



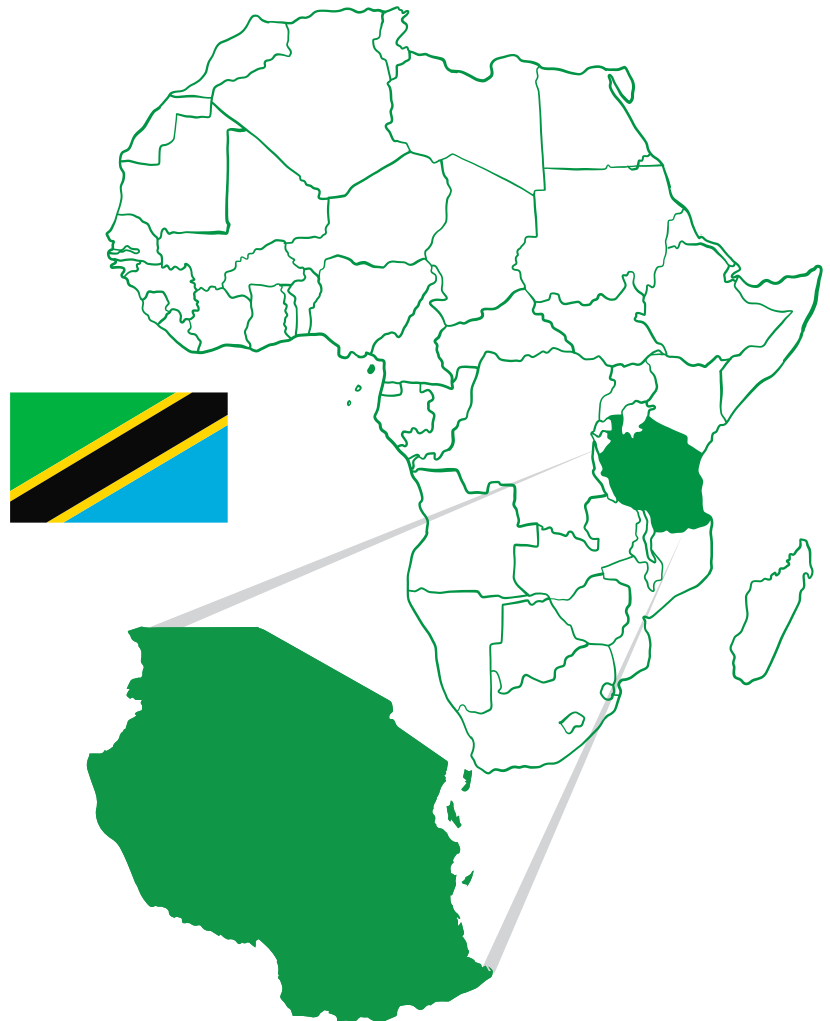
AfDB-RDGE COUNTRY PROFILES

TANZANIA

SECTION 1 – COUNTRY OVERVIEW

Geography and Demography

- **Location:** East Africa, bordering Kenya, Uganda, Rwanda, Burundi, Democratic Republic of the Congo, Zambia, Malawi, Mozambique and the Indian Ocean. Its main entry port is the city of Dar es Salaam.
- **Topography and Climate:** Varied, from hot and humid low plains on the east, to the generally cool highlands in the north and south. The central part features a largely arid plateau. Mt Kilimanjaro, Africa's highest point, is located in the north, close to the border with Kenya.
- **Landmass:** 885,800 km² (AfDB Statistics Department, 2020), the largest in East Africa
- **Population:** 59.4 million (AfDB Statistics Department, 2020)



Political Governance

Tanzania is a stable unitary republic with both a national government and a devolved government of Zanzibar, which has autonomy for non-union matters. The country's political system is organised in a unitary presidential republic framework, whereby the President of Tanzania is both head of state and head of government. The multi-party system is dominated by the Chama Cha Mapinduzi ('Revolutionary State Party' or CCM). The United Republic of Tanzania recently underwent a smooth transition of power following the death of President John Magufuli. The then Vice-President, Mrs Samia Suluhu Hassan, was sworn into office on 19th March 2021 as the sixth President and Tanzania's first female President.

