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ANNEX 1

to the Commission Implementing Decision on the the financing of the annual action plan in favour of the United Republic of Tanzania for 2022

Action Document for Blue economy for job creation and climate change adaptation

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, and action plan within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Blue economy for job creation and climate change adaptation OPSYS number: ACT-60983 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	Yes Part of the Team Europe Initiative “Blue economy for job creation and climate change adaptation” under discussion Tanzania Team Europe Initiative and Joint Programming tracker (europa.eu)
3. Zone benefiting from the action	The action shall be carried out in Tanzania, specifically in coastal cities and ecosystems, Zanzibar and the Indian Ocean (Exclusive Economic Zone)
4. Programming document	2021-2027 Multiannual Indicative Programme for Tanzania ¹
5. Link with relevant MIP(s) objectives / expected results	- to promote sustainable businesses in the Blue Economy and the sectors of Agriculture, Forestry and Fishery - to promote environmental protection, climate resilience and eco-tourism
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority Area 1 – Green Deals (sector 430), Priority Area 2 – Human Capital and Employment (sectors 110,160 and 321) and Priority Area 3 – Governance (sectors 150 and 250).
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 13 (Climate Action) Other significant SDGs: SDG 1 (No poverty), 8 (Decent Work and Economic growth), SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production) 14 (Life below Water) and 15 (protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss).
8 a) DAC code(s)	410 – General Environment Protection – 25%

¹ [The United Republic of Tanzania multiannual indicative programme 2021-2027](#)

	310 – Agriculture, Forestry, Fishing – 25% 230 – Energy – 10% 250 – Business and other services – 40%			
8 b) Main Delivery Channel	Channel 1 – Central Government – 12001			
9. Targets	<input checked="" type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	

	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
	Connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration (methodology for tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

12. Amounts concerned	<p>Budget line(s) (article, item): BGUE-B2022-14.020121-C1-INTPA</p> <p>Total estimated cost: EUR 110 000 000</p> <p>Total amount of EU budget contribution: EUR 110 000 000 of which EUR 32 000 000 for budget support and EUR 78 000 000 for complementary support</p> <p>The commitment of the EU's contribution (EUR 110 000 000) to the Team Europe Initiatives foreseen under this annual action plan will be complemented by other contributions from Team Europe members (France, Finland, Sweden, Germany, Ireland, the Netherlands and the European Investment Bank). It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.</p>
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MANAGEMENT AND IMPLEMENTATION

13. Type of financing²	<p>Direct management through:</p> <ul style="list-style-type: none"> - Budget Support: Sector Reform Performance Contract - Procurement: Service contracts - Grants <p>Indirect management with the entity to be selected in accordance with the criteria set out in section 4.4.3.</p> <p>Contribution to the Regional Blending Platform shall be implemented in indirect management by the entities indicated in the annex to this Action Document, in accordance with the Regional Blending Platform award procedure.</p>
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² Art. 27 NDICI

	Budgetary guarantees as set out in section 4.4.5.
	Other actions and expenditure as set in section 4.4.7.

1.2 Summary of the Action

Blue Economy encompasses all sectors related to oceans, seas and coasts whether based in the marine environment or on land. Tanzania and the EU have a strong common interest in promoting a Blue Economy aiming at conservation and the sustainable use of ocean and coastal resources for economic growth, improved livelihoods and jobs creation. Unlocking the potential of the ocean and coastal economies (e.g. in fisheries/mariculture, forestry, renewable energies and eco-tourism sectors) while preserving the environment and biodiversity for climate and disaster resilience will help (i) meet the objective of fostering jobs and growth, (ii) deliver on Tanzania's climate change commitments and (iii) comply with EU priorities and interests in the region. In order to have a maximum impact, this programme will focus on specific cities and ecosystems³ along the Coast (i.e. the East of Tanzania from Kenya's to Mozambique's borders) and the islands in the country's Economic Exclusive Zone, including the Zanzibar archipelago.

The Overall Objective of the Action is to contribute to a climate resilient Blue Economy on the Tanzanian coastal cities and ecosystems, Zanzibar and the Indian Ocean (Exclusive Economic Zone). It will focus on (i) the environmental protection and a climate-resilient sustainable management of coastal ecosystems, (ii) the support to sustainable and job-intensive businesses in blue economy, including the conservation and sustainable use of the marine and coastal ecosystems, and (iii) a transformative governance and policy reforms.

It is aligned with the Global Europe instrument targets and goals on climate change action, inclusive economic growth and human development, and with the Global Gateway priorities on climate, energy, education and research. The action will involve EU Member States/ Development Finance Institutions (France, Finland, Sweden, Germany, Ireland, the Netherlands and the European Investment Bank), and will make use of various modalities such as budget support and blending/guarantees operations. The Action is a Team Europe initiative, as was the Green Cities flagship (AAP 2021), and both being supported by three main enablers: digitalisation (AAP 2021), gender (2021) and access to finance (2022).

The gender perspective is taken into account through a preliminary gender analysis⁴ that has identified key areas of progress such as access to education, finance, skills development, land and natural/productive resources. With a focus on climate change adaptation, such an action also aims at limiting future climate-related forced displacement.

2 RATIONALE

2.1 Context

Tanzania has a coastline of 1,424 km, a marine territorial sea area that covers 64,500 km² and over 10 million people directly depend on the integrity of coastal and marine resources for their livelihoods. The economic development in Tanzania relies massively on its natural resources for internal consumption and exports, including traditional goods, which constitute more than 40% of the total exports.

The country's coastal cities and areas, the isles and the sea provide a significant contribution to economic activities such as fisheries/mariculture, tourism, and shipping but also contributes to ecosystem services such as carbon sequestration, atmospheric and temperature regulation and protection from erosion and extreme weather events. However, with a rapid growth of the population, about to reach 79.2 Million⁵ in 2030, climate change and

³ 4 main areas will be covered: (i) in the north, The marine park covering the marine areas in front of the cities of Tanga and Pangani and the surrounding coastal land (ii) in the center a vast ecosystem going from the Rufiji delta, to the Island of Mafia and the city of Kilwa, (iii) in the South, the marine Park covering the marine sea in front of the city of Mtwara and the surrounding coastal land, and (iv) the Zanzibar archipelago mainly the Islands of Ugunja and Pemba. Activities related to governance and financial products from development banks will benefit all the coastal and marine areas, spanning from a maximum of 100 km inland to the end of the Exclusive Economic Zone (EEZ, 200 miles offshore).

⁴ Women's economic empowerment in fisheries in the blue economy of the indian ocean rim a baseline report (UN WOMEN 2021) and (Women's economic empowerment in the indian ocean rim - progress and challenges (UN WOMEN 2021)

⁵ 2019 Revision of World Population Prospects, UN Department of Economic and Social Affairs

unsustainable exploitation of the ocean and the coast, there is an enormous strain on already fragile eco-systems. Activities such as illegal extraction of building material, charcoal production, encroachment for farming, extraction of salt, illegal, unreported and unregulated fishing but also natural or manmade disasters such as storm surges, sea level rise, pollution and flooding are among the causes of the massive depletion of Tanzania's natural resources. At the same time insufficient post-harvest infrastructure and a weak coordination of fish supply chains is inhibiting the growth of the country's fish supply. While fish is a vital supplier of essential micronutrients, the Tanzanian per capita consumption of 8.5 kg is well below the global average (20.5 kg), which may have negative effects on the development of healthy livelihoods and food security.

This context represents also a challenge for the governance of the natural resources and the ocean at national and local level, and for the government to establish the adequate administrative or interministerial structures to formulate and coordinate the implementation of a multisectoral response to address these key issues.

The sustainable development of the Blue Economy, supported by this initiative, will be a major contributor to the country transformative agenda set out in the National Development Vision 2025, as well as in the more specific national environmental policies or in the Blue Economy strategies that are being developed in Zanzibar and Mainland. In order to maximise its impact the programme will focus its activities on key cities and ecosystems along the coastal area and the islands in the exclusive economic zone.

A sustainable Blue Economy will create tangible opportunities for new jobs and businesses. They will be created by work to mitigate the impacts on oceans and coasts to build a resilient economy based on sustainable value chains, responsible food systems, innovation, a skilled workforce, a circular economy and the conservation and sustainable and productive use of the ocean and coastal resources. This means that businesses and communities livelihoods that use or generate renewable resources, preserve marine ecosystems, reduce pollution and increase resilience to climate change will be incentivised.

Tanzania's Nationally Determined Contributions (NDCs) under the Paris Agreement includes several activities related to the Blue Economy and is putting in place relevant mechanisms, including the NDC's Implementation Plan and the Greenhouse Gas Measurement Reporting and Verification system. It has committed to a 30-35% reduction in emission of greenhouse gases by 2030 compared to a Business-as-Usual scenario, with a reference year of 2000. The key sectors relevant to Blue Economy that are covered by the NDC in mitigation includes Energy, Forestry and Waste management, while relevant sectors covered by adaptation include Agriculture, Tourism, Coastal Fisheries/Mariculture, Energy, Forestry and Environment.

It is EU's interest to promote biodiversity conservation and sustainability as part of the EU global commitment to address climate change and environment protection and in order to achieve the Green Deals. This Action is aligned with the Global Europe instrument targets on climate change action and human development, and with the Global Gateway⁶ priorities on climate, energy, education and research. The EU Ocean governance⁷ approach promotes also the Blue Economy and many EU Member States and EU private sector actors invest in this field with high potential for partnerships and trade. At country level there is a great potential to link the Blue Economy with sustainable growth and decent jobs creation in the agriculture, forestry, fisheries/mariculture, water resources, energy and eco-tourism sectors. There is also a great potential to support the effective governance of natural resources and of the ocean through coordination bodies having the capacity to formulate and implement multisectoral policies.

In line with the guidelines from the Gender Action Plan III⁸ (GAP III) and the classification of this programme as G1, a preliminary gender analysis has been carried out notably by using information gathered through other existing relevant analysis. A special focus will be paid in each specific objective to take into account challenges identified such as women's labour force participation; informal work; entrepreneurship; access to education, finance, skills development, land and natural/productive resources. The Blue Economy programme will aim at addressing these various issues notably by adding activities supporting better women and girls participation in economic activities but also in decision making processes such as in community based organisations (CBