase that will beundertaken together with the Government of Tanzania in coordination with GBS Development Partners signatories of the Partnership Framework Memorandum.

#### Overall objective

 Support the Government of Tanzania's efforts to reduce poverty by implementing its main development strategies covering the period 2014-2020.

#### Specific objectives

- Promote inclusive, sustainable and employment-based economic growth;
- Strengthen human capital and social safety through improved quality and equity in the provision of social services;
- Enhance the effectiveness and accountability

of public administration through improvements in public financial management and increased transparency.

## 3.1.2. For each of the specific objectives the main expected results are:

#### Results responding to objective 1

Promote inclusive, sustainable and employment-based economic growth:

- Result 1.1: Increased productivity in key sectors of growth, such as agriculture, transport and energy;
- Result 1.2: Improvements in the business environment, through key policy reforms such as energy, taxes and trade across borders.

#### Results responding to objective 2

Strengthen human capital and social safety through improved quality and equity in the provision of social services:

- Result 2.1: Improvements in key quality indicators of service delivery;
- Result 2.2: Reduced disparities in accessing social services.

#### Results responding to objective 3

Enhance the effectiveness and accountability of public administration through improvements in public financial management and increased transparency:

- Result 3.1: Improvements in the quality and effectiveness of public financial management including revenue management and internal and external control;
- Result 3.2: A more accountable public administration with respect to transparency, citizen participation and integrity

# 3.1.3. For each result, the main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

#### 3.1.4. Donor coordination and policy dialogue:

The General Budget Support Group involves 12 Development Partners (DP) and is recognised as one of the main dialogue platforms on development aid. It is governed by a five year Partnership Framework Memorandum signed between the DPs and the Government. Partners meet on a regular basis and adhere to a common Performance Assessment Framework (PAF)<sup>5</sup> and joint monitoring mechanisms, to coordinate their action and better structure their dialogue with the Government. They

6. Expect for the World Bank and the African Development Bank

have engaged in a process to render the modality more results oriented, make the performance assessment smarter, more streamlined and focused and the policy dialogue more effective.

For the first time in Tanzania, the formulation of a general budget support modality was the result of a joint process between the EU, Denmark, Finland, Ireland and Sweden (in close coordination with DfID). Though some Partners are yet to confirm that they will continue delivering budget support, agreement has been reached on the main expected results. The accompanying measures will be implemented according to a division of labour between the five concerned Development Partners. Other DP sector groups will enable coordination during the implementation of the GGDC, notably the ones yielding technical expertise for policy dialogue with the Government of Tanzania.

### 3.1.5. The Government's financial and policy commitments are:

The poverty reduction strategy MKUKUTA II includes three clusters: i) growth for reduction of income poverty ii) improvement of quality of life and social well-being iii) good governance and accountability. The overall budget of MKUKUTA II is about TZS 34.4 trillion (EUR 16 billion). With MKUKUTA II coming to an end in 2015 the GGDC will probably rather support the 5YDP Plans and the BRN initiative.

The 5YDP 2011/12–2015/16 aims to "unleash the country's growth potential", through measures in favour of infrastructure, agriculture, industrial development, human capital and skills, and tourism, trade and finance. The total allocated amount of the 5YDP is TZS 44.5 trillion (EUR 20.1 billion) for five years; an average of TZS 8.9 trillion (EUR 4 million) per annum exclusive of recurrent budget, of which TZS 2.9 trillion (EUR 1.3 billion) will have to be mobilized annually by the Government.

The BRN initiative is to fast track the achievement of these objectives, by focusing on six chosen national key results areas: energy and gas, agriculture, water, education, transport, and mobilization of resources. The total BRN requirement is estimated for a three year duration at TZS 17,3 trillion (EUR 7,8 billion). To address these financing needs, the Government has planned to resort to revenue generated by the national key results areas (water charges, electricity sales), incremental revenue from resource mobilization initiatives, and private sector participation in the BRN initiatives. Development partners are expected to provide residual funding.

#### 3.2 Energy (indicative allocation: EUR 180 million)

The 11<sup>th</sup> EDF will contribute to increased energy access and security and the strengthening of

#### 3.1.6. The overall risk assessment of the sector intervention:

#### **Risks**

#### **Political risks and Human Rights**

- Increased political competition around the constitutional review and the 2015 general elections, with possibly increasing corruption and slippages in the respect of human rights and press freedom.
- Lack of capacities and corruption in the law enforcement chain posing a threat to the rule of law.
- Dissatisfaction with Government achievements triggering instability.
- Side-lined minorities and most vulnerable groups (children, women, youth, persons with disabilities...) not benefiting sufficiently from economic and social development.

#### **Mitigation measures**

- Enhanced Article 8 Political Dialogue as well as strengthened dialogue within the Budget Support Partnership Agreement arrangements (including High Level Dialogue on Corruption)
- Effective implementation of 10<sup>th</sup> EDF Governance
- Effective implementation the measures foreseen under thematic programmes CSO-LA and EIDHR 2014-2020 (economic empowerment of youth and women; defense of the rights of vulnerable groups; support to human rights defenders; protection of human rights related to extractive industries activities).



#### Government effectiveness

- Tight fiscal framework with at the same time strong pressure from domestic constituencies to increase public expenditure to finance major infrastructure investments.
- Risk to medium-term macro stability by off-budget borrowing and arrears of public companies/parastatals.
- Limited results in fighting corruption, in spite of ongoing work on prevention and investigation; administrative sanctions are underused and progresses on some critical corruption cases remain limited.



- Article 8 Political Dialogue
- High level dialogue and policy reform on PFM, transparency, fight against corruption, accountability and progress in resource mobilization.
- Effective implementation of accompanying measures foreseen in the GGD focal sector (support to local PFM; support to CSOs engaged in Democratic Governance and Accountability).

Tanzania's role in the regional energy markets through support to core reforms in the electricity sector, notably to restore the long term financial viability of the utility operator and to adopt transparent, cost-effective and efficient management measures, including institutional reforms and capacity development. A Government road map for the electricity sector reform will be launched in mid-2014, whose implementation could be supported from 2015/16 through a Sector Reform Contract. This will require a credibly improved financial situation and decisive initiatives taken to deliver on the road map. Reforms may include the restructuring of TANESCO, measures to improve planning and attract investment, measures to strengthen transparency for public procurements, and measures to promote energy

efficiency and renewable energies. The 11<sup>th</sup> EDF will also strengthen capacities and governance systems in the oil and gas sector, building on 10<sup>th</sup> EDF funded actions in support to the Government Human Capacities Development Plan.

The 11th EDF will furthermore contribute to the scaling up of access to modern energy services and rural electrification, in line with priorities under national and sector development plans.

To promote rural electrification, Tanzania created in 2007 the Rural Energy Agency (REA) and the Rural Energy Fund (REF). REA promotes rural electrification in two ways: It funds the expansion of TANESCO's main grid and supports the development of independent power generators and distributors.

