



Canadian International
Development Agency

Agence canadienne de
développement international

TANZANIA

COUNTRY STRATEGY

(Effective as of 2009)

CIDA reviews all country strategies periodically and may revise them to reflect changing priorities or circumstances in countries.

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Canada 

1. Country Development Context

- Tanzania is a young but stable democracy with a cohesive national identity and one of Africa's better governance and human rights records. Institutional capacity remains weak but is slowly improving, particularly in key Ministries (Finance, Education and Health). High-level corruption has also been a concern over the past few years, however President Kikwete has initiated several measures to enhance accountability including revising the Public Leadership Code of Ethics to prohibit politicians from engaging in private business while in office. Tanzania has a relatively good human rights record; violations stem mainly from socially and culturally entrenched practices such as domestic violence and child labour.
- 58 per cent of over 40 million citizens live on less than \$1/day (Human Development Report 2007/08) and human development indicators remain low but are improving steadily (HDI ranking of 152 of 179). The country is on track to meet the education, gender equality and some health-related Millennium Development Goals, but is off track on reducing income poverty and maternal mortality, and combating HIV/AIDS.
- Tanzania remains vulnerable to the global economic downturn due to declining revenues and lower demand and prices for some key exports (cotton, coffee, tanzanite, and diamonds). The impact will be partially offset by anticipated stability in ODA flows, which accounted for approximately 40 per cent of the national budget in 2008, and the high price of gold, another major Tanzanian export. The IMF has been working closely with the Government to identify policies that will help bolster the economy. Tanzania recently obtained support through the IMF's External Shocks Facility to implement these policies.
- Tanzania is an important destination for Canadian investment and trade.
- While no significant problem of food security currently exists, Tanzania's vulnerability in this area remains high. Over the past several years, cereal production has been sufficient to cover national consumption requirements but regional disparities in availability and access to nutritious food persist. To date, the Government has been effective in addressing these issues as they arise.
- 2010 will be an important period for stocktaking and priority setting as Tanzania's current National Strategy for Growth and Reduction of Poverty draws to a close. Tanzania will also be holding village elections in 2009 and preparing for presidential and legislative elections in 2010.

Aid-effectiveness:

- Tanzania has been a leader in aid effectiveness. The 2006 endorsement of the Joint Assistance Strategy by the Government and donors has led to increased alignment with national priorities, and use of country systems for program delivery, and improved harmonization amongst donors.
- Last year saw significant progress made on the division of labour exercise whereby the Government and donors have agreed to rationalize sectors of engagement based on Tanzanian priorities, balanced representation in each sector and value added of individual donors. CIDA has been identified to lead in key social sectors (education, human resources for health, and HIV/AIDS), as well as on reforms addressing cross-cutting legal and accountability issues.
- CIDA is the largest bilateral donor in education with its targeted sector budget support; is a top bilateral donor on HIV/AIDS (although significantly behind the USA in terms of aid volumes); is the lead bilateral donor supporting the legal sector, just behind the World Bank in aid volume; and is the largest donor supporting access to financial services, ahead of the World Bank, and other bilateral donors (including UK, Sweden, Denmark).

2. Priority Needs and Canada's Value Added

- Tanzania's national strategy aims to: (i) improve economic growth and reduce income poverty; (ii) improve the quality of life and social well-being of Tanzanians, and (iii) promote good governance and accountability. The strategy enjoys broad-based support within Tanzania and from donors and has been widely recognized for the participatory/consultative approach used in its development.
- Canada is a long-standing partner in Tanzania and has forged strategic partnerships with the Government, international/multilateral agencies, civil society organizations and other donor countries to

promote Canadian values of democracy, rule of law, respect for human rights, and compassion for the less fortunate.

- Canada is particularly regarded for its leadership and expertise in several niche areas: promoting gender equality in primary education (Tanzania has now achieved near gender parity at this level); developing innovative ways to address critical health issues including leading coordinated donor efforts around a national response to HIV/AIDS, and developing a health workforce initiative to address the 65 per cent deficit in human resources for health; and spearheading legal reforms due to the similarity of Canadian and Tanzanian common law systems.

3. Strategic Direction

- In 2008, CIDA committed to: tighten its focus and increase its impact in three sectors (health, governance/legal reform and private sector development) identified by Tanzania and Canada as central to poverty reduction efforts, as well as to consolidate gains made in the education sector over the next five years. Over the past year, while continuing to strengthen the legal system and access to justice through existing programming, CIDA has increased its multi-year commitments to country-led, multi-donor programs in education, and in public service reform and laid the groundwork for a strategic portfolio in health.
- In response to recent crises, the Government is placing increasing emphasis on maintaining economic growth, maintaining investments in the social sectors, increasing agricultural productivity and improving rural infrastructure. CIDA is adjusting its programming to respond to these priorities and the division of labour exercise, and to reflect the themes for Canada's development assistance (children and youth, economic growth, and food security).
- More specifically, CIDA will be focusing over the coming year on the following priority themes:
 - Children and Youth:** CIDA's focus on maternal and child health is critical to improving health outcomes. It will do so specifically by supporting the delivery of services to children suffering from illnesses and disabilities, and to pregnant mothers and their babies. In order to support the achievement of results in this key area, CIDA will (i) increase access to qualified health care workers, a key hurdle in improving health systems, thus contributing to Canada's G8 commitment to strengthen African health systems; and, (ii) prevent the spread of HIV/AIDS among youth and mitigate its impact on children and their families. At the same time, CIDA will continue consolidating gains in education through existing programming, thus contributing to Canada's basic education G8 commitment.
 - Economic Growth:** CIDA will stimulate sustainable economic growth through support for the national budget (with a focus on sustaining core reform programs, continuing investments in the social sectors, increasing agricultural productivity and improving rural infrastructure), through key reforms aimed at improving the business enabling environment, by expanding access to credit and financial services to small businesses, women and youth involved in agricultural development and other small-scale productive activities, and by improving compliance with environmental laws and legislation. CIDA's support to the national budget will enable the Government to deliver on its renewed commitment to food security and economic growth and respond to ongoing and emerging priority issues such as the global economic crisis at the national and local levels.
 - Other:** Public sector accountability and institutionalised democratic processes are fundamental to achieving results of CIDA's priority themes and in ensuring effective service delivery. To complement and reinforce CIDA's thematic programming, CIDA will: improve the capacity for results-based planning, management and budgeting in relevant ministries (esp. Health and Education) at all levels of government, and pre-empt and address corruption through strengthened oversight institutions such as the Ethics Secretariat with indirect impacts for health and education.
- Canada will also further democratic participation through a one-time intervention titled "Support Program to the 2010 Elections." Tanzania being a country in transition from a socialist centrally directed model to a multi-party, market-oriented one, stability and democratic continuity are key to keep this transition on track and successful elections in 2010 are critical in this regard.

4. CIDA's Programming Plan

- Over the coming year, Canada will prioritize the following areas for policy dialogue: the strategic priorities of Tanzania's next National Strategy for Growth and Reduction of Poverty coming into effect in 2010 through high-level political engagement (potential high-level visit); improving the alignment of global health initiatives to national priorities through Canada's position on their boards coupled with in-country leadership, for example of the Donor Group for HIV/AIDS; facilitating exchange and knowledge-sharing among local civil society organizations in Tanzania (funded through bilateral and CPB channels) through a series of workshops hosted by the Canadian High Commission in Dar es Salaam.
- The bilateral program accounts for over 75 per cent of Canada's total ODA to Tanzania. In line with the Paris principles, about 75 per cent of bilateral assistance is delivered through program-based approaches. The effectiveness of such an approach has been demonstrated and each investment decision is based on a combination of previous results and encouraging enabling factors, together with a possibility for Canada to exert influence and bring targeted assistance as needed. Strategic interventions with local civil society organizations active in key sectors account for the remaining portion of the bilateral portfolio. The currently available budget for bilateral programming is \$70 million in 2009–2010.
- CPB currently supports 42 Canadian partners delivering over \$6 million in programming. Key partners in the voluntary sector include the Association of Community Colleges of Canada, the Aga Khan Foundation Canada, Primate World Relief & Development Fund, and Développement international Desjardins. CPB's programming is well aligned with bilateral sectors of focus (particularly education, health service delivery and pro-poor economic growth), and contributes to improved awareness and involvement of civil society in public processes, a key outcome of CIDA's programming in Tanzania. Recent improvements in collaboration between bilateral and CPB channels is leading to greater coherence among investments.
- Canada also contributes to the achievement of development results in Tanzania through its core funding to multilateral and global organizations, which totaled nearly \$16 million in 2007/08. Key organizations active in Tanzania include the World Bank, the African Development Bank (AfDB), UNDP, UNICEF, WFP, and the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM). Multilateral-bilateral initiatives include school feeding through WFP and the Catalytic Initiative to Save a Million Lives.
- Like CIDA, the WB, AfDB, UN agencies and increasingly GFATM, have aligned their support to national priorities. The WB and AfDB are focusing on key governance reforms to support sustainable growth, the UN is providing much needed expertise on food security and health, with particular emphasis on women, children and youth, and GFATM is providing significant resources for the care and treatment of Tanzanians living with high-burden, poverty-linked diseases. The investments made through these initiatives are significant. For example, the GFATM provided over US\$150 million in 2007/08 through 9 grants and 11 disbursements. This funding was provided outside of national planning and budget cycles.

5. Identification of Results and Risk

Results:

CIDA's ultimate outcome is *to improve the well-being of Tanzanian women, men, girls, boys and the vulnerable* through support to key intermediaries including the Government of Tanzania, trusted multilateral partners and Canadian and local civil society organizations. More specifically, CIDA will support the achievement of development outcomes outlined in the National Strategy for Growth and Reduction of Poverty (Tanzania Priorities in the table), with which CIDA themes closely align.

Improved Quality of Life and Social Well-being – Children and Youth: Maternal & Child Health, Health Systems and HIV/AIDS

EXPECTED Intermediate Outcomes (as per Logic Model):

- Improved health and education of girls, boys, women, men and vulnerable groups

Some EXAMPLES of EXPECTED Immediate Outcomes and Outputs with a sample of Targets:

- Improved access to quality education at all levels (percentage of secondary students passing school-leaving exam increased from 35 per cent to 70 per cent by 2010)
- Increased access to qualified health care workers for the delivery of health services to children and their mothers, particularly in underserved areas (percentage of births attended by skilled health workers increased from 46 per cent to 80 per cent by 2010)
- Improved survival rates of pregnant mothers and their children (maternal mortality rate decreased from 578 to 265 per 100,000 by 2010; children under 5 mortality rate decreased from 94 to 79 per 1000 by 2010)
- Community-focused gender-sensitive HIV/AIDS prevention and care programs implemented for youth (enrolment increased from 135,000 to 440,000 by 2010)

Economic Growth and Poverty Reduction – Economic Growth: Enabling Environment

EXPECTED Intermediate Outcomes (as per Logic Model):

- Improved macro-economic environment and sustainable broad-based economic growth

Some EXAMPLES of EXPECTED Immediate Outcomes and Outputs with a sample of Targets:

- Strengthened enabling environment supporting growth (“ease of doing business” ranking improved from 150 to 120 by 2010)
- Improved efficiency of courts in the resolution of commercial cases
- Improved economic benefits accrued from sustainable natural resource use by 2020
- Increased access to financial services and credit for poor Tanzanians (from 170,000 to 1,000,000 people by 2012 including 280,000 more women and youth)
- Increased agricultural production (annual agricultural growth rate increased from 4.3 per cent to 7 per cent by 2010)
- Environment Management Act regulations and quality standards issued and enforced (number of districts allocating budget to Act implementation increased from 11 to 133 by 2010)

Governance and Accountability: Oversight Institutions

EXPECTED Intermediate Outcomes (as per Logic Model):

- Improved accountability and inclusiveness in the public sector

Some EXAMPLES of EXPECTED Immediate Outcomes and Outputs with a sample of Targets:

- Improved capacity for results-based planning, management, budgeting and public service delivery in the health and education ministries. (e.g. percentage of government entities complying with the Procurement Act increased from 39 per cent to 80 per cent by 2010)
- Improved accountability and conduct of public officials (Revised Public Leadership Code of Ethics Act passed and improved functioning of Ethics Secretariat to enforce the Act) will apply to all ministries, including Health and Education
- Improved electoral process (2010 national elections are assessed as free and fair by international observers)

Risks:

The implementation of Tanzania's objectives is constrained by weaknesses in key institutions, including in the public sector, and a shortage of skilled professionals. To address these constraints, CIDA's support focuses on increasing the capacity of public institutions at all levels to improve service delivery, management, and accountability. Progress on implementation is the subject of continuous monitoring and an annual review process led by the Government and involving all stakeholders including donors and civil society. By working closely with other donors, CIDA is able to leverage resources and share the workload, while at the same time promoting and influencing policy in a credible and cohesive manner.

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A blend of programming modalities are used including budget support, pooled funding, directive and responsive projects, and technical assistance to mitigate overall risk and allow for adjustments to programming as needed. Budget support is a significant tool for improving the Government of Tanzania's ability to prioritize its objectives, implement and report on its national plans, and strengthen its country systems for budgeting and accountability. Such support also provides CIDA with a clear avenue for high-level strategic discussions on priorities and progress towards achieving results.