



Tufanye kazi pamoja

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## Foreword

The Programming Framework outlines the parameters for Canada's official development assistance to Tanzania. The document is derived from the Government of Canada's foreign policy statement, Canada in the World, and from the policies of the Canadian International Development Agency. The Programming Framework for Tanzania has benefitted from an extended process of consultation with Canadian and African partners from the governmental, non-governmental, academic and private sectors.

September 1997

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# 1. Introduction

Africa in the 1990s remains in crisis. Of the 30 poorest countries in the world, those with a per capita income of less than US\$380, 20 are African. Africa also has the lowest average life expectancy: 52 years, as compared with the global average of 67 years, and 77 in high-income countries.

While there is some evidence of recovery from a decade or more of economic turmoil and stagnation, most countries in Africa are still suffering the harsh consequences of past policies, and of an inhospitable external environment that caused havoc with their economies over the past three decades. Although few countries in Africa have avoided the ravages of economic decline, their past and present economic performance varies considerably, as do their future prospects.

In the case of Tanzania, the crisis resulted from the failure of its socialist experiment (1967-84), which attempted to achieve institutional change in the absence of a solid macro-economic foundation. The resource requirements of the institutional superstructure that was erected pre-empted and stifled economic growth. Thus, Tanzania's socialist edifice was left suspended in mid-air, ready to crash. This crash occurred in 1979, triggered by internal and external shocks.

Recognizing that it could not deal with Tanzania's situation on its own, in 1979 the government initially sought external assistance from multilateral donors, such as the International Monetary Fund (IMF). Conditions imposed by the IMF were at first strongly resisted on the grounds that they would undo the significant social gains achieved by Tanzania since independence. From 1982 to 1984, attempts by the government to implement its own stabilization and adjustment program largely failed.

At this time, a severe crisis hit the Tanzanian economy. The country's import capacity had deteriorated to such an extent that a serious and general shortage of consumer and intermediate goods occurred (Figure 1.1). Official markets effectively ceased to function, and in many cases even parallel markets had to resort to barter.



Faced with these hardships, in addition to increased global growth and competition, reduced levels of development assistance, and the declining relative position of Africa, Tanzania, like the majority of countries in the region, was forced to examine the fundamentals of policy formation that had significantly contributed to its economic problems. Tanzania realized that in order to survive it had to undertake radical economic reforms.

As a result, in its 1984 budget, the government adopted several policies which had been advocated earlier by the IMF. In 1986, it agreed to an Economic Recovery Program, a package of

measures and policy reforms supported by the IMF. This Program was begun when the economy was almost totally controlled by the central government. Together with a subsequent Economic and Social Actions Program, it achieved significant progress in implementing fiscal, monetary, external policy and other reforms.

Policies adopted at that time had the following main objectives:

- inflation control;
- the restoration of fiscal balance by reduction of government expenditures, reformation of the fiscal system and raising personal and business taxes;
- the elimination of current account deficits by stabilizing exchange rates and promoting exports; and
- the initial restructuring of government institutions.

Economic performance initially responded favourably to the reform effort. Real GDP rose by an annual average of about 4% over the following ten years. Despite these positive developments, overall progress was uneven and fiscal performance was disappointing. In the first half of the 1990s, the Government of Tanzania appeared to lose momentum and direction, to have little sense of ownership of its major programs and to be unable to exercise fiscal control because of a decline in administrative capacity and an increase in corruption. As a result, the IMF did not proceed with a further Enhanced Structural Adjustment Facility (ESAF) credit, and most new bilateral aid was frozen.

However, since the 1995 elections, the new government in Tanzania seems to have a more consistent and clear sense of direction. It is taking additional measures to increase revenue collection and achieve fiscal and monetary targets, and is more concerned about corruption. It is attempting to improve administration by privatizing more "parastatal" corporations, and by decentralizing programs that would be better administered at the district level. These positive steps have persuaded some donors to release previously frozen bilateral assistance. In addition, the IMF has released a second ESAF credit, and the World Bank has sought approvals for a new program.

The restoration of macro-economic stability and the reinforcement of sound management are essential to continued progress. The government recognizes this and intends to remain committed to its broad reform program, within which it will adopt policies to ensure that the benefits of reforms will reach the poor. Progress has recently been made in a number of specific areas: Price and market reform. Most price controls have been abolished; the list of items subject to price controls was reduced from 400 to just petroleum and electricity; input subsidies were phased out.

Exchange rate reform. A series of devaluations has made the exchange rate competitive; official exchange rate controls were abolished; foreign exchange bureaux have been introduced.

Trade and industrial policy reform. Permission to import from "own funds" was given earlier in 1984; quantitative import restrictions were replaced with a system of open general licence; both the tariff system and the sales tax structure have been significantly rationalized.

Export incentives. Various impediments to trade have been removed, e.g., licensing and registration requirements for exports; the number of export items subject to permit has been reduced; private participation in traditional exports is now allowed.

Financial sector reform. In 1993, the Banking and Financial Institutions Act was enacted to permit private banking. The National Bank of Commerce was restructured and divided into three banks.

Monetary policy. The Bank of Tanzania was restructured in 1993, and treasury bill auctions were introduced to improve monetary management in a liberalized financial environment. In early 1997 the interest rate was 18%, down from 28% in 1994.

Parastatal reform. In 1993, the government initiated a parastatal reform program to introduce greater competition, liquidate uneconomic units and divest others. Of the approximately 400 parastatals, 80 had been privatized and 51 had been liquidated, as of December 1995.

Reform of public administration. The civil service has been downsized by about 50,000 employees, to 310,000. A further reduction to 283,000 is anticipated by the end of 1997. The pay system is also being reformed.

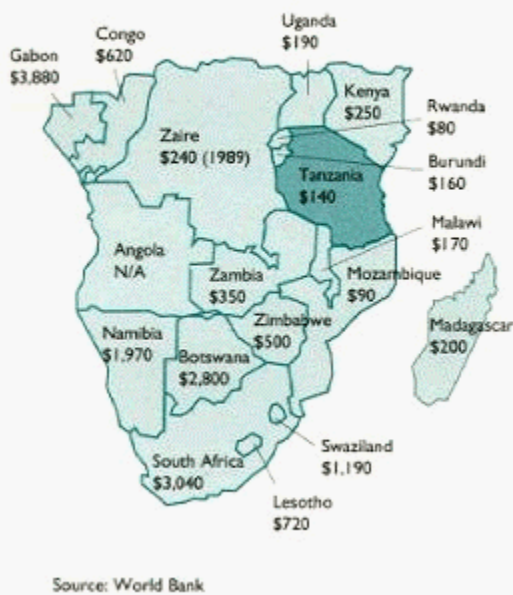
Implications for Programming:

- The Tanzanian government's positive actions warrant continued ODA investment.
- ODA should be sensitive to inevitable uneven performance, but supportive of a generally upward trend.

## **2. Tanzania in a Regional Development Context**

Transition from economic reform and adjustment to sustained economic growth is a major preoccupation for all East African countries. Domestic economic management has been influenced by the twin need to strengthen monetary policy and implement measures, such as exchange rate and public sector reforms, designed to assist economic recovery and sustain longer-term growth. Some countries, including Tanzania, continue to stress the relationship between economic growth and social imperatives: employment creation, provision for basic needs, food security, and improved rural-urban balance. This concern for equity has paid dividends in terms of social stability.

**1.2: A Regional Comparison of Economic Performance: Per capita GNP (US\$), 1994**



Although some growth was recorded during the early 1990s, in general the economic performance of countries in East Africa did not register any significant improvement, mainly because of worsening terms of trade, civil disturbances whose effects were felt across borders, and drought or natural calamities. These factors had particularly severe impacts on agricultural output, which necessitated the import of food by some countries, including Tanzania.

The rate of population growth and its adverse effect on per capita income continue to pose serious problems in certain countries (Figure 1.2), especially where GNP growth is slow or negative. In East Africa, population growth has been about 3% per annum. As the aggregate growth of economies in the region is only about 2% per annum, real per capita incomes have declined.

The region's low rate of saving, low investment productivity, and meagre foreign exchange earnings, pose serious impediments to development. In addition, the goal of strengthening government administrative and fiscal management remains elusive for most countries.

In a number of countries, recurring and/or persistent national budget deficits have forced governments to reduce development expenditures. One consequence has been delays in the establishment of domestic development finance institutions. As a result, most East African governments have not managed to create credit intermediation agencies to cater to specialized sectors or groups which play a vital economic role, yet have difficulty accessing credit; these include small enterprises, rural community associations and co-operatives.

The principle development challenges facing most countries in the region, including Tanzania, relate to:

- the provision of adequate social infrastructure, including education and health;
- the raising of domestic incomes; and
- the equitable distribution of essential services and goods.

Finally, it must be recognized that donors have been too sanguine about the effects of transition from one party domination to multi-party "democracy," in Africa and elsewhere. In some cases, such as Tanzania, the situation has been further complicated by the intricate process of moving from a centralized socialist (albeit, in this case, African socialist) society to a more decentralized free market capitalist system. The task of redefinition is enormous for both governments and citizens, and remains unfinished. Although the transition will take a long time to accomplish successfully, Tanzania has thus far made much progress, with very little disruption to civil society.

#### Implications for Programming:

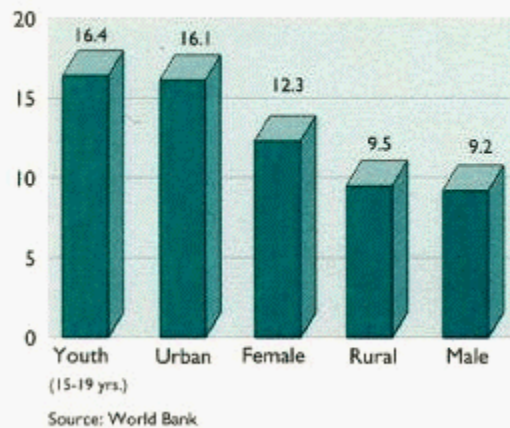
- Support for economic growth is needed to offset population growth and to increase per capita income.
- Support for broad-based income generation is essential for poverty reduction.
- Investment in the social sector is essential for equitable economic growth and social stability.

### 3. Tanzania's Development Objectives

Tanzania remains one of the poorest countries in the world. Annual per capita income is estimated at US\$140 and, according to the IMF, this may be underestimated by as much as 60%. It has a severe debt problem, with a total public or publicly guaranteed debt stock at the end of 1995 of about US\$7.4 billion, or approximately 200% of GDP.

Tanzania's economy is heavily dependent on agriculture, which constitutes about 58% of GDP, provides 85% of exports, and employs 90% of the work force. Industry accounts for 8% of GDP and is mainly limited to light consumer goods and the processing of agricultural products. Growth over the 1991-94 period has featured a pickup in industrial production and a substantial increase in the output of minerals, led by gold. Recent banking reforms have helped increase private sector growth and investment.

**1.3: The Distribution and Rates of Unemployment in Tanzania, 1994**



Tanzania faces a serious unemployment problem (Figure 1.3), particularly in urban areas, and especially among women and youth. Specific efforts will be required to address this problem.

Within this context, Tanzania has outlined its development objectives for the next few years. The primary objective is to eradicate poverty by generating economic growth based on continued structural reforms and macro-economic stabilization.

In particular, Tanzania aims:

- to create an environment conducive to the support of a strong private sector;
- to reduce government involvement in productive activities more suited to the private sector;
- to improve efficiency in the use of public resources;



- to accelerate export diversification; and
- to enhance domestic competitiveness.

The government's strategy to improve the economic environment is to reduce inflation and the balance of payments deficit, encourage local investment, attract foreign investment capital, and encourage non-government sectors to expand their economic base. This will in turn give the government a broader tax base for investments in social infrastructure and human capital, which are critical components of Tanzania's development strategy. In addition, a central element within this strategy is the involvement of the population in the development process, both as participants and beneficiaries.

Even with the forecasted growth in private investment and government resources, for the foreseeable future, Tanzania will remain a country requiring substantial donor assistance.

Implications for Programming:

- Substantial ODA will be required for some time.
- ODA should support efforts to reduce unemployment and ensure equitable, broad-based growth.

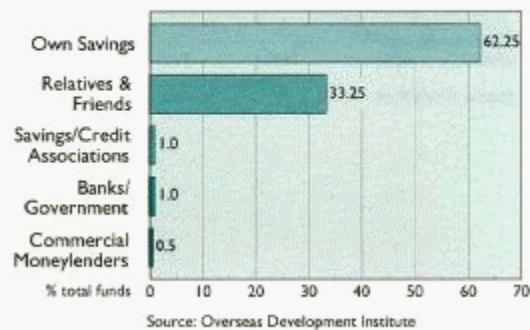
## 4. Tanzania's Development Performance

### A. Economic Considerations

From being one of the most controlled economies in Africa, Tanzania has become one of the most liberalized. One indicator is that almost all controls on external current account transactions have been removed. Already, the balance of payments figures show a significant inflow of capital formerly held by Tanzanians abroad. The parastatal privatization program has stimulated a considerable inflow of foreign investment in agriculture, mining, manufacturing and tourism.

The government's positive intentions have been signalled by initiatives to establish a domestic stock exchange and venture capital funds to help small investors take advantage of privatization. However, the government efforts to bring the informal sector into the official one are suffering, due to a lack of credit resources available for micro-enterprises (Figure 1.4). This situation could be improved were the government to attract funding for projects directed at the establishment of a domestic development finance institution.

**1.4: Limited Access to Credit in Tanzania: Sources of Start-up Capital for Informal Sector Enterprise, 1992**





The government has taken a number of positive steps towards the more effective use of public resources. The following economic policy issues have been recently addressed:

- the restoration of macro-economic stability, with the aim of reaching a single digit inflation rate (the rate has been steadily dropping from 36.9% in December 1994 to 25.5% in April 1996);
- the restructuring of the National Bank of Commerce, to better serve a competitive financial sector which, in turn, would support a growing private sector;
- the intensification of efforts related to parastatal reform, including reliance on hard budget constraints and, where appropriate, privatization;
- the reorganization of the civil service, including the establishment of a ceiling on the number of employees and a rationalization of the structure of salary, benefits and allowances;
- the development of new approaches to the financing of social services, which will result in an increased role for the beneficiaries in financial and management decision-making (since 1994, the government has been operating on a cash budget which restricts spending to current revenue);
- the continuation of the market-based exchange rate system which was introduced in June 1994.

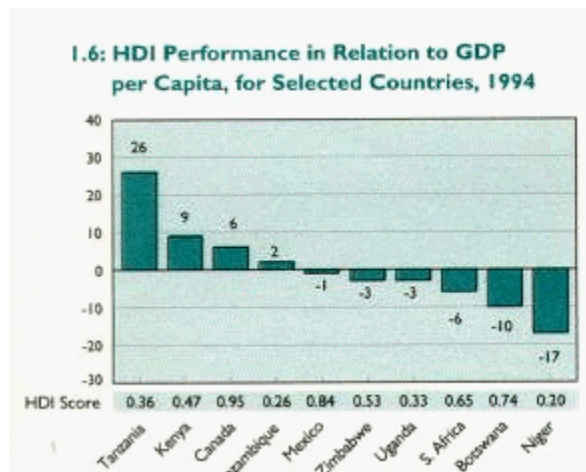


Tanzania recognizes the reality of global competition and is co-operating to reduce constraints on competitive prospects at the regional level (e.g., reducing unrest, eliminating fiscal and trade barriers). Goals include the establishment of an environment conducive to both local and foreign investment (Figure 1.5), and the more effective use of regional infrastructure, such as universities and colleges.

### Implications for Programming:

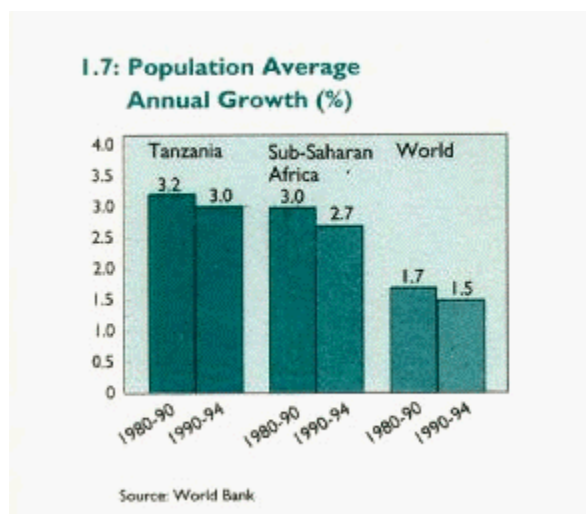
- Improved macro-economic conditions will attract private sector investments, eventually displacing traditional ODA.
- Improvement to the fiscal and regulatory environment must be supported.
- Tanzania's positive economic reforms will enhance ODA impact.
- Support for indigenous, small-scale activities is important for broad-based growth, and should be a programming focus.