The 11th EDF will contribute to efforts in both these areas, through infrastructure development (generation, transmission and distribution) and the development of capacities of relevant agencies. The 11<sup>th</sup> EDF NIP will also include the promotion of renewable generation capacity in Zanzibar, based on the outcome of an initial project under the 10<sup>th</sup> EDF.

Support to core energy sector reforms, including in the oil and gas sub-sector, will be implemented preferably through a Sector Reform Contract (budget support- EUR 85 million) and accompanying measures (indicative amount EUR 5 million). Support to infrastructure and capacity development for energy access could be implemented through a combination of pool funding (participation to the REF) and project approach (an indicative amount EUR 90 million). Technical assistance will be required to support the development of skills in the power and electrification sector. This may indicatively cover the following areas:

1) Rural electrification planning and financing; 2) Grid operation and maintenance; 3) Mini-grid development, targeting private promoters; 4) Low cost technologies for rural electrification; 5) Energy efficiency/reduction of technical and non-technical losses

Complementarity and synergies will be sought between interventions under the 11th EDF NIP and actions financed under EU thematic and other geographical instruments. New opportunities will be explored for the blending of EU grants, loans from IFIs and private sector investment to promote the development of energy infrastructure, in particular for transmission and distribution but also for power generation from renewable sources. Grant financing may come primarily under investment facilities, such as the Sustainable Energy for All (SE4ALL) window under the EU-Africa Infrastructure Trust Fund (ITF), but possibly also through the Regional Indicative Programme. Thematic programmes may complement interventions under the NIP in promoting access to EU expertise and experience in areas such as energy sector reform, energy market regulation, renewable energy and energy efficiency. Finally, the EU through the Instrument for Nuclear Safety Cooperation (INSC) may support efforts in another important area under the remit of the Ministry of Energy and Minerals, aimed at strengthening the regulatory and institutional framework for the safety and security of uranium mining operations in Tanzania.

## 3.2.1 The following overall and specific objectives will be pursued:

#### **General objective**

Enhance the contribution of the power sector to inclusive and sustainable economic growth

#### Specific objectives:

- To improve sector governance and support sector reforms to sustain energy access goals, enhance energy security and trade and ensure efficient service delivery also through increased private sector participation;
- To increase access to electricity and modern energy services.

## 3.2.2. For each of the specific objectives the main expected results are:

#### Results responding to objective 1

To improve sector governance and support sector reforms to sustain energy access goals, enhance energy security and trade and ensure efficient service delivery also through increased private sector participation:

- Result 1.1: Road map for sector reform, addressing also aspects of sustainability, approved and implemented;
- Result 1.2: Increased energy efficiency and use of renewable energies
- Result 1.3: Capacities of Ministry of Energy and Minerals (MEM), other government agencies and key stakeholders improved in order to secure better guidance and governance within the gas sub-sector

#### Results responding to objective 2

To increase access to reliable, affordable and clean energy and in particular to electricity and modern energy services:

- Result 2.1: Access to energy increased by: Rural grid extension through REA's turn-key programmes, densification projects (last mile infrastructure), development of mini-grids based on renewables, as well as institutional PV systems;
- Result 2.2: Capacities at REA and other key stakeholders enhanced.
- Result 2.3: Renewable energy systems introduced in Zanzibar

# 3.2.3. For each result, the main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

#### 3.2.4. Donor coordination and policy dialogue:

The Energy Development Partner Group (EDPG), cochaired by the World Bank and the AfDB, meets on a regular basis, and is the forum for the preparation of the policy dialogue with the Ministry of Energy and Minerals (MEM). Policy dialogue is conducted through the Joint Energy Sector Working Group (JESWG), chaired by the Permanent Secretary of MEM. The EU Delegation and EU Member States meet and discuss energy issues on an ad-hoc basis. A large number of development partners are actively involved or planning to engage in the sector (WB, AfDB, MCC, USAID, SIDA, Norway, Japan, DFID, KfW/GIZ, AFD). China is involved in the financing of large scale energy generation and transmission infrastructure.

A dedicated forum may be established to promote policy dialogue, exchange of information and coordinated assistance around the establishment and implementation of a policy, legal and regulatory framework for the development of an inclusive gas economy.

### 3.2.5. The Government's financial and policy commitments:

The Government of Tanzania recognizes that affordable, sustainable and reliable access to electricity enables growth and poverty reduction. The Strategy for Growth and Poverty Reduction (MKUKUTA II) is aligned with the principles of the Sustainable Energy for All Initiative and emphasizes the need to scale-up rural electrification and power generation including from renewable energy. The 5YDP and the 2012 Power System Master Plan set out the required investments in new generation and transmission capacity to cope with the forecast increase in power demand.

Building on the PSMP, the 2013 BRN initiative targets the fast-tracking of 29 projects by 2016, targeting aiming at installing some 1300 MW of new generation capacity, building more than 3,000 km of HV transmission lines and installing 590,000 new connections by 2016. Rural electrification investment needs until 2020 under REA's Turnkey and mini grids development programmes are estimated at USD 1,6 billion, which should allow for the electrification of more than 5000 settlements and the establishment of more than 2 million new connections.

Sector development objectives still need to be framed into an overarching policy framework. The revision and update of the 2003 energy policy initially planned for 2010, is still pending. The main piece of legislation remains the Electricity Act of 2008, based on which regulations have been put in place to promote private sector participation in in small scale power generation.

Clear priority has been given to addressing supply side constraints, however planning and management capacities need strengthening. Furthermore, consideration of demand side has only been sporadic but concrete measures on energy efficiency have been outlined in the BRN initiative. A strategy on energy efficiency is not in place yet and

the same applies to renewable energy strategy. An energy subsidy policy is planned to be adopted by end of 2014.

Tanzania has made progress on the establishment of a regulatory framework for the expanding oil and gas industry with the preparation of a Gas Policy, Gas Act and Model Production Sharing Agreement for gas exploitation. Institutional reforms are being considered with a view to ensuring long term and broad-based benefits from the utilization of gas revenues. Flagship gas generation and transmission infrastructure are being financed under a mix of government budget, commercial loans and PPPs arrangements.

The overall budget of the MEM in 2013 amounts to TZS 1.1 trillion (EUR 506 million), a 33% increase in comparison to 2012. Some 90% will be allocated for development projects and 10% for recurrent expenditures. Nevertheless, development expenditure will include some important ordinary expenditures and will remain under the investment needs in generation, transmission and distribution.

For the year 2013-14 the preliminary budget allocation for REA is TZS 276 Billion (EUR 127 million), with an expected contribution from SIDA and NORAD of TZS 60 billion (EUR 25 million). The existing levies of electricity and on petroleum will contribute TZS 24 billion and 13 billion (EUR 11 million and EUR 6 million) respectively. Most of the budget will be allocated to the on-going grid extension programme targeting the electrification of 1,500 localities (Turnkey program, phase I).

#### 3.2.6 Environmental assessment:

The coming into stream of additional natural gas in the next few years and the consequent phasing out of the emergency power plan based on expensive fossil fuels is expected to reduce the carbon intensity of the national energy mix in the short term. However, priority on natural gas, coupled with prospects for new coal power generation and reduced reliance on hydropower, is not likely to improve the prospects for renewable energy to considerably increase its share in electricity generation beyond a few percentage points (excluding hydro). Nonetheless, some wind power should come on stream in the medium term (200 MW) and significant potential exists to develop geo-thermal energy (600 MW), co-generation from biomass (300 MW), mini-hydro and solar power. EU assistance will aim at strengthening the enabling environment and business case for investing in renewable energy generation, and promoting low carbon development.

Given that biomass will continue for the

near future to account for the bulk of energy consumption, renewed efforts to introduce sustainability and efficiency criteria will be required both on the supply and demand sides. This will contribute to reducing deforestation and C02 emissions. Follow-up support to the sustainable biomass energy strategy under development (with EU support) may be considered under this NIP or through thematic programmes.

Rural electrification projects may require during their preparation stage the preparation of Environmental and Social Impact Assessments (ESIA) as foreseen under the relevant national legislation – the Environmental Act. EU support to planning processes for Result 1.1. (Government road map for the electricity sector reform that will be launched in mid-2014) and Result 2.3 (Renewable energy systems introduced in Zanzibar in support of socioeconomic development) will as appropriate entail simplified forms of SEA in order to facilitate consideration of environmental sustainability and climate change concerns.

3.2.7 The overall risk assessment of the sector intervention:

#### **Risks**

#### **Policy and Institutions**

 Delayed / not credibly implemented road map for core sector reform.



#### **Mitigation measures**

will continue to engage with
Government to support countrydriven efforts to improve energy
sector governance, strengthen
transparency and accountability,
promote a transition towards a more
efficient mode of energy generation,
transmission and distribution so as
to ensure financial sustainability;

#### Technical/design and finance

- The need to manage additional lines and customers in connection with network extension may add to the operational and financial challenges of the power utility TANESCO.
- The power utility remains not credit worthy and finance institutions and private developers remain cautious to engage in new operations with the utility.
- Delays in the completion
   of expected investments in
   gas generation, processing
   and transmission facilities
   (which, by 2015 should allow
   for the phasing out expensive
   emergency generation capacity
   and the reduction of unit costs
   for generation) may lead to an
   extension of the emergency power
   plan beyond 2015 thereby adding to
   the financial deficit in the sector.



- Support to rural electrification infrastructure will be combined with measures to strengthen capacities of relevant sector institutions;
- Support to rural electrification by private developers/NSA will go in parallel with technical assistance, the establishment of guarantee facilities (by EU FIs and other IFIs) for commercial loans and increased information and sensitization of commercial banks;
- It is expected that reforms will lead to the introduction of cost reflective tariff structure and feed in tariffs for renewable power supplied to the grid.

#### **Risks**

#### **Environmental**

 typical risks associated with (renewable) energy development and grid expansions - impacts on habitat loss and fragmentation, water regime, soil and erosion, etc.



#### **Mitigation measures**

 Undertake EIA for planned projects and simplified forms of SEA for planned strategies and programmes.

#### **Implementation**

 Parallel support from a number of DP may affect absorption capacity within REA and other sector institutions.



- Closer coordination of sector support will continue to be essential in order to avoid fragmentation and maximize effectiveness. In particular EU Delegation will step up efforts to ensure close EU-level coordination of energy sector assistance;
- Implementation arrangements shall include options for management not directly through REA (as under the 10<sup>th</sup> EDF).

## 3.3. Sustainable Agriculture (indicative allocation: EUR 140 million)

The 11<sup>th</sup> EDF will aim at increasing productivity and competitiveness of agriculture and development of value chains to unlock the wealth generating potential of the sector, increasing food security and nutrition.

This will notably build on the 10<sup>th</sup> EDF Trade and Agriculture Support Programmes (which promotes quality and standards improvements and value chains development targeting smallholder farmers) as well as the 10<sup>th</sup> EDF support to the Southern Agricultural Growth Corridor of Tanzania (SAGCOT, addressing supply-side constraints to stimulate investments and public – private partnerships in high potential agricultural clusters).

The 11th EDF will add a more distinct focus on food security and nutrition as well as land management and sustainable natural resource management. Taking into consideration the important contribution of women to the sector, it is expected that interventions will provide special emphasis on strengthening and empowering women towards more control on incomes and assets.

EU support will contribute to the implementation of the Agricultural Sector Development Strategy and key priorities of the Government of Tanzania. A balanced intervention approach across geographical areas will be sought to allow more marginalised regions with low agricultural productivity to benefit from EU support alongside regions showing higher agricultural growth, in both mainland Tanzania and Zanzibar. Measures to strengthen policy analysis, monitoring and coordination capacities of Agricultural Sector Line Ministries and Local Government Authorities will be considered as appropriate.

EU support will aim to achieve three specific objectives: i) Generate agriculture wealth, through linking farmers to markets and value chains (indicative amount EUR 90 million); ii) improve food and nutrition security, through improved access, availability, use of food (indicative amount EUR 12 million); and iii) enhance management of natural resources and ecosystem services for sustainable agriculture development and climate change adaptation (indicative amount EUR 38 million).

A full range of implementation mechanisms will be considered to ensure effectiveness and coordination and execute interventions in partnership with i) Government (i.e.: pool funds, basket funds and/or grants), ii) International Organisations including UN agencies (i.e.: contribution agreements); iii) Non State Actors (e.i: grants) and iv) EU Member States (i.e.: delegated agreements or transfer agreements).

## 3.3.1. The following overall and specific objectives will be pursued:

#### **Overall Objective**

 Improve the sustainability of and increase the wealth created by the agricultural sector and reduce vulnerability in the context of a changing climate.

#### **Specific Objectives**

- Generate agriculture wealth, through linking farmers to markets and value chains;
- Improve food and nutrition security, through improved access, availability, use of food;
- Enhance management of natural resources, including forests, and ecosystem services for sustainable agriculture development and climate change adaptation.

## 3.3.2. For each of the specific objectives the main expected results:

#### Results responding to objective 1

Generate agriculture wealth, through linking farmers to markets and value chains:

- Result 1.1: Quality and standards are improved and disseminated to farmers, contributing to productivity increase;
- Result 1.2: Farming as a business and value chain development is promoted and increased;
- Result 1.3: Supply side constraints are addressed with the development of rural infrastructure (rural and feeder roads, storage and market infrastructure, small scale irrigation schemes) in areas of high agricultural potential.

#### Results responding to objective 2

Improve food and nutrition security, through improved access, availability, use of food:

 Result 2.1: Diversification of food production and awareness on nutritious food are promoted and increased, resulting in consumption of adequate diet, in particular among women and young children.

#### Results responding to objective 3

Enhance management of natural resources and ecosystem services for sustainable agriculture development and climate change adaptation:

- Result 3.1: Innovative agricultural practices are introduced and disseminated to increase efficiency of natural resources use including biomass, strengthen climate resilience of farming systems and increase carbon sequestration;
- Result 3.2: Sustainable land management and land tenure security is enhanced.

3.3.3. For each result, the main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

#### 3.3.4. Donor coordination and policy dialogue:

Donor coordination has been mainly implemented i) through the Agriculture Sector Development Program (ASDP) basket fund which ended in June 2013 and ii) an Agricultural Sector Consultative Group composed by the Agriculture Sector Lead Ministries (ASLM) and key development partners active in the sector and chaired by the Permanent Secretary of the Ministry of Agriculture Food Security and Cooperatives (MAFSC). Key Development Partners meet on a regular basis to share information and agree on common positions in the framework of the Agriculture Sector Working Group, chaired by JICA. It is nevertheless acknowledged that coordination and harmonization should be improved, with additional capacity building of MAFSC and within the framework of an expanded Agricultural Sector Development Programme.

A relative large number of DPs are engaged in the sector including the World Bank, USAID, the Romebased UN agencies (FAO, IFAD and WFP), JICA. Irish Aid has a long standing track record of engagement in the sector through the ASDP BF and projects to strengthen research, technology development and extension. DFID have engaged more recently in the sector through the SAGCOT initiative and the staple food markets in East and Southern Africa (Trademark). DFID is also coordinating the process around the land transparency initiative launched at the G8 summit in June 2013.

Coordination in nutrition, mobilising relevant actors and sectors including agriculture, is supported by the Scaling-Up Nutrition (SUN) Movement. A High-Level Steering Committee for Nutrition is convened by the Prime Minister's office and involves representatives from key ministries and various development partners. The donor conveners of the SUN movement are Irish Aid and USAID.

Rural roads are part of the policy dialogue taking place within the Development Partners Group — Transport, with World Bank, DFID, USAID and JICA preparing substantial investment or technical assistance programmes for this sub-sector in the years to come. Those programmes will be closely coordinated with the planned EU interventions, both in terms of their scope and geographical spread.

## 3.3.5. The Government's financial and policy commitments:

The agriculture sector is expected to contribute to the realization of the objectives of the Tanzania's Vision 2025 in relation to improved livelihoods, food security, extended life expectancy (Pillar 1 of the TV 2025) and more generally to build a strong and competitive economy (Pillar 3 of the TV 2025).

Both the National Strategy for Growth and Reduction of Poverty MKUKUTA II (2011-2015), and the Five Year Development Program (5YDP, 2012-2016) put high emphasis on and set targets for increased agriculture productivity, and highlight the potential of improved agricultural productivity in reducing income poverty.

In the context of the Comprehensive African Agriculture Development Program (CAADP), Tanzania adopted in 2011 an Agriculture and Food Security Investment Plan (TAFSIP) which articulates the requisite and rationalized investments necessary to achieve a 6% growth in agriculture, consistent with the national objective of reducing rural poverty and improve household food and nutrition security. In June 2012, by launching the New Alliance for food Security and Nutrition, G8 members reaffirmed their intention to align their agricultural financial and technical support with the priorities of CAADP -TAFSIP. In turn, Government of Tanzania reaffirmed its commitment to address key enabling environment issues relating to fiscal, trade and land policies and regulations. Under the CAADP Tanzania also committed to allocate at least 10 % of national budgetary resources to agriculture and rural development policy within five years to achieve 6% growth in the sector. However, despite progress over the last few year the sector budget still falls below the target accounting for 7.78% of national budget in year 2010-11 (compared to 2.95% recorded in 2001-2002).

Increased budget allocations for agriculture will be required to achieve the ambitious targets set under the Big Results Now initiative around three key commodities (rice, maize and sugarcane) for the period 2013-16. The BRN funding needs estimate calls for a significant financial support from development partners, mainly for the development of rural infrastructure, which in turn is expected to leverage large amounts of private sector investment. Priority attached to high-level initiatives focusing on high growth potential commodities/regions will have to be reconciled with the wider sector needs and the needs of a large number of agricultural districts which have not been targeted under those initiatives.

In order to strengthen coherence and coordination the government is developing a new overarching

framework for sector interventions – Agriculture Sector Development Programme (ASDP). The design of ASDP II is seen as unique opportunity to align public investment and policy environment to deliver expected growth of agricultural output, increased productivity and reduced hunger and poverty.

The Government launched the 2<sup>nd</sup> phase of the Local Government Transport Programme (LGTP), covering the period 2012/13 -2016/17, to address the core problem of unreliable access of rural population to the local government transport network. It is hoped this programme will lead to the significant improvement of the rural roads network that is required to promote agriculture development and market access. The LGTP II will be integrated into the government budget. Overall budget of the programme in five years is estimated at USD 954 million of which some 70% is expected to be disbursed through the Road Fund, mainly for maintenance activities. Development activities will be financed by dedicated allocations from the Government of Tanzania and donor-funded programmes. EU support to rural roads under the 11th EDF "Sustainable Agriculture" focal sector will feed into this framework.

#### 3.3.6. Environmental assessment



Tanzania is experiencing extreme weather conditions, such as drought and floods that are having a negative impact on water availability, agricultural outputs and food security. Small-scale farmers are particularly vulnerable as they are highly dependent upon rain-fed production. Government of Tanzania is increasingly aware of the need to address environmental risks and constraints linked to intensification of agriculture, but also of the opportunities offered by agriculture to promote green growth. However, considerable efforts remain to be done to ensure that these

considerations are translated into practice and integrated into investments in agriculture and farming systems.

Given the very close links between agriculture and the environment, and in order to ensure that agricultural interventions do not contribute to biodiversity degradation, the proposed implementation of this programme, Environmental and Social Impact Assessments (ESIA) will be conducted as foreseen under national legislation.

intervention approach integrates a specific component targeting environmental sustainability objectives and a more efficient use of natural resources. In particular this result area will target biodiversity protection and the integration of climate change adaptation and mitigation concerns into agriculture, in line with the 2013 National Climate Change Strategy. In the ad Social Impact Assessments (ESIA) will be

#### **Risks**

#### **Policy and Institutions**

 Government macroeconomic policies or measures in specific policy areas could impact negatively on the drive towards commercialization of agriculture e.g: Inflation, interest rate; Fiscal and trade policies; Land laws and tenure arrangements, seed sector and plant health regulation and legal requirements applying to warehouses are other examples.



#### **Mitigation measures**

- EU alongside key DPs will continue to engage in policy dialogue with the Ministry of Agriculture and other Agricultural Sector Line Ministries (ASLM) to support the establishment of rule-based policies and enabling conditions for agricultural transformation;
- Dialogue will be underpinned by assistance to strengthen policy formulation, analytical and monitoring and evaluation capacities of ASLM

## Technical/design and finance/implementation

 Limited implementation and absorption capacities (within central government and local government authorities) lack of political will, cooperation and coordination at different levels lead to blockages and slow implementation.



- EU will seek to build on and scale up successful programmes and mechanisms (supported by the EU and other development partners) in order to maximise speed and efficiency of delivery and achievement of results;
- Closer coordination of sector support will continue to be essential in order to avoid fragmentation and maximize effectiveness. In particular EUD is will step up efforts to ensure close EU-level coordination of agriculture sector assistance.

## 3.3.7. The overall risk assessment of the sector intervention:

## 4. MEASURES IN FAVOUR OF CIVIL SOCIETY

In line with EU Agenda for Change, an allocation of EUR 3 million will be made available to promote private sector, employment and economic development. This envelope comes in support to civil society organisations (CSOs), in particular

business associations, organisation promoting business and employment as growing stakeholders in development. The CSO envelope will support the private sector to contribute to an improved business environment (dialogue on business climate) for inclusive and sustainable growth, backing the result 1.2. of the GGDC. It will also contribute to the objective and results of the Agriculture and Energy Sector promoting an increased participation of the private sector.

This envelope will be mobilised in coordination with

other EU Member States and other Development Partners willing to support Economic Governance. Actions supported could be on advocacy, research & monitoring, information and support to SMEs. Actions in favour of Civil Society are also embedded in the focal sectors. First, the GGD foresees a Democratic governance and accountability "accompanying measure" that will support Civil Society Organisations' empowerment in monitoring Government accountability. Within the Sustainable Agriculture sector, specific projects will support and strengthen the role of civil society organizations in raising awareness on nutrition issues as well as on

In addition, Budget thematic Programmes for 2014 – 2020 (CSO-LA and EIDHR) foresee support to CSOs. These programmes have been designed in a complementary manner with the 11<sup>th</sup> EDF proposed CSO intervention.

promoting sustainable natural resources and land

#### 5. B- ALLOCATION

No B- allocation is foreseen.

management in rural areas.

#### 6. SUPPORT MEASURES

## 6.1 Measures to support or accompany the programming, preparation or implementation of actions (indicative allocation: EUR 8 million)

Funding will be mobilised through a Technical Cooperation Facility (TCF) to support or accompany the programming, preparation and implementation of actions foreseen in this NIP. This will also fund where necessary analytical work, policy advice, knowledge sharing and capacity development (through conferences or training) as well as visibility related actions.

## 6.2 Support to the National Authorising Officer (indicative allocation: EUR 4 million)

A well-organized support function to the NAO – the Permanent Secretary at the Ministry of Finance - has been developed over time. This has been financially supported through the EDF, with some Government co-financing. Under the 10th EDF, it was agreed that an exit strategy from EDF funding would be prepared, for implementation under the 11th EDF. From 2015, Government will be expected to cover the support functions costs. The proposed allocation of EUR 4 million will support certain key NAO functions over the entire duration of the 11th EDF, such as in particular a well-functioning Monitoring & Evaluation system focussing on enhancing a results oriented approach for EU funding. Particular emphasis will also be put on ensuring the right level of visibility for the EDF

interventions.

#### **LIST OF ABBREVIATIONS**

5YDP	Five Year Development Plan	M&E	Monitoring & Evaluation
AfDB	African Development Bank	MEM	Ministry of Energy and Minerals
AFD	Agence Française de Développement	MKUKUTA	Mkakati wa Kukuza Uchumi na
ASDP	Agriculture Sector Development	N 41/1 17 A	Kupunguza Umasikini Tanzania
	Program	MKUZA	Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Zanzibar
ВОТ	Bank of Tanzania	MPAMITA	Mkakati wa Pamoja wa Misaada
BRN	Big Results Now	IVIII AIVIII IA	Tanzania
CAADP	Comprehensive African Agriculture Development Program	MS	Member States (of the EU)
CSOs	Civil Society Organisations	NAO	National Authorising Officer
DFID	Department for International	NIP	National Indicative Programme
	Development (UK)	NSAs	Non State Actors
DP	Development Partner	ODA	Official Development Assistance
DPG	Development Partner Group	PAF	Performance Assessment Framework
EAC	East African Community	PFM	
EDF	European Development Fund	REA	Public Financial Management
EIA	Environmental Impact Assessment	REF	Rural Energy Agency
EIDHR	European Instrument for Democracy		Rural Energy Fund
	and Human Rights	SADC	Southern Africa Development Community
ESIA	Environmental and Social Impact Assessments	SBS	Sector Budget Support
EU	European Union	SEA	Strategic Environmental Assessment
FAO	Food and Agriculture Organization	SIDA	Swedish International Development
GBS	General Budget Support	0.27.	Agency
GDP	Gross Domestic Product	SMEs	Small and medium enterprises
GGD	Good Governance and Development	TA	Technical Assistant /Assistance
GGDC	Good Governance and Development	TAFSIP	Tanzania Agriculture and Food Security
GGDC	Contract	TANEOGO	Investment Plan
GNI	Gross National Income	TANESCO	Tanzania Electric Supply Company
GNP	Gross National Product	TCF	Technical Cooperation Facility
HDI	Human Development Index	TV2025	Tanzania Vision 2025
HIV/AIDS	Human Immuno-deficiency Virus /	UK	United Kingdom
	Acquired Immune Deficiency Syndrome	UN	United Nations
IFAD	International Fund for Agricultural Development	UNDP	United Nations Development Programme
IFMS	Integrated Financial Management System	UNICEF	United Nations Children's Education Fund
IMF	International Monetary Fund	URT	United Republic of Tanzania
JICA	Japan International Cooperation	US	United States
	Agency	USAID	United States Agency for International
KfW	Kreditanstalt fűr Wiederaufbau	LIOD	Development
LGA	Local Government Authority	USD	United States Dollar
LGRP	Local Government Reform Programme	WB	World Family December 1
LGTP	Local Government Transport Programme	WFP	World Food Programme

Millennium Development Goals

MDGs

#### The Cotonou Agreement

In Tanzania, the EU builds on a true partnership, notably within the framework of the ACP-EU Partnership Agreement, signed in Cotonou, Benin, on 23 June 2000. This was concluded for a 20-year period from 2000 to 2020. It is the most comprehensive partnership agreement between developing countries and the EU. Since 2000, it has been the framework for EU's relations with 79 countries from Africa, the Caribbean and the Pacific (ACP). In 2010, ACP-EU cooperation has been adapted to new challenges such as climate change, food security, regional integration, State fragility and aid effectiveness.

The fundamental principles of the Cotonou Agreement include equality of partners, global participation (States and non-state actors), dialogue and regionalisation. The Agreement entered into force in April 2003 and has been revised in 2005 and 2010 in accordance with the revision clause to re-examine the Agreement every five years.

The Cotonou Agreement was designed to establish a comprehensive partnership with 3 pillars:

- Development cooperation
- Political cooperation
- Economic and trade cooperation (for the period 2000-2007)

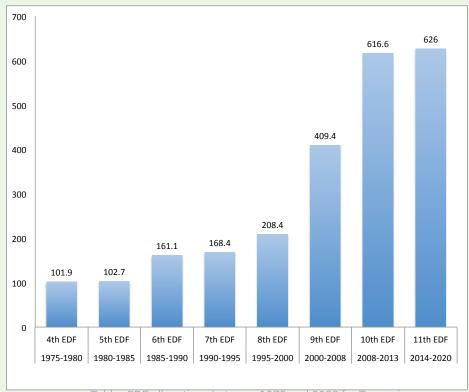
Most of the EU funding for Tanzania come from the European Development Fund (EDF). Now in its 11th cycle, the European Development Fund was first created in 1957 by the Treaty of Rome and launched in 1959. It is the EU's main instrument for providing development aid to African, Caribbean and Pacific countries and to overseas countries and territories.

The EDF funds cooperation activities in the fields of economic development, social and human development as well as regional cooperation and integration.

It is financed by direct contributions from EU Member States according to a contribution key and is covered by its own financial rules. The total financial resources of the 11th EDF amount to €30.5 billion for 2014-2020.

The amount of aid granted by the EU to Tanzania through the EDF has increased considerably since the early years of EU-Tanzania cooperation (see table).

In addition to the EDF the EU has provided development grants to Tanzania from the following other sources: Stabex, Sysmin, FAS, Food Aid, thematic budget lines (transmissible diseases, HIV, education, human rights, etc) and Humanitarian Aid. It is estimated that the total of these contributions add an additional €1 billion to the above figures thus bringing the overall aid provided to Tanzania well above €3 billion.



#### 11th EDF TANZANIA – ANNEX 5 October 2013

#### Elements for a Gender Profile of Tanzania

Tanzania has almost 45 million inhabitants (44,928,923) of which 51,3% are women (23,058,933)<sup>1</sup>. Gender equality faces some substantial challenges in Tanzania. This document is meant to provide a brief overview of the status of Gender Equality and Women Empowerment (GEWE) in Tanzania, and inform on projects aiming to overcome gender inequalities implemented by the Government, the development partners', and the FU

#### I. Women and women empowerment in Tanzania

#### 1. Employment

National employment rate is 80,7% (2006), but the female employment rate is 79,5 %, versus 82,0% for men<sup>2</sup>. The female unemployment rate was estimated to be 12.6% in 2006, versus 10.7% for men<sup>3</sup>. Furthermore, women are paid lower wages than their male counterparts: average monthly incomes amongst employed males are almost twice as high as those of female workers4. Women only represent 17,4% of "high-status occupations". 5 Agriculture is a crucial sector to reflect on when considering female employment in Tanzania, since within the employed female population in Tanzania mainland, 87% work in agriculture, and within the same group in Zanzibar, 27% work in the agricultural sector. Self-employment in agriculture is the most common type of rural employment, this being even more the case for women (84% of rural women, versus 74% of rural men). However, women face substantial constraints which hinder them from benefiting fully from work in the agricultural sector. For instance, regarding ownership of productive resources, 47 % of all land holders in Tanzania mainland are men, while only 15% are women. In rural Zanzibar, 51 % of the land for agriculture is owned by men and only 22 % of by women. Moreover, earnings gained in the agricultural sector are often insufficient, obliging 50 % of women self-employed in the agricultural sector to have a second job, as opposed to 35 % of men<sup>6</sup>. Finally, time devoted to reproductive activities (cooking, taking care of children) adds a burden on women and more particularly on rural women, hampering their chances to access productive work. In Tanzania Mainland, more than half of women's time is devoted to reproductive activities, compared to only 32 % of men's time. A similar pattern is observed in Zanzibar<sup>7</sup>.

#### 2. Education

In spite of primary school enrolment ratios for girls and boys being near equal, discrepancies exist in other dimensions. First, there are discrepancies in secondary school enrolment: in 2010, only 44% of secondary school students were girls, and girls represented only 39% of the students enrolled in the last year of secondary school. It is estimated that around 8000 girls drop out of school each year because of a pregnancy<sup>8</sup>. However, teenage pregnancy is not the main cause of interruption of girl's education, since most child-mothers are not enrolled in school in any case. More important factors are for instance insensitive pedagogical practices and gender expectations leading girls to contribute to household chores

<sup>1 (2012</sup> Population and Housing Census)

<sup>2</sup> ILO, Decent Work Profile, 2010. National definition of employment and unemployment (versus Standard definition, the use of which yields different figures for 2006: Employment rate: 87,1%; Female employment rate: 85,3%; Male employment rate: 89,1%; Unemployment rate 4,7%, Female unemployment: 6,2%; Male unemployment: 3,0%).

<sup>3</sup> ILO, Decent Work Profile, 2010. National definition of employment and unemployment.

<sup>4</sup> United Nations "Delivering as One" Fact sheets 2013

<sup>5</sup> ILO, Decent Work Profile, 2010. "High-status occupations" refer to Tanzania Standard Classification of Occupations sub-major groups 11 (Legislators and administrators) and 12 (Company directors and corporate managers).

FAO "Quick overview of the Decent Rural Employment situation in Tanzania Mainland and Zanzibar" 2013 (for all the figures of the paragraph)

<sup>7</sup> idem

<sup>8</sup> According to Deputy Minister for Community development, gender and children, Ms. Ummy Mwalimu, July 2013.

and child care<sup>9</sup>. Furthermore, boys persistently perform better in national school examinations at both the primary and secondary levels, particularly in mathematics and science<sup>10</sup>. In several regions, the 2010 success rate gap between boys and girls in the Primary School Leaving Examination was wider than 20 percentage points<sup>11</sup>. Illiteracy affects women more than men, since 34% of the female population above 15 is estimated to be illiterate, versus 21% of men. This gap is even more striking in rural areas, where women are twice as likely illiterate than men<sup>12</sup>.

#### 3. Marriage, child bearing, and reproductive health

Tanzanian women get married on average at 19 years of age, more than five years earlier than men. Within the 15-19 age group, 19% of girls are married, whereas only 4% of men are 13. The fertility rate in Tanzania has marginally decreased over two decades from 5.8 in 1996 to 5.4 in 2010. Rural women on average have three more children than their urban counterparts (6.1 children compared to 3.7). This is linked to higher child mortality in rural areas and to differences in education and income levels between rural and urban women. Also, there has been a sharp increase in the use of contraception: in 2010, it was estimated that 27,4% of married women used contraception, compared to 13% in 1996. However, this figure is much lower among young women: only 12% of 15-24 years old are estimated to use modern contraception 14. This, along with early marriages, contributes to the high teenage pregnancy rate. Indeed, in 2010 it was estimated that 23% of young women between 15 and 19 were pregnant or had already given birth 15. In the poorest households, one third of female teenagers had already given birth at least once 16. Teenage pregnancy carries a higher risk of maternal death. The overall maternal mortality ratio in 2010 was estimated at 454 deaths per 100,000 live births 17. That is lower than the 2004 figure of 578, but progress is far off pace with the objectives of the Health Sector Strategic Plan III target of 265 by 201518.

#### 4. Health

Poor nutrition is common problem among women of reproductive age in Tanzania. 50% are chronically anaemic and 10% have a low body mass index indicating chronic energy deficiency and elevated risk during pregnancy19. Women, in particular young women, are more affected than men by HIV. The national prevalence declined from 7% in 2004 to 5,7% in 2008 in Tanzania mainland, and stabilized around 0.6% in Zanzibar for the same period20. HIV prevalence among women is 3,6%, whereas it is 1,8% for men. Infection among girls aged 15 – 19 in both rural and urban areas is comparatively high at 1.3% compared to 0.7% for young men of the same age group21.

#### 4. Legal discrimination

The Constitution of Tanzania does not forbid discrimination on the basis of gender and gender discriminatory provisions persist in Customary laws as well as in the laws on marriage, citizenship, succession and inheritance. For instance concerning marriage, the Law of Marriage Act (1971) allows for girls to marry at 15 whereas the minimum age for boys is 18. Girls can marry as early as 14 if courts approve their request. Parental permission is requested for girls under 18. However, Customary law runs parallel to statutory laws, and the Local Customary Law (Declaration) Order, GN 279, 1963 allows each ethnic group to make decisions based on its traditions. Minimum age of marriage is not provided for in the Constitution. It is estimated that on average, two out of five girls will be married before their 18th birthday. Child marriage entails social and sanitary risks, like increased experience of domestic and sexual violence,

- 9 Unicef "Adolescence in Tanzania" 2011
- 10 United Nations "Delivering as One" Fact sheets 2013
- 11 Unicef "Adolescence in Tanzania" 2011
- 12 FAO "Quick overview of the Decent Rural Employment situation in Tanzania Mainland and Zanzibar" 2013
- 13 UNFPA "Youth in Tanzania Data from the 2010 Tanzania Demographic and Health Survey"
- 14 United Nations "Delivering as One" Fact sheets 2013 (for all the figures of the paragraph)
- 15 UNFPA "Youth in Tanzania Data from the 2010 Tanzania Demographic and Health Survey"
- 16 United Nations "Delivering as One" Fact sheets 2013
- 17 Tanzania Demographics and Health Survey 2010)
- United Nations "Delivering as One" Fact sheets 2013
- 19 United Nations "Delivering as One" Fact sheets 2013
- 20 United Nations "Delivering as One" Fact sheets 2013
- 21 UNAIDS, 2010

increased maternal and infant health risks, greater exposure to HIV/AIDS, isolation and psychological trauma22. In April 2012 Tanzania formally rejected the UN Universal Periodic Review recommendations urging to recognize marital rape as a form of violence. This arguably to "preserve the institution of marriage", subject to traditional norms and beliefs. Therefore, some of the obstacles to GEWE in Tanzania are enshrined in the legislative environment. They cannot be overcome without political will, strong advocacy, and a change in the perception of girls and women by the Tanzanian society.

Ownership of productive resources in the rural sector is a key issue for women empowerment since 87% of Tanzanian women work in the agricultural sector as recalled in section I.1. Since 1999 (Land Act No. 5 and Land Act No. 4), the National Land Policy entitle women to own and inherit land. These pieces of legislation acknowledge customary law, but stipulate that any provision of customary law that isn't in accordance with the National Land Policy (if, for instance, it denies women the right to own and use land) is inoperative. However, de facto, customary norms are still very strong in rural areas. Women usually only have access to land and cultivate it, while men own, control and inherit land, decide on its management and on the use of its product. In case of divorce, the woman is often forced to return to her parents' family, leaving behind most property, including the land she cultivated. Inheritance is most often also governed by customary law, overall 80% of ethnic communities in the country follow a patrilineal system, in which widows are entrusted with the land they use only until the children are grown up.23

#### 5. Social harmful practices

In spite of a legal framework ruling out some discriminatory practices, they are still non-negligible due to flaws in the rule of law.

Gender-based violence remains a concern in Tanzania. 3 out of 10 girls have experienced sexual violence before 18 (and 1 out of 7 boys)24. Nearly one-quarter of young women age 15-19 and 38% of young women age 20-24 have experienced physical violence since age 15. The majority of these women report having experienced physical violence in the past 12 months25. Young women living in Mainland Tanzania are markedly more likely than young women living in Zanzibar to have ever experienced physical and/or sexual violence. More than half of young women and 40% of young men age 15-24 believe that a husband is justified in beating his wife under certain circumstances, such as neglecting the children or going out without telling her husband26.

Although Female Genital Mutilation (FGM) on minors is criminalized by law, it remains practiced, with a 15% prevalence rate among Tanzanian women, particularly in the regions of Arusha, Manyara, Singida, Kilimanjaro, Dodoma, Mara, Mwanza and Shinyanga where FMG has a strong traditional relevance amongst the local ethnic groups.

Another striking breach in women's rights is the practice known as "witch killing", the killing of elderly women, often for economic reasons, which is a non-negligible phenomena since around 630 of them were killed in 2012.

These significant violations of women's rights being in theory forbidden by Tanzanian law, their continuation is due to a lack of policy enforcement, caused by a lack of citizen's awareness of women's rights, a lack of capacities of the judiciary, and by difficulties for victims in accessing judicial institutions.

#### II. The Government's strategy for the promotion of GEWE

The 1977 Constitution of the United Republic of Tanzania (Articles 12 and 13) guarantees equality between men and women and supports their full participation in social, economic and political life. Furthermore, Tanzania has ratified the following international commitments to women's rights:

United Nations Convention on the Elimination of all Forms of Discrimination against Women (1979): the

UNFPA, "Marrying too young, child marriage in Tanzania", 2013

F. Carpano, Land Tenure Consultant for IFAD "Strengthening Women's Access to Land: the Tanzanian experience of the Sustainable Rangeland Management Project" 2010

<sup>24</sup> UNICEF, National Survey on Violence against children in Tanzania 2009

<sup>25</sup> UNFPA "Youth in Tanzania - Data from the 2010 Tanzania Demographic and Health Survey"

<sup>26</sup> UNFPA "Youth in Tanzania - Data from the 2010 Tanzania Demographic and Health Survey"

current focal issues that have been identified and that Tanzania has committed to report on are child marriage and FGM;

- Convention on the Rights of the Child (CRC) (1989);
- · Convention on the Political Rights of Women (1952);
- Beijing Declaration and the Beijing Platform for Action (1995) on women's economic and political empowerment, education and training;
- · Cairo Declaration on Population and Development ICPD (1994);
- Millennium Declaration and Development Goals (MDGs), including MDG 3 on gender equality and women's empowerment;
- Universal Declaration on Democracy (1997);
- United Nations Security Council (UN-SC) Resolution 1325 (2000) and Resolution 1820 (2006) on gender equality, protection and participation of women in conflict resolutions, peacemaking and state-building;
- The South African Development Community protocol on Gender and Development (2010): provides for women to represent 50% of the members of decision making organs.

Gender equality and women's empowerment also forms a major component of the National Poverty Reduction Strategies (MKUKUTA II in Mainland and MKUZA II in Zanzibar) under the objectives related to governance, education and health. On the longer term, equality and empowerment in the political, economic and cultural spheres represent one of the objectives of the Vision 2025 strategy.

Furthermore, Tanzania has set up different institutional bodies and frameworks to promote GEWE. The Ministry of Community Development, Gender and Children (established 1990) is responsible for coordination and guidance for gender mainstreaming. It is supported by a "Women and Gender Development Policy Strategy" (2000).

Gender responsive budgeting led by ministry of finance for improved allocation and tracking of financial allocations in support of GEWE has been introduced in 1997, triggered at first by civil society organizations, notably the Tanzania Gender Networking Programme (TGNP).