General Governance

Governance has improved following sustained reforms, but concerns have emerged recently regarding a narrowing civic space. The Ibrahim Index of African Governance (IIAG) 2018 for instance reports that Tanzania's rank in Overall Governance in Africa improved from a score of 57.7 in 2016 to 58.5 in 2017, while the country's ranking in the Transparency International's Corruption Perception Index (CPI), which had deteriorated to 111th out of 177 countries in 2013, improved to 96 out of 180 countries with a CPI score of 37 out of 100 in 2019 (a higher score means less corruption). Despite the improvements in governance indicators, recent years have seen the tightening of the country's civic and democratic space, as reflected in the deterioration of the Ibrahim Index score on participation and human rights from 63.6 in 2015 to 62.1 in 2017. When combined with the tilt toward economic nationalism and inconsistent regulatory changes, such challenges may undermine the achievement of Tanzania's stated priorities.

Economic and Social Development

Tanzania's economy has registered strong growth over the last decade, but that growth has not been inclusive. Tanzania's 6.9% annual average growth between 2015 and 2019 was higher than East Africa's average of 5.4% and Africa's average of 3.2% over the same period. On 1st July 2020, Tanzania was reclassified by the World Bank as a low middle-income country (LMIC), five years ahead of target, with a Gross National Income (GNI) per capita of US\$1,080 in 2019, above the US\$1,035 lower threshold for LMIC status. However, the impressive growth was not necessarily pro-poor, mainly because it was driven by sectors that employed only about 20% of Tanzanian workers.

National Development Agenda

Tanzania's long-term development aspiration is to transform into a middle-income and semi-industrialised

economy by 2025. The aspirations are laid out in the Tanzania Development Vision 2025 (TDV 2025), which has the following three targets: (i) A high-quality livelihood for all citizens; (ii) good governance and rule of law; and (iii) a strong and competitive economy.

The Government's medium-term development agenda is outlined in the recently launched Five Year Development Plan (FYDP III: 2021/22-2025/26), themed, "Realising Competitiveness and Industrialisation for Human Development." FYD III focuses on (1) Economic growth – specifically prioritising competitiveness, trade, industrialisation, and services; and (2) Social Development – prioritising inclusiveness and skills development.

SECTION 2 – AFRICAN DEVELOPMENT BANK COUNTRY STRATEGY

AfDB in Tanzania

The AfDB started its operation in Tanzania in **1971**. Over the past decades the Bank has made a cumulative commitment of **US\$ 5.3465 billion** in the country (as of August 2021), mainly in transport (41%), energy (14%), water and sanitation (12%), agriculture (9%), social sectors including health and education (5%), financial sector and economic governance (2%), with multisectoral operations constituting (18%).

Current country strategy

The Bank's current Country Strategy Paper for Tanzania (CSP 2021-2025) aims to support the country's vision of transforming into a competitive and inclusive economy. The CSP is articulated around two Priority Areas: (i) Sustainable infrastructure for a competitive economy; and (ii) Improved private sector business environment for job creation.

Some Quick Indicators in 2020

Indicator	Value
Real GDP growth	2.1
Real GDP growth per capita	-0.9
Inflation % annual average	3.3
Overall Fiscal Balance, including grants (% of GDP)	-2.3
Current Account (% of GDP)	-3.2
Life expectancy (years)	65.8
HIV prevalence for persons aged 15 years and above (%)	4.8
Primary school gross enrolment ratio (%)	98.8
Secondary gross enrolment ratio (%)	34
Adult literacy rate (%)	77.9
Physicians (per 100,000 people)	1.4
Nurses and midwives (per 100,000 people)	58.4
Prevalence of stunting (%)	31.8
People using at least basic drinking water services (% of Population)	56.7
People using at least basic sanitation services (% of Population)	29.9

Sources: AfDB Statistics Department; Tanzania National Bureau of Statistics

Under **Priority Area I**, the Bank Group supports: (i) development of quality multi-modal transport infrastructure including roads, water, railways and air; (ii) development of generation, transmission and distribution infrastructure for clean power; and (iii) development of water and sanitation infrastructure.

Under **Priority Area II**, the Bank supports: (i) strengthening economic and sector governance and the related human and institutional capacities of the state to promote and regulate the private sector, as well as supporting competitive industrial value chains; (ii) deepening the financial sector by improving private sector access to finance; and (iii) bolstering skills through quality and market-relevant technical and vocational education and training (TVET) for a more productive private sector.

The CSP is aligned with Tanzania's Five-Year Development Plan (FYDP III 2021/22-2025/26), the country's identified priorities for Sustainable Development Goals (SDGs), as well as Africa Union's Agenda 2063: The Africa We Want.

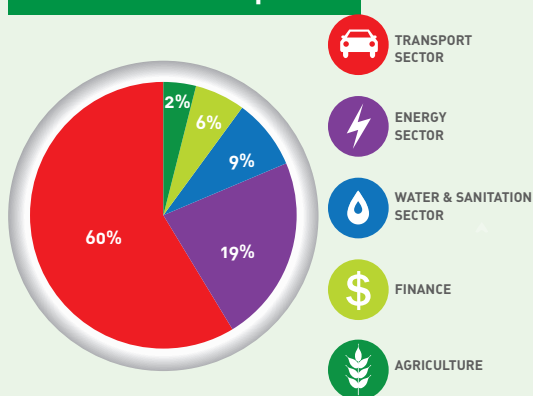
SECTION 3 – AfDB COUNTRY PORTFOLIO, FINANCING INSTRUMENTS AND IMPACT

Portfolio

The Bank's ongoing portfolio in Tanzania focuses on infrastructure development and regional integration.

The portfolio consists of 22 operations as at July 2021, with a total value of \$2.33 billion. Three of the 22 operations are Non-Sovereign Operations (NSOs) valued at \$133.01 million. Six of the ongoing operations valued at \$570.0 million are regional operations connecting Tanzania with neighbouring countries, in support of regional integration. Transport sector projects comprise 60% of the ongoing projects, followed by Energy at 19%, Water and Sanitation at 9%, Finance at 6%, Multisector at 6%, and Agriculture at 2%.

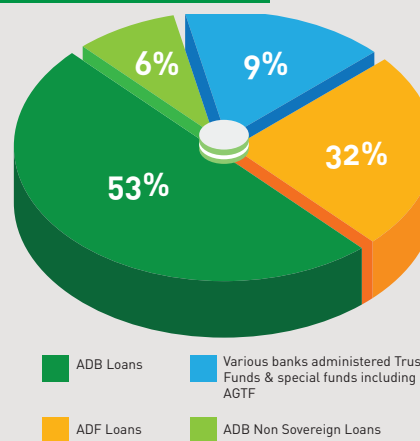
Infrastructure Development



Financing Instruments

The Bank has a diversity of financing instruments in Tanzania, enabling it to programme and deliver large and transformative projects. The ADB sovereign loans account for 53% of the Bank's financing, while ADF loans account for 32%, and ADB Non-Sovereign loans account for 6%. Various Bank-administered Trust Funds and Special Funds, including Africa Growing Together Fund (AGTF), account for the remaining 9% of the financing.

Financing Instruments



IMPACT

Lending Operations

The Bank's operations in various sectors in Tanzania have continued to record significant development impacts. In the transport sector, the Bank has upgraded about 891km of gravel roads to bitumen surface standard since 2016, resulting in significant reduction in travel times and transportation costs.

Over the same period, the Bank supported the construction of 329 km of 400kV and 98 km of 220kV double circuit transmission lines in the energy sector, improving access to electricity in the country.

In addition, the Bank has supported the financial sector through lines of credit to financial institutions for onward lending to SMEs. This has benefited 155,000 microcredits and 455,000 people, facilitating job creation and poverty reduction.

On education and skills development, the Bank's interventions have enabled the provision of vocational training to 3,860 people and provided 1 million people with access to education.

Although the share of non-sovereign lending in Tanzania remains low at 6% of the active portfolio, the Bank's public sector interventions continue to complement its private sector operations, particularly in infrastructure development, which are aimed at reducing the cost of doing business for the private sector.

The Bank has recently completed several impactful projects in different sectors, including in agriculture.

One of the recently completed projects is the Marketing Infrastructure, Value Addition and Rural Finance Project, which involved the construction and rehabilitation of rural markets with cold storage and ice plants and new

warehouses; postharvest training centres; and training of extension staff.

The project directly benefited more than 500,000 rural households by enhancing their incomes, food security and reduced postharvest losses. The project also involved rehabilitation of about 1,000km of rural access roads, resulting in improved access to markets and social services by rural communities.

The Bank is also supporting impactful ongoing projects in the social sector including the East Africa Centre of Excellence in Cardiovascular Sciences: The project is expected to address labour market shortages for skills in specialized cardiovascular sciences through training and services delivery in East Africa. When complete, the USD 10 million project will increase medical tourism within the region, hence becoming a major source of foreign currency savings and earnings for Tanzania.

It will also be a center of excellence for training for other countries in the region for training, thus promoting collaboration in training and research, while deepening regional integration. Already, a total of 29 Faculty Staff of the Muhimbili University Hospital have been trained in different areas of biomedical sciences.

An additional 9 Faculty Members, 5 of which are PhD candidates, are currently enrolled in different ongoing courses with completion dates ranging between 2021 and 2023.

The current Bank's CSP for Tanzania focuses on private sector development with an active private sector portfolio. The second Priority Area of the CSP aims at an improved private sector business environment for job creation with three areas of focus, namely, strengthening economic and sector governance, deepening access to finance, and bolstering skills. Furthermore, the ongoing Bank portfolio in Tanzania has three private sector operations to deepen the financial sector and support the small and medium-scale enterprises (SMEs). The operations include lines of credits and guarantee for two commercial banks financed through ADB window, and technical assistance operation (Africa Franchising Accelerator Project) financed by a grant from the Fund for Africa Private Sector Assistance (FAPA) Trust Fund.



East Africa Centre of Excellence in Cardiovascular Science

Non-Lending Activities

The Bank has a rich portfolio and pipeline of non-lending activities to complement its lending operations. They include the production and dissemination of various knowledge products, advisory services, technical assistance, and policy dialogue.

The Bank continues to produce and disseminate various publications, including the flagship African Economic Outlook and Regional Economic Outlook reports, as well as Economic and Sector Works (ESWs).

In addition, the Bank, through the Africa Legal Support Facility (ALSF), has provided advisory services to support Tanzania in the negotiations involving complex transactions with investors, including in public-private partnership (PPP) deals.

The Bank has also provided technical assistance to the National Bureau of Statistics for various tasks, including the Integrated Labour Force Survey, and the recent publication of the country's Food Balance Sheet report.

The Bank remains actively engaged in policy dialogue in the context of its policy-based operations, which in recent years have focused on reforms in public financial management and private sector development.

SECTION 4 – COUNTRY OFFICE STAFF LIST AS AT NOVEMBER 2021

	NAME	TITLE
1.	Alex Kanyerere MKANDAWIRE	Senior Financial Management Officer
2.	Dejene DEMISSIE	Principal Country Program Officer
3.	Edward NTIRUKA	Driver
4.	Halimah KITANDULA	Secretary / Reception
5.	Hamisi Seif SIMBA	Senior Social Development Specialist
6.	Jacob ODUOR	Chief Country Economist
7.	Jamilla BAIRU	Administrative and Finance Officer
8.	Japhet S. MWAIPOPO	Driver
9.	Joyce Gosbert KYARWENDA	Senior Disbursement Assistant
10.	Justus RWETABULA	Senior Water and Sanitation Engineer
11.	Marie Hellen Melchior MINJA	Principal Transport Engineer
12.	Mbago KASSIM	Information & Communication Technology Officer
13.	Mohamed Ally SAUKO	Senior Energy Officer
14.	Parveen Kumar GUPTA	Principal Procurement Officer
15.	Prosper CHARLE	Senior Macroeconomist
16.	Salina KOMBE	Secretary to the Country Manager
17.	Salum RAMADHANI	Senior Agriculture Expert

SECTION 5 – ADDRESS AND CONTACT INFORMATION OF COUNTRY OFFICE

African Development Bank Group

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