## ***B. Social Considerations***



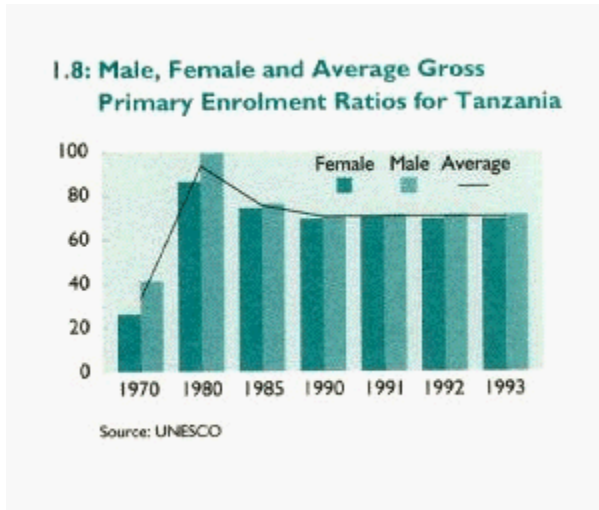
Tanzania has a history of support for social development, and has made major investments in social programs. It has encouraged social cohesion and has fostered growth with equity. The results of these efforts are apparent when the Human Development Index (HDI) is compared with GDP per capita (Figure 1.6). By this measure, Tanzania has one of the best records in the world.

Tanzania also rates high in terms of its National Performance Gap, a UNICEF indicator that shows the difference between a country's actual level of progress and the expected level of progress for its income. By this index, Tanzania's under-five mortality rate is the lowest for all developing countries.



Notwithstanding these positive efforts, the Government of Tanzania still faces significant problems within the social sector. The country's population in 1995 was estimated at 29.7 million. Population density was 31.0/km<sup>2</sup>, as compared with the average for Africa of 24.8/km<sup>2</sup>. Although declining, the population growth rate for 1990-94 was an estimated 3.0%, versus 2.7% for all Africa over the same period (Figure 1.7). The indicators for life expectancy at birth, and primary school enrolment ratios, are slightly less favourable than for the rest of Africa. Both the World Bank and the African Development Bank have stressed that, for sustained development, Tanzania must control

population growth and improve social services.



As the GDP fell during the mid- to late 1980s, basic services deteriorated considerably. The government at that time was committed to upgrading social services, and continued to support ambitious social development programs; this policy was unsustainable. As expenditures in other areas were decreased in favour of social programs, services deteriorated, professional skills became blunted and outdated, and facilities fell into disrepair.

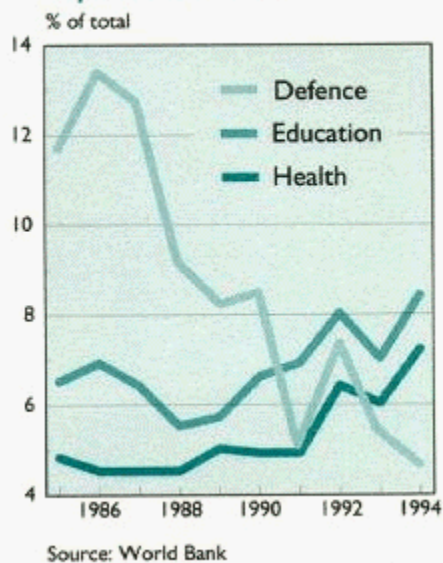
One of the sectors that suffered the most, with potentially the harshest effects on future development prospects, was education. In the education sector, the primary school enrolment ratio fell from 93% in 1980 to 66% in 1987. By 1990, the ratio had climbed back to 70%, but was still well below 1980 levels (Figure 1.8). The loss of these students' potential is being felt today. In addition, present curriculum is outdated, teaching materials are relatively scarce, school buildings are in a generally unsatisfactory state, and most teachers' skills are either substandard or outdated.

In 1995, as one effort towards solving these problems, the government launched a new Social Sector Strategy. The process began with the development of three pilot projects designed:

- to create sustainable improvements in primary school enrolment, including pupil and teacher performance, infrastructure and material supplies;
- to increase the enrolment of girls in secondary schools and improve their performance and completion rate; and
- to enhance accessibility, at the community level, to improved health care.

All three pilot projects emphasize the increased role and responsibility of the local community in both the management and financing of social services.

### 1.9: Tanzania's Public Expenditure Reform



In Tanzania, the main challenge facing the government is the need to improve the social infrastructure upon which successful investment depends. An indication of the Government of Tanzania's concern is that the share of recurrent budgetary expenditures on education and health has been increased to 8.4% and 7.2% of total expenditures, respectively, while expenditures on defence have decreased dramatically (Figure 1.9).

### *C. Regional Considerations*

In addition to the above activities, Tanzania has played a major role in establishing the East Africa Co-operation organization, with Kenya and Uganda. This initiative is the first step in the creation of a successor to the East African Community, which collapsed in 1977. The organization is intended to play an increasingly important role in co-ordinating the commercial and development activities of the three countries.

Tanzania has also been a key participant in the peacekeeping and peacemaking process in the region. Such activities have ranged from the defeat of Idi Amin in Uganda, to the crucial role it is now playing in the Rwanda and Burundi crisis.

### *D. Summary*

The following prominent constraints challenge Tanzania:

- continuing balance of payments deficit;
- large external debt;
- high rate of inflation;
- low rate of savings;
- high rate of unemployment;
- high rate of population growth;

- weak human resource base; and
- poor physical infrastructure.

Tanzania's potential is demonstrated by:

- political stability and liberalization;
- comparatively positive social indicators;
- the government's new sense of direction and ownership;
- parastatal, banking, public expenditure and trade reforms;
- growth in private and foreign investment;
- improved balance of payments; and
- steady economic progress despite recent political and economic transitions.

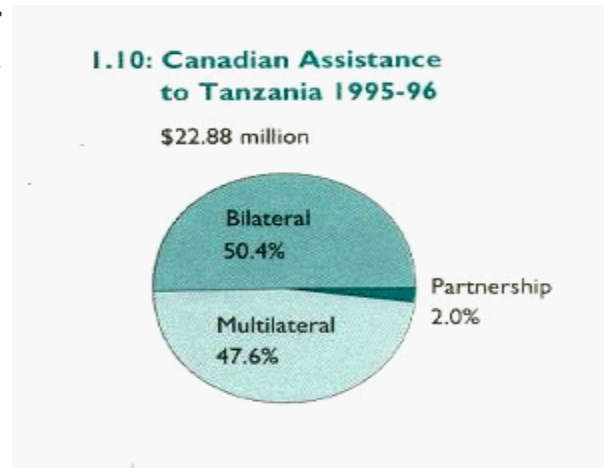
#### Implications for Programming:

- Tanzania's historic support for social development will enhance the prospects for successful assistance in this sector.
- Human capacity needs must be addressed to enable development to occur at a reasonable and sustainable pace.
- Investments in education have the potential for high return, and should be a programming focus.
- Close co-ordination of sectoral strategies should be central to donor assistance.
- ODA should support decentralization and focus on the local level.
- Programming should have the flexibility to address specific high priority needs affecting the prosperity of Tanzania and the region.

## **5. Canadian Interests**

Since independence, Tanzania, a moderate, politically stable member of the Commonwealth, has played a positive role in East Africa. It has served, and continues to serve, as a safe haven for Africans fleeing conflict situations throughout Southern and East Africa. Tanzania has a stabilizing influence in the region, encourages regional co-operation and sets an increasingly good example as a successful democracy. In terms of Canadian peace and security objectives, it is in Canada's interest to help Tanzania in its social, political and economic development, strengthening its capacity to bring stability to the region, promote solutions to conflicts in the Great Lakes area, and to remain a stable base able to receive and assist temporary refugees from neighbouring countries.

From 1965 until 1993, Tanzania was a major recipient of Canadian development assistance, receiving approximately Cdn\$1 billion over that period. Canada's involvement was mainly in the agriculture, energy and transport sectors, and in the provision of commodities. In the 1993 budget cuts, the bilateral program for Tanzania suffered major reductions, though planning and programming continued for several new projects. The negative reaction of the Canadian public to these reductions illustrates significant Canadian interest in East Africa. In 1995-96, Canada's bilateral assistance to Tanzania amounted to Cdn\$11.98 million, while total Canadian assistance to Tanzania totalled Cdn\$22.88 million (Figure 1.10).



Canadian firms have demonstrated a keen interest in commercial opportunities in Tanzania. The growth of the mining sector has led to more than Cdn\$500 million of actual and proposed investment. Canadian firms are exploring for gold, diamonds, nickel and other minerals, creating opportunities for equipment exports, engineering and consulting services, and infrastructure development. Power and energy is also an area of significant investment. Cdn\$50 million has been invested by two companies for gas exploration and pipeline construction, with an eye to expanded pipeline and gas exports to Kenya. Telecommunications, a priority sector for Canada, features a Quebec-Saskatchewan joint venture that could loosen the Swedish/Japanese stranglehold in East Africa.

The International Development Research Centre (IDRC) is active in Tanzania, as are many Canadian non-governmental organizations (NGOs). Some have been providing advice and technical assistance to the small, but rapidly expanding, local NGO community (refer to Annex C).

High levels of poverty and the strong efforts directed by the Government of Tanzania towards greater democracy and improved governance, as well as the role and burden it has assumed regionally, warrant continued Canadian development assistance.

## **6. Programming Framework Policy and Objectives**

### ***A. General – Screening Criteria***

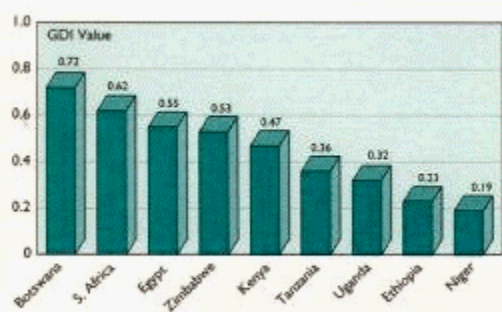
Four essential factors have determined the direction and scope the Canadian International Development Agency's (CIDA's) proposed bilateral Programming Framework policy for Tanzania.



- The policy must fit within the Government of Canada's foreign policy objectives, and Official Development Assistance Mandate, as outlined in Canada in the World.
- The policy must be congruent with the two development priorities of the Africa and Middle East Branch (AMEB): Peace and Security, and Poverty Reduction.
- CIDA's restricted budget limits choices. Since the budget cuts in 1993 sharply reduced the Tanzania program, CIDA has not been among the top 10 bilateral donors to Tanzania. As a result, rather than playing a major independent role in any sector, CIDA will adopt a highly collaborative program approach to enhance the effectiveness of its contributions.
- The priorities of the Tanzanian government and essential local needs also determine the options.

The nexus of local and Canadian development assistance priorities must be reflected by CIDA programming.

**1.11: A Measure of Women's Human Development: Gender-Related Development Index, for Selected African Countries, 1993**



Note: The GDI value measures (from 0.0 to 1.0) women's life expectancy, adult literacy rate, enrolment ratios and share of earned income (as a percentage of men's).

Source: UNDP

The promotion of gender equity and women's empowerment is central to sustainable and equitable development, and Tanzania is lagging in this respect (Figure 1.11). This increases the need for AMEB programming to mirror CIDA's Corporate Policy on Women in Development and Gender Equity, and thereby promote the full and effective integration of gender considerations within all development initiatives, and involve women as equal and active partners in development. A Tanzania Gender Equity Strategy has been prepared in conjunction with the Programming Framework, to facilitate the successful implementation of WID/GE initiatives within the new Tanzania Program.

The following additional considerations were taken into account in the selection of objectives, and will be reviewed during program development. Objectives must:

- reflect the policy environment of the host government;
- result in a program that is manageable for CIDA Posts;
- not create additional or unnecessary administrative burdens for CIDA's partners in East Africa;
- utilize Canadian capabilities and expertise;
- reflect a comparative advantage from Canada (i.e., What can Canada add that other donors, the government or other local players cannot?);
- result from a comparative advantage for the bilateral channel (i.e., Is the project best suited for bilateral or better suited for a multilateral or partnership channel?);



- consider the advantage of a geographic focus;
- offer a good return (economic, environmental and/or social) for the investment; and
- reflect close co-ordination with the government and other donor programs to avoid overlap and maximize returns.

In addition, the results of an international evaluation of donor assistance to Tanzania provided a number of important "lessons learned". The following lessons are particularly relevant to CIDA's programming:

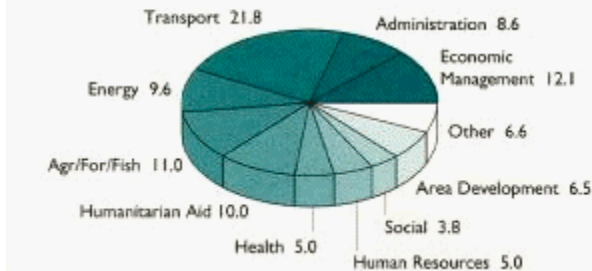
- donor programming should ensure "ownership" by the people of Tanzania;
- country strategies should blend donor strategies with those of the Government of Tanzania;
- donor support should be organized sector-wide, to foster harmony along the lines of common policies and strategies;
- core priorities should be arrived at through consultations, in order to ensure compliance at the implementation stage;
- to ensure success, local communities should play a leading role in project implementation; and
- donors should be willing to withhold or delay aid until the local conditions necessary for project implementation are satisfied.

The best way to ensure that CIDA's bilateral development assistance to Tanzania will have a sustainable impact is for such assistance to be focused on one, or possibly two, very specific, affordable and implementable (by Canada) program objectives.

Through continued co-ordination with other sections of CIDA (Pan African, Partnership and Multilateral Programs) complementarity within the Agency as a whole will be promoted. In addition, CIDA will support and encourage those initiatives that lead to further investments by other donors.

A number of operational bilateral projects with commitments over the next few years are ongoing in Tanzania. CIDA will continue to support these projects, and those new projects that are well along in the planning stage. Almost all new initiatives will lead to the program's concentration on the objectives identified.

**1.12: Percentage Distribution of Total ODA from All Donors to Tanzania, 1994**



Current programming will not necessarily be reflective of CIDA's past involvement in Tanzania. Budget cuts have necessitated the discontinuance of programming in areas where CIDA has made considerable contributions in the past, such as transportation and energy. In addition, the Government of Tanzania's privatization efforts will further limit links with past programming, since much of CIDA's former involvement has been in sectors that have been, or will be, turned over to the private sector. CIDA's shift in ODA concentration reflects a general donor trend to focus more on the social sector.

#### Implications for Programming:

- Infrastructure will increasingly become the responsibility of the private sector, leaving less room for ODA.
- Budget constraints require CIDA to focus its program for maximum results.
- An emphasis on WID/gender equity is essential.
- Assistance should be provided at a pace at which it can be absorbed.

### ***B. Development Goal***

In formulating an appropriate set of objectives for programming in Tanzania, the CIDA desk conducted a review and analysis of documents concerning the current situation and trends in that country, and assessed Canada's past and current involvement there. It undertook discussions with the Government of Tanzania, other donors, interested Canadian departments, NGOs and private sector firms based in Tanzania and Canada: to seek their views, tap their experience, and test preliminary findings. A broad range of options were analyzed and rejected (refer to Annex B). Throughout the process of defining the programming foci and preparing the Framework, CIDA worked closely with the Department of Foreign Affairs and International Trade (DFAIT).

As a result, the desk concluded that the goal offering the best potential for CIDA to help address the key problems facing Tanzania is:

- to support poverty reduction by increasing income-generating capacity, primarily of the underprivileged.

This goal provides a strategic approach toward supporting equitable and sustainable development in Tanzania. It is based on CIDA's Policy on Poverty Reduction, is consistent with Canada's ODA mandate, and targets four of Canada's six ODA priorities:

- Basic human needs;
- Women in development;
- Human rights, democratic development and good government; and
- Private sector development.

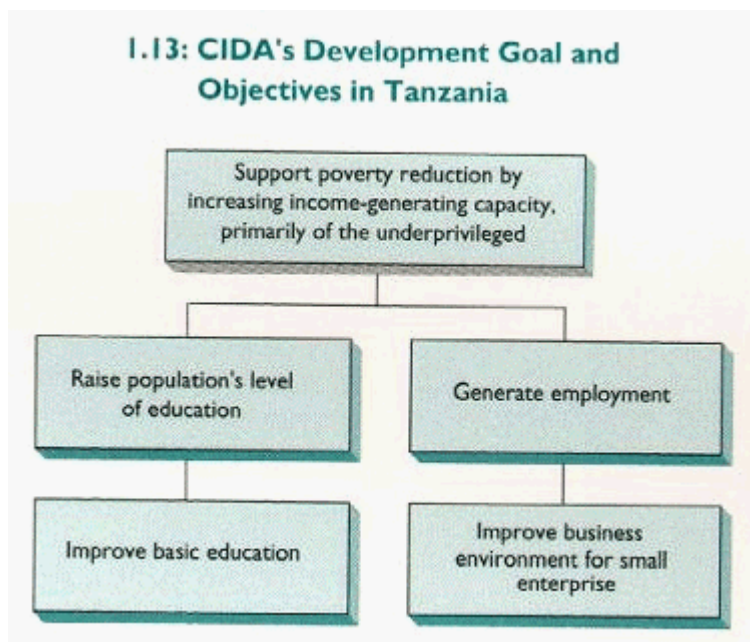
The goal meets the Africa and Middle East Branch priority of poverty reduction. It also takes into account experience CIDA has gained through its operational and planned projects, as well as the parameters for Canadian development assistance outlined above.

This goal, which is also being addressed in part by other donors, aims to increase the income-generating capacity of the underprivileged in Tanzania. The detailed design of CIDA's program will note and respect the increasing role and responsibility of communities in a Tanzania where the government is gradually becoming more decentralized.

### ***C. Objectives***

To help achieve this goal, the desk has selected the following two objectives (Figure 1.13):

- Raise the population's level of education by improving basic education, with a particular emphasis on the poor.
- Generate employment by improving the business environment for small enterprises, with a particular emphasis on women agents and beneficiaries.



**Improve Basic Education.** Under this objective, CIDA, in conjunction with the Government of Tanzania and other donors, will provide financial assistance and technical expertise at critical points to assist in improving the legal, social or economic environment pertaining to basic education, and the quality of that education.

CIDA's support for basic education will ultimately result in increased student participation and better retention rates, and improved access to basic education, in targeted areas of Tanzania.

CIDA's Basic Human Needs priority defines basic education as preschool and primary education,

both formal and informal, for youths and adults, plus capacity development. Capacity development includes improved management at the system and institutional levels, development of co-ordinated policies to improve the delivery of basic education programs, and policies and programs that remove barriers and favour the access of female children and women to basic education. Quality improvement could include bettering community-school relations, curriculum development, the provision of educational material, improvements in teaching methodology, or the training of trainers.

Improve the Business Environment for Small Enterprises. Under this objective, CIDA, in conjunction with the Government of Tanzania and other donors, will provide financial assistance and technical expertise to create an environment more conducive to small enterprise development, and to establish or expand micro and small-scale credit to those financially viable proposals designed to generate employment. The primary, though not exclusive, focus will be on women and youth. CIDA's support will result in an increase in the availability of credit, the promotion of small-scale enterprises, the creation of new employment opportunities in the local community, and a general increase in income levels.

The two objectives are complementary and reinforce each other. Over the longer term, support to basic education will lead to an increase in qualified graduates. This, in turn, will improve the quality of the available work force. Similarly, over the same term, the employment generated by the economic activity option will assist basic education by providing an incentive to students to remain in school in order to qualify for better jobs available locally. In addition, when the employment and incomes of women are improved, substantial improvement is seen in the welfare and education of their families.

#### ***D. Rationale for a Basic Education Focus***

Improving basic education:

- is a top priority for the Government of Tanzania;
- is an essential requirement for improving income generation;
- is a critical component in the movement towards gender equity;
- is an important factor in the creation of a strong civil society;
- affords an understanding of the environmental impact of common practices;
- increases the understanding and use of family planning methods;
- strengthens the ability of individuals to meet basic needs;
- is directly linked to improving social development indicators;
- provides the greatest return on investment, especially when a priority is placed on training women; and

- is a prerequisite for poverty reduction.

Canada has wide experience in the provision of basic education. This includes the education of aboriginal people; secondary language training; new immigrant training; retraining the unemployed at the municipal, provincial and federal levels; special education, basic literacy and life skills; and basic technical skills for entry-level labour force participants. CIDA is therefore in an ideal position to make a meaningful contribution towards improving basic education in Tanzania.

### ***E. Rationale for a Small Enterprise Development Focus***

Small enterprise development:

- is essential for the success of the basic education program;
- is necessary for the long-term economic benefit of the region;
- generates money for the community, part of which can be used to pay for schooling;
- offers future possibilities for school leavers;
- broadens the tax base; and
- increases the role of the private sector in civil society.

Canada has considerable expertise in micro-enterprise development. Canadian partner organizations are already managing micro and small-scale credit facilities in developing countries. In addition, Canada has policies that encourage small-scale enterprise development; experience supporting such development in Canada and abroad; and expertise within organizations such as the Canadian Business Development Bank, internationally known credit unions and small-scale enterprise-oriented NGOs. Hence, Canada can provide important technical knowledge for the development of the private sector and the generation of employment at the community level.

### ***F. Expected Results and Performance Indicators***

The extent to which program coherence has been achieved - that is, the extent to which program strategic objectives are successfully linked to CIDA and AMEB strategic objectives - will be monitored and reported on an annual basis. Specifically, results of the program will be assessed in the context of Canadian foreign policy objectives, as outlined in *Canada in the World*, Canadian ODA priorities, and the AMEB Strategy as stated in the Branch document "Towards Human Security".

Project selection will be guided by program strategic objectives. Approximately 80% of new bilateral initiatives undertaken in Tanzania will reflect the programming objectives as identified by this Framework. The program will further commit to achieving this 80% new program

coherence by the end of FY1998/99.

The results of each project will be assessed in terms of program and project objectives. A detailed results framework will be developed for the overall program, identifying common indicators across projects. Table 1.1 identifies selected examples of performance indicators that could be used to measure results. It must be recognized that results and performance indicators will differ from these examples, depending on the exact programming directions taken within the Tanzania Program.

Table 1.1 : Example Results and Performance Indicators
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Strategic Objective *	Results Statement *	Performance Indicators *
1. Raise population's level of education by improving basic education, with an emphasis on the poor.	Improved quality of, retention in and access to basic education.	<ul style="list-style-type: none"> <li>• the extent to which basic education has a higher profile within GOT/MOE</li> <li>• an increase in enrolment</li> <li>• a decrease in drop-out rates (especially female)</li> </ul>
2. Generate employment by improving the business environment for small enterprises, with an emphasis on women.	An environment more conducive to small-scale enterprise, and establishment of micro and small-scale credit institutions to serve these enterprises.	<ul style="list-style-type: none"> <li>• the number of effective credit facilities established</li> <li>• the number of loans processed</li> <li>• the reported growth of small-scale private sector enterprises</li> <li>• increase participation of women as agents and beneficiaries.</li> </ul>

\* The extent of impact will be a function of the size and specific orientation of the projects funded. Realistic expectations must reflect the size of the Canadian investment in the overall Tanzanian economy.

The overall performance of the Tanzania Program and its projects will be measured according to relevance, appropriateness, cost-effectiveness, and sustainability, as outlined in CIDA's "Framework of Results and Key Success Factors."

In addition, given that a program is more than just an aggregate of projects, the results of such non-project activities as CIDA's role in donor co-ordination, in influencing policy reform, providing analysis, and influencing multilateral programs in Tanzania will also be tracked and reported.

The methodology employed for collecting data on project results and performance indicators will be a combination of traditional data collection, such as project team observations; third party monitoring; consultations with the Government of Tanzania; special thematic, sectoral or issue-related studies; and/or reporting from the involved executing agency. Accordingly, each project will utilize the most appropriate means of measurement.

Project results and performance will be outlined annually in the form of end-of-year reports that conform to Agency requirements. Information on project performance will in turn contribute to regular program reviews, and will be supplemented by information derived from formal Performance Reviews undertaken by CIDA's Performance Review Division.

## ***G. Risks***

There are risks inherent in any development program that will inevitably affect the degree to which programming objectives are successfully achieved. In Tanzania, the following risks must be considered:

- a) The Government of Tanzania has an uneven record of implementing reforms. This unevenness can be partially attributed to the difficulty any government would have in maintaining a severe reform program, the varying degrees of strength and weakness apparent in Tanzanian leadership, and the difficulty of changing the expectations and behaviour of a society. It must be recognized that there will be a continuing degree of unevenness in future performance, which could in turn lessen the impact of CIDA's contribution. However, the current government is exercising strong and clear leadership, and there is a positive change in the attitude of Tanzanians who can make a difference. Moreover, despite the unevenness, the general trend in Tanzania has been upwards. These factors suggest that the overall environment in Tanzania will be supportive, and that future ODA investments will be sustainable in the long run.
- b) Tanzania has a limited human and institutional capacity to absorb changes and assistance. The past absence of a capitalist mentality in Tanzania means that today's small-scale entrepreneurs are breaking new ground. Credit systems for small entrepreneurs have done poorly. As well, the proposed concept of community-based, direct pay education systems are just being tested, and the human resources capacity within the education system requires fairly radical upgrading. These factors will diminish the rate at which change can occur and results can be achieved. On the positive side, the government has proven to be committed to reforms, is addressing problems that have arisen from traditional practices, and has established new programs in both sectors. Hence, there is a growing sense of ownership and accountability which is imperative for the sustainability of program results.
- c) Tanzania has a large debt overhang. This debt is an enormous drain on available resources, and will affect the level of government support available for social sector reforms and investments in human capital. International financial institutions and creditors are aware of this burden and appear willing to accommodate significant restructuring. In the interim, private investments are beginning to enter the country, and offer promise of a tax base that has previously been unknown. These factors tend to offset the risks associated with the large debt burden, but there is no way to determine definitively whether the government can continue to manage this debt in the future.
- d) The impact of refugees on Tanzania is heavy. Refugees are a drain on Tanzania's budget. However, Tanzania has been offering refuge for years and has managed to absorb the costs. The significant presence of refugees from the Great Lakes countries is unlikely to be a serious risk for the proposed CIDA program.
- e) Basic education is a new area of programming for CIDA in Tanzania. There will inevitably be setbacks as CIDA learns to operate in this new environment,



establishes a network of contacts and gains a deeper operational understanding of the challenges within this environment. To avoid costly mistakes, implementation will be slow and careful.

## ***H. Activities Outside Programming Focus***

A number of regional initiatives involving Tanzania do not fit neatly within this Programming Framework, and are not covered by other CIDA channels. Such activities might include requests to support certain activities associated with the recently established East Africa Co-operation organization, requests to help Tanzania deal with the impact of more refugees in the region, and requests to help support peacekeeping/peacemaking commitments Tanzania may have to accept under the auspices of the Organization of African Unity.

Similarly, there may also be some specific governance reforms that are not covered by this Programming Framework. Examples might be special requests for assistance in areas critical to the long-term success of Tanzania's development program. Possible examples might include a request from the Revenue Authority for assistance in establishing a more broadly based, equitable tax system, or a request for assistance to help address some looming threat to the area of health or security.

Such requests would benefit greatly from timely Canadian assistance. Since the returns on such investments would be high, a portion of the Tanzania bilateral program will be designated to help support such activities, if they arise and if they are justifiable.

## ***I. Programming Mechanisms***

As befits an Agency Programming Framework, all CIDA channels will contribute to its implementation. Complementarity within the channels is already reflected in current activities (refer to Annex C). One example of this complementarity is seen in the co-ordination that has been achieved between multilateral and bilateral food aid programming. In addition, within the Africa and Middle East Branch, the Tanzania bilateral program will work closely with the Pan African Program and the Southern Africa Program, both of which have programs in or affecting Tanzania, to ensure there is no overlapping and that, where appropriate and possible, projects will be complementary.

While it is not possible, or necessarily, to have total congruence among all of the objectives and priorities of the Tanzania programs of various multilateral organizations (or other bilateral agencies for that matter), Multilateral Branch will seek, when necessary, to influence the World Bank, and other multilateral institutions (such as UNICEF) that co-operate with Canada in Tanzania, in order to support Canada's development objectives for Tanzania.

The Partnership Branch is already playing a primary role in Tanzania, especially with regard to the development of private sector initiatives between Canadian and Tanzanian business interests. The Industrial Cooperation Division, for example, is currently providing support to the mining sector, through its involvement in the Songo Songo Gas to Electricity Project. In addition, through its grants to Canadian NGOs, the Partnership Branch is assisting local communities in meeting basic human needs through improvements in agriculture, the supply of potable water, health education and micro-enterprise development. One of the primary requirements of Canadian NGOs is to develop the management capacity of developing country partners in order to ensure they move toward independent sustainability in clear, well-defined steps.

## ***J. Conclusion***

The consultation process and accompanying research undertaken in the preparation of this Programming Framework, demonstrate that there are real signs of progress regarding, and substantial support for, the approach being taken by the Government of Tanzania. Given the level of Canadian support available, and the priorities of the Government of Tanzania, the desk has concluded that CIDA can best assist Tanzania to address poverty reduction through support to basic education and small enterprise development.

## **ANNEX**

### ***A. Consultation Process and Comments***

In the process of trying to fully explore and understand the development challenges and opportunities faced by Tanzania, CIDA conducted a series of consultations with the Government of Tanzania, other Canadian government departments, Canadian and overseas NGOs, institutional and private sector partners, and other donors. Throughout this process, CIDA worked closely with DFAIT.

The process started with a review by CIDA of a wide cross-section of reports, covering economic, environmental, political and social conditions in Tanzania. Following this, a preliminary list of possible options was prepared and discussed with the Government of Tanzania, as well as with a number of donor and NGO country representatives. As a result of these initial talks, the options were redefined and narrowed, and an Option Paper was drafted. This paper served as the basis for consultations.

The primary purpose of the consultations was to obtain comments, based on experience, regarding the pros and cons of the options identified, in order to help assess the merits of the various options.

The Option Paper was reviewed by those who had already provided comments on the preliminary options, namely the Government of Tanzania, other Canadian departments, and NGO and donor country representatives.

In addition, 171 Canadian organizations and individuals were personally contacted by telephone and asked to participate in the consultation process. The names of these organizations were provided mainly by CIDA's Partnership Branch. They were selected on the basis of their prior activity in East Africa. All organizations that expressed an interest in participating in the consultation process were provided with a copy of the Option Paper. A follow-up telephone call was made to ensure its reception.

The Option Paper was also made available to the general public via the CIDA Internet site. An automatic response facility was available to anyone accessing the paper on the Internet.

Although no general consultation meeting was held, a number of individual meetings were held with organizations that wished to discuss the paper.

All comments provided were reviewed in detail and summarized in a single document entitled "Summary of Consultation Feedback."

As one of the aims of the consultation process was to explain the rationale behind the options provided, any questions or negative comments were discussed by telephone with the involved organization.

It was made clear to all participants in the consultation process that choices would have to be made among viable options, and that despite their justification, decisions might not appear valid to some. It was stressed that CIDA would use the information gained from participants to make its final decisions on the nature of the program.

The following are a number of comments submitted by participants in the consultation process:

"All development aid projects have had good focus and the best intentions. The problem comes up when strategies for achieving the options are translated into project form."

"It does not take much experience in Africa to agree that development aid in some cases has been counterproductive and in many others irrelevant."

"... the absence of peace and security priorities is somewhat puzzling, in particular considering the section on Canadian interests, which notes that the ability and willingness of Tanzania to shelter refugees from neighbouring countries meets Canadian interests of promoting stability in the region."

"Concentrating on poverty reduction is the right elementary choice for CIDA, as presumably other bilateral donors and multilateral agencies are concentrating on peace and security."

"... your options for basic education, training and support to economic activity are sound... Unfortunately, it is only the beginning, as the success thereupon will not automatically come from those choices per se but from how you design and implement the program and the projects."

"If we have limited resources, we should focus almost exclusively on education. Without it, there can be no legal or political system and industrialization will not come to those who cannot read or write or consider it important."

"There must be a good link between education and the micro-enterprise priority to ensure success."

"CIDA is to be commended for isolating this group (girls) and for targeting assistance for the benefit of this group. Nevertheless, reaching and effectively benefiting this (rural) group, and then being able to measure and report the results to the Canadian taxpayers, will be a challenge."

"... within the stated priorities of AMEB, it also seems clear that neither Poverty Reduction nor Peace and Security can make much progress without a minimum level of education."

"It appears necessary to distance (us) from the belief that economic growth leads necessarily to poverty reduction. In many cases the opposite is the case: economic growth occurs for few and on the backs of many. To be successful, the economic growth must be directed at the poor and it must be planned and implemented with their full participation."

"... development should be seen in terms of human beings, not in terms of roads, airports, tall buildings... we should try to look at...the majority of the people, not just a few bourgeoisie in

towns, in the capital."

"I suggest that ... equal or sufficient attention be given to male children, while young girls' health and education are targeted so that the 'envy' factor does not wipe out the possible positive effects."

"My experience leads me to think that approaching the three countries as a unit might be resisted by them but could lead to some meaningful networking, as well as some economies. A regional approach as with the education of girls component, should produce many benefits."

"I have heard comments at times that the Tanzanians are not as entrepreneurial as the citizens of some countries. My observations are the opposite. It seems that everybody has a little business going on the side; however, this activity is almost all informal. I believe that access to credit would bring more of this activity into the formal sector."

"...development in the 'emerging nations' must occur from the ground up. The starting and growing of small and medium-sized indigenous businesses, which result in jobs and money being in the hands of many, will produce what we call development. Education and health will follow, not precede economic growth, as will better governance."

"Since conditions change rapidly in developing countries, room should be left in the strategy for innovation and new approaches over time."

"We appreciate such occasions to engage CIDA staff in dialogue on development issues, believing the openness and exchange between us will serve to improve the quality of both NGO and government aid programs."

In summary, the vast majority of comments provided by Canadian organizations mirrored those of the Government of Tanzania, other donors and NGOs in the field. There was wide support for the conclusion that CIDA can best address Tanzania's key problems by providing support to poverty reduction through basic education and micro-enterprise development.

### ***B. Rationale for screening out other sectors of program focus***

SECTOR	RATIONALE
Agriculture	<ul style="list-style-type: none"><li>• This is an important area for Tanzania, but already heavily supported by the majority of multilateral institutions and bilateral donors, in particular the UK, Japan and the Netherlands.</li><li>• Agriculture will be partially addressed within basic education programming, and might also benefit from increased support to micro-entrepreneurs.</li><li>• Employment opportunities within this sector are not growing, therefore support to the expansion of other small enterprises will have a larger impact on employment opportunities.</li><li>• Agriculture is currently supported through Pan Africa and East</li></ul>

	<p>Africa regional projects.</p> <ul style="list-style-type: none"> <li>• Canada's history of support to large agricultural projects cannot continue because of budget restrictions and the private sector emphasis of the Government of Tanzania, which is withdrawing from commercial agriculture.</li> </ul>
Community Development	<ul style="list-style-type: none"> <li>• Such a focus would be too broad and would lend to difficulty identifying specific programs and results.</li> <li>• Past results of such broadly based orientations have been poor.</li> <li>• CIDA could contribute more effectively through a limited sectoral intervention at the community level.</li> </ul>
Environmental Degradation and Desertification	<ul style="list-style-type: none"> <li>• Resources are too limited.</li> <li>• CIDA is already involved in regional initiatives affecting desertification in Tanzania, such as conifer aphid control, and locust biological control.</li> <li>• Other donors, such as IDA, Denmark, Norway, the Netherlands and the UK are addressing this problem.</li> <li>• The root of Tanzania's problem appears to be economic. Therefore, capacity building through improved formal and informal education would be a better long-term solution to the problem.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Remains an area of interest, and opportunities exist for smaller Canadian contributions within high priority interventions responding to special requests by the Government of Tanzania.</li> <li>• Could be addressed in some measure through policies affecting basic education and support to micro-enterprises.</li> <li>• The major role of the IMF, the World Bank and the British in this sector reduces the need for Canadian assistance on a broad scale.</li> <li>• From the Tanzanian perspective, internal peace and security issues are not a major factor affecting the country's development.</li> </ul>
Health	<ul style="list-style-type: none"> <li>• This sector currently has considerable donor support from most major multilateral organizations, primarily the United Nations (UN) System, and from the majority of bilateral donors, of which Denmark, Japan, Norway and USA contribute particularly large amounts.</li> </ul>

	<ul style="list-style-type: none"> <li>• Canada is already contributing \$20 million through IDRC's Essential Health Intervention Project.</li> </ul>
Higher Education	<ul style="list-style-type: none"> <li>• A focus on higher education would be outside of Canada's development assistance priorities.</li> <li>• Tanzania already benefits from specific institutional support through CIDA's Partnership Program.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• CIDA is already heavily involved in the railway and telecommunications sectors, and this involvement will continue for the next four years.</li> <li>• Future infrastructure support will not be possible due the limited financing within the bilateral program.</li> <li>• Much of the infrastructure presently run by parastatals will be privatized and commercialized over the next few years. Hence, infrastructure is increasingly a realm for private sector investment.</li> </ul>
Legal	<ul style="list-style-type: none"> <li>• This sector is already heavily supported. Its narrow scope makes it a poor major programming focus for CIDA's new bilateral program.</li> <li>• The World Bank and the British are among the donors already contributing substantial support to the legal sector.</li> <li>• CIDA supports specific legal activities through its regional Decentralized Human Rights, Democratic Development and Good Governance Project.</li> <li>• Under the proposed programming focus, CIDA could assist the legal sector to address key issues that affect access to education.</li> <li>• Should significant bottlenecks be identified, and should Canadian capabilities be particularly useful, the program could finance small interventions under its flexible component. (cf. page 20, section H)</li> </ul>
Population	<ul style="list-style-type: none"> <li>• Already heavily supported by: Germany, Japan, Norway, Sweden, the UK and the US; local organizations such as UMATI (Tanzania's Planned Parenthood Organization); the Ford Foundation, International Projects Assistance Services (IPAS), Japanese Organization for International Cooperation in Family Planning (JOICFP), Marie Stopes International and Pathfinder International; and United Nations Population Fund (UNFPA) and World Bank.</li> <li>• Canada is supporting population programs through UNFPA and</li> </ul>

	International Planned Parenthood Federation (IPPF) donations.
Private Sector Support in Mining and other Sectors	<ul style="list-style-type: none"> <li>• CIDA was unable to determinate the advantage of bilateral aid dollars in such ventures.</li> <li>• It is more important for Tanzania to encourage investments from the private sector. This is in keeping with the priorities of both the Government of Tanzania and the Government of Canada, and in conformity with world-wide trends.</li> <li>• CIDA supports specific ventures through its Industrial Cooperation Program, which is a more appropriate channel for Canadian ODA delivered within the context of the private sector.</li> </ul>
Women (exclusive focus)	<ul style="list-style-type: none"> <li>• An exclusive focus on women was considered and rejected as all parties agreed that a more integrated approach produces stronger, more sustainable results.</li> <li>• The proposed program will have a particular, although not exclusive, focus on women.</li> </ul>

### ***C. Canadian Programming in Tanzania***

The following is an overview of all operational projects within the Tanzania Program, plus selected examples of programs and projects from other bilateral, multilateral and partnership channels, including IDRC and the International Centre for Human Rights and Democratic Development (ICHRDD). These examples illustrate the need for ongoing program co-ordination.

CHANNEL	SECTORS	SAMPLE PROGRAMS/PROJECTS
CIDA - Bilateral		
Tanzania Program	Community Development	<ul style="list-style-type: none"> <li>• Hanang Participatory Fund promotes the empowerment of major local actors involved in the provision of social and community development activities.</li> </ul>
	Education	<ul style="list-style-type: none"> <li>• Girl Child Education projects will improve basic educational opportunity for girls, and foster long-term sustainable economic and social development. The projects will improve access to, retention in, and the quality of, basic education for girls. (Two projects are in the final planning stage, and one is at the conceptual stage).</li> </ul>



	Family Planning	<ul style="list-style-type: none"> <li>Family Planning Services provides family planning services, with a focus on women and youth.</li> </ul>
	Mining	<ul style="list-style-type: none"> <li>The "Design of Mining Technology Institute" project enables the Government of Tanzania to attract funds from a variety of sources to address the Tanzanian mining sector's need for qualified personnel.</li> </ul>
	Private Sector Development	<ul style="list-style-type: none"> <li>Micro-Enterprise Business Development delivers credit and training to micro-enterprises.</li> </ul>
	Telecommunications	<ul style="list-style-type: none"> <li>Kagera region Telecommunications improves infrastructure in this region by installing a modern digital communication system.</li> </ul>
	Transportation	<ul style="list-style-type: none"> <li>Tanzania Railway Corporation Locomotive Technical Assistance and Training, and Spare Parts projects, strengthen rail transport services to benefit the Tanzanian economy.</li> </ul>
	Women in Development	<ul style="list-style-type: none"> <li>Training Fund for Tanzanian Women, Phase II, will increase the number of trained and qualified women who occupy strategic sectors, occupations and professions in the country.</li> </ul>
Pan Africa Program	Capacity Building	<ul style="list-style-type: none"> <li>African Economic Research Consortium sharpens the technical skills of African economists, and strengthens national macro-economic training institutions.</li> <li>Training for African Managers improves the quality of private and public management.</li> </ul>
	Health	<ul style="list-style-type: none"> <li>Regional AIDS/STD Training Facility equips health workers with the tools to take a proactive stance against STDs in Africa by improving services that diagnose, treat and prevent STDs.</li> <li>African Medical and Research Foundation (AMREF) Strategic Plan II helps improve delivery of health care by supporting and strengthening efforts made by communities, NGOs and government.</li> </ul>
	Private Sector Development	<ul style="list-style-type: none"> <li>Regional Enterprise Development Program supplies a base of knowledge to the private sector regarding</li> </ul>

		factors that affect small and medium-sized enterprises.
Southern African Development Community	Health / AIDS	<ul style="list-style-type: none"> <li>• AIDS Training Program, Phase II, addresses HIV / STDs prevention and care via small community educational programs.</li> </ul>
	Women in development	<ul style="list-style-type: none"> <li>• SADC Women in Development Program enhance the capacity of regional and national institutions to address WID/GE issues.</li> </ul>
CIDA - Multilateral		
International Financial Institutions	Education	<ul style="list-style-type: none"> <li>• African Development Fund - 1996-98 Lending Program places a high priority on primary education and skills training, and provides assistance in technical and vocational training in an attempt to provide marketable skills to youths.</li> <li>• World Bank - Education Planning and Rehabilitation project is designed to improve social delivery at the primary level and has components targeted at poor districts and communities.</li> </ul>
	Infrastructure	<ul style="list-style-type: none"> <li>• World Bank - Second Integrated Roads project is designed to reverse the deterioration of Tanzania's ground transportation network, and includes support for rural roads.</li> </ul>
	Private Sector Development	<ul style="list-style-type: none"> <li>• African Development Fund - 1996-98 Economic Reform Program provides financial assistance to private sector promoters of micro-enterprise, with additional support to those organized by women.</li> <li>• World Bank projects include: the Mining Sector TA which assists small-scale artisan miners, as well as the Financial and Legal Management Upgrading, Financial Institution Development, and the Parastatal and Public Sector Reform projects, which all provide technical assistance to strengthen government management and to improve the enabling environment for private sector development.</li> </ul>
Multilateral Technical Cooperation	Education	<ul style="list-style-type: none"> <li>• UNICEF - Objectives of UNICEF's education program include the improvement of curricula, textbook availability, and teacher training, and</li> </ul>

		efforts to reduce drop-out and failure rates.
	Health / AIDS	<ul style="list-style-type: none"> <li>UNICEF - Objectives within its health program are to reduce infant, child and maternal mortality via projects in safe motherhood, malaria control, control of diarrheal diseases, and AIDS control.</li> </ul>
	Private Sector Development	<ul style="list-style-type: none"> <li>UNPD - National Income-Generation Program creates and expands sustainable income-generation projects in agriculture, infrastructure, and micro-enterprise development.</li> </ul>
Food Aid Centre	Nutrition, Health, Micro-Enterprise Development	<ul style="list-style-type: none"> <li>A multi-year Community-Based Income Generating and Health project has been approved for FY 1997-/98, for the provision of food for sale (with the funds generated being used for development projects).</li> </ul>
	Refugee Assistance	<ul style="list-style-type: none"> <li>A food aid contribution of \$3 million went towards WFP's program for the Great Lakes crises. The Canadian contribution is being directed to the refugees in Tanzania.</li> </ul>
International Humanitarian Assistance	Refugee Assistance	<ul style="list-style-type: none"> <li>Assistance went to Kigoma Regional Hospital to enable it to cope with the influx of patients resulting from the Great Lakes conflict.</li> </ul>
Partnership		Note: The following projects represent approximately 75% of Partnership's total programming in Tanzania.
Industrial Cooperation Division	Capacity Building	<ul style="list-style-type: none"> <li>Integrated Roads project examines the development and training needs of local consultants in Tanzania to allow them to participate more effectively in integrated road projects.</li> </ul>
	Private Sector Development	<ul style="list-style-type: none"> <li>Women's Productivity Centre and Artisans Circuit involves the building, equipping and operating of a women's productivity centre, which consists of a production area for garment assembly, a training facility for product development/design, and a workshop for making jewellery. In addition, artisan products will be sold in Canada via joint ventures.</li> <li>The Songo Songo Gas to Electricity project will construct gas processing facilities on Songo Songo Island. Natural gas will be transported to Dar es Salaam via pipeline, where it will be used as the principal fuel supply for five gas turbine electricity generators. CIDA's funding will go towards the</li> </ul>

		human resources development for the project.
NGO Division	Agriculture	<ul style="list-style-type: none"> <li>• Nzega Community Development focuses on agricultural activities to improve the production and income of the community.</li> </ul>
	Capacity Building	<ul style="list-style-type: none"> <li>• Aga Khan Foundation Canada's Five-Year Master Program includes the following sub-project in capacity building: the Zanzibar NGO Resource Centre project, which contributes to the development of Zanzibar by strengthening the non-profit sector through the establishment of an NGO Resource Centre.</li> </ul>
	Education	<ul style="list-style-type: none"> <li>• Canadian Organization for Development through Education's (CODE) Three-Year Master Program supports literacy by making available reading and learning materials. Sub-projects in Tanzania include the Tanzania Book Program, and the Teacher's Resource Centre.</li> <li>• Aga Khan Foundation Canada's Five-Year Master Program includes the following sub-projects in education: the Dar es Salaam Primary Schools project, which improves the quality of teaching, learning and school management; and the Zanzibar Secondary English Language project, which facilitates the transition in language instruction from Kiswahili to English at the end of the primary education cycle.</li> </ul>
Institutional Cooperation Division	Agriculture	<ul style="list-style-type: none"> <li>• The Agricultural Institute of Canada's project in Morogo raises sustainable agricultural production through technical innovations.</li> </ul>
	Education	<ul style="list-style-type: none"> <li>• Enhanced Literacy Programming strengthens Tanzania's Ministry of Education and Culture, and the National Literacy Centre, by supporting their efforts to build and maintain literacy in rural communities.</li> </ul>
	Natural Resource Management	<ul style="list-style-type: none"> <li>• Development of Fisheries Extension Resource Unit contributes to the diversification and conservation of the Zanzibar fishery by strengthening the fisheries extension capability of the Institute of Marine Science.</li> </ul>

	Private Sector Development	<ul style="list-style-type: none"> <li>Rural Enterprise Training enhances the economic, social and environmental security of men and women in rural communities by contributing to agricultural and micro-enterprise development.</li> </ul>
Other Government		
IDRC	Agriculture	<ul style="list-style-type: none"> <li>Urban Agriculture (UA) in Dar es Salaam seeks to promote urban management changes, enabling UA to contribute more to urban food self-reliance and employment.</li> </ul>
	Health	<ul style="list-style-type: none"> <li>The Tanzania Essential Health Interventions projects has been formulated as a four-year health research and health development project, with the goal of testing the feasibility and measuring the impact of an evidence-based approach to health planning at the district level.</li> </ul>
	Private Sector Development	<ul style="list-style-type: none"> <li>TIRDO Extension Service strengthens the industrial information services of the Tanzania Industrial Research and Development Organization, thus enabling it to promote and transfer R&amp;D results to small and medium-scale industries and enterprises.</li> </ul>
ICHRDD	Human Rights / Democratic Development	<ul style="list-style-type: none"> <li>In FY 1996/97 ICHRDD supported ANGOZA, a human rights training network in Zanzibar, and funded the Tanganyika Law Society's Joint Program for Strengthening Human Rights in Tanzania.</li> </ul>

### ***D. Tanzania Country Data Sheet***

#### DEMOGRAPHIC PROFILE

Area (000s of km <sup>2</sup> ):	945
Population including Zanzibar (millions, 1995):	29.7
Density/km <sup>2</sup> (1995):	31.0
Crude birth rate (per 1,000, 1994):	42.6
Crude death rate (per 1,000, 1994):	14.4
Life expectancy at birth (years)	
(Female)	51.7
(Male)	48.9
ACCESS TO SAFE WATER (1990-95)	
% of population, urban:	67

% of population, rural:		46
ACCESS TO HEALTH FACILITIES (1985-95)		
% of population, urban:		94
% of population, rural:		73
ACCESS TO SANITATION (1990-95)		
% of population, urban:		74
% of population, rural:		62
ACCESS TO ELECTRICITY (1993)		
% of households, urban:		35
% of households, rural:		1
HEALTH PROFILE		
Population per physician (1992):		21,496
Population per hospital bed:		981
AIDS cases (per 100,000 people, 1995):		95.5
One-year-olds fully immunized against tuberculosis (1992-95):		92.0
One-year-olds fully immunized against measles (1995):		82.0
Maternal mortality (per 100,000 live births, 1994):		770
Infant mortality (per 1,000 live births, 1994):		85
Under-five mortality (per 1,000 live births, 1994):		159
NUTRITION (1994)		
Daily calorie intake per person:		2,206
EDUCATION		
Adult literacy rate (% of population, 1995):		
(Female)		56.8
(Male)		79.4
Primary enrolment rate (% of age group, 19934) :		70.0
Combined 1st, 2nd, 3rd level enrolment ratio (% of age groups, 1993):		
(Female)		33.0
(Male)		35.0
HOUSEHOLD INCOME (1993)		
Share of top 20% of household:		45.4
Share of bottom 20% of household:		6.8
INCOME DISTRIBUTION (1993)		
% of national income, highest quintile:		41.6
% of national income, lowest quintile:		22.3
GNP PER CAPITA IN 1994:		US\$ 140

#### GROSS DOMESTIC PRODUCT 1994 (US\$ million, % share)

GDP at market prices	3,576	100
Gross domestic investment	1,098	30.7
Consumption	3,479	97.3
Exports of goods and NFS	944	26.4
Imports of goods and NFS	1,944	54.3

#### MERCHANDISE EXPORTS 1994 (US\$ million, % share)

Coffee	115.4	22.2
Tea	39.5	7.6
Cotton	105.1	20.2
Tobacco	20.6	4.0
Cashew nuts	51.2	9.9
Total:	519.3	100.0

BALANCE OF PAYMENTS (US\$ million)

	FY93	FY94	FY95
Exports of goods and NFS	617.2	854.7	1039.8
Imports of goods and NFS	1850.7	1913.1	1990.9
Resource balance	-1233.5	-1058.4	-951.1
Net factor income	-177.9	-153.8	-139.4
Net current transfers	463.2	450.0	436.6
Balance of current account	-948.2	-762.2	-653.9
Official grants	582.1	459.0	376.0
Net MLT borrowing	-167.0	-154.7	-57.2
Disbursements	189.4	206.6	265.1
Amortization	356.4	361.3	322.3
Other capital (net), including errors and omissions	41.3	272.2	96.1
Overall balance	-491.8	-185.7	-239.0
Gross reserves (year-end)	294.3	306.3	255.1

\* 1995 is a preliminary estimate

Sources:

World Bank, World Development Report 1997

World Bank, Tanzania, The Challenges of Reforms: Growth, Incomes and Welfare 1996

UNDP, Human Development Report 1996