In, 2011, the GBV Policy and management guidelines were adopted, setting up an multi stakeholder instrument designed to carry out a multi sectoral prevention and response to violence against women and girls.

The Tanzania Commission for AIDS (TACAIDS) set up a Gender Operational Plan for HIV and AIDS.

Finally, the Sexual Offences Special Provisions Act (SOSPA, 1998) specifically addresses sexual and gender based violence.

However, in spite of these comprehensive commitments, implementation remains limited because of the lack of capacities of law enforcers, and limited awareness of women's rights throughout the country.

#### III. Development partners' strategies for the promotion of GEWE

The different UN agencies present in Tanzania coordinate their actions promoting GEWE under the Inter Agency Gender Group (IAGG), in the context of the "Delivering as one" policy. The key focus areas of their projects are the following:

- Production of knowledge products on GEWE;
- Advocacy and policy dialogue to promote the adoption of GEWE principles in national legislation (GEWE principles integrated in the National Human Rights Action Plan, adoption of the National management guidelines for the Health Sector prevention and the response to Gender based violence);
- Support to the National Women machineries in Tanzania mainland and Zanzibar to develop required capacities to coordinate and ensure mainstreaming of GEWE by Ministries, departments, and Agencies;
- Financial and technical support to fight FGM in the Tarime district;
- · Support to gender budgeting at national and local level;
- Women access to information and empowerment through several different programmes<sup>27</sup>.

UN agencies and other Development partners cooperate within the DP group on gender. Main fields of activities of the other DPs in the recent and current years are:

#### Fighting gender based violence

- o Finland funded the construction of women's shelter to help victims of domestic violence (€ 406,640, NGO Search for Common Ground, 2011-2013)
- The UK led action against gender based violence concerning women traders in Dar es Salaam market (US \$18,000 - € 13,340). The UK also led awareness-raising actions in Dar es Salaam schools (US \$8,000 - €5,929).
- In its current programming phase 2012-2014, Denmark works to prevent Gender based violence (total envelope of DKK 25 million - € 3,3 million divided between this anti- GBV activity and economic empowerment)
- EU is supporting the NGO Action Aid in Zanzibar that promotes social assistance systems protecting women against Sexual and Gender Based Violence. The European Union awarded a grant of € 0,3 million to the project.

#### Agriculture

- USAID and Irish Aid are active donors in this field.
- EU is supporting the NGO Concern Worldwide to help women to get access to land and fight against gender discrimination in rural areas − € 1,4 million (2013-2015)

#### Health/Maternal health

- o Canada is the lead agency in this sector within the DPG Gender group.
- The Netherlands attributes € 685,000 to promoting safe motherhood and fistula services by strengthening the health system in Tanzania, a project implemented by AMREF.

#### Empowerment

- In 2012 Finland supported through the project (Re)Claim Women's Space of the NGO Search for Common Ground the empowerment of women members of the House of Representatives in Zanzibar (€ 50,334). Belgium supported the same project (€ 200,000).
- o Finland also supported pastoralist women in land rights with a grant of € 52,697 to the Maasai Pastoralist Foundation.
- Denmark also carries out projects to economically empower women, especially in the rural areas, through network and business skills.

#### Legal sector

- o Canada is the lead agency in this sector within the DPG Gender group.
- o In 2012, Ireland provided the legal organization WILDAF with a grant of €400,000 to provide legal education and free legal aid to women country-wide.
- Sweden supported Tanzania Women Lawyers Association in 2012 (SEK 4,8 million € 551,126).

#### Family planning

- Sweden supported the Swedish Association for Sexuality Education (RFSU) Tanzania Men as Equal Partners project.
- Support to umbrella organizations
- In 2012, Sweden has been supporting the Tanzania Gender Networking Programme (SEK 6 million € 688,908).

#### IV. The EU's actions for the promotion of GEWE

The EU Delegation will also continue to monitor EU commitments on gender in Tanzania based on the EU Council decision adopted on the 14th June 2010 related to the 'Gender Equality and Women's Empowerment in Development EU Plan of Action 2010-2015 EU-GAP) which is an operational Gender Action Plan for European Commission and Member States. This EU-GAP states that delegations have to report annually on gender equality, that gender equality must be mainstreamed in the next generation of CSPs and NIPs and that a Gender Country Profile should be included.

In its programming for 2014-2020 the EU Delegation has sought to fight gender inequalities through different instruments.

First, GEWE will be promoted throughout the 11th EDF, within the three focal sectors chosen by the delegation

(Good governance and Development, Agriculture, and Energy).

In the Good Governance and Development sector, special attention will be given to gender issues. In the first specific related to "inclusive" growth, EU will raise the issues of growth and employment and see how most vulnerable groups notably youth, women areas are benefiting from it. The second specific objective regarding social services seeks to promote equity in social delivery, gender inequalities being one of the obstacles to overcome notably in education but also on health, maternal health being one of the MDG which is unlikely to be met in 2015.

In the Agricultural sector, data concerning small-holders will also be disaggregated by gender. Moreover, one of the seven recommendations of the sector programming will seek to achieve the following: "Gender and Nutrition: addressing nutrition through research bio-fortification food utilisation and behavioural and attitudinal change". This will lead to capacity building of CSOs engaged in gender and nutrition programmes, and to the training of women in rural areas on nutrition issues.

In the Thematic programme on civil society organizations and local authorities (CSO-LA) for (2014-2017), one of the chosen objectives is the promotion of the economic empowerment of youth and women. Under this objective, grants will be awarded to projects that could support women ownership of land, vocational training, and development of business and entrepreneurship skills.

In the Thematic programme on human rights (EIDHR Instrument), one of the chosen objectives relates to the protection of the right of vulnerable groups including women. Actions supported could focus on gender based violence, FGM, child marriage, girls' education, etc.

These two thematic programmes will be implemented through grants to CSOs following calls for proposals.

#### **ATTACHMENTS**

ANNEX 1. Country at a glance (Annexes 1a, 1b and 1c)

ANNEX 2. Development Partners Matrix

ANNEX 3. Sector Intervention Framework

ANNEX 4. Indicative Timetable for commitments

You can find the National Indicative Programme Tanzania 2014-2020 with all Annexes on this webpage:

https://ec.europa.eu/europeaid/national-indicative-programme-tanzania-2014-2020\_en

ANNEX 5. Elements of a Gender Profile

#### **PHOTO SOURCES**

Cover Photo European Union Delegation Building EYD2015 Banner

Signing From the archives of Ministy of Finance

Dr Servacius Likwelile Photo by : Godlove Stephen

Filiberto Ceriani Sebregondi Photo by : Susanne Mbise

Photo on Page 10 - Students in Zanzibar

Photo by : Eric Beaume

Photo on Page 11 - Drama by Students during opening of Gender desk at Bububu, Zanzibar

Photo by : Sameer Kermalli

Photo on Page 13 - Choholo Ecovillage

Photo by: Salum Mohammed

Photos on Pages 12, 14 and 22 Courtesy of European Union Archives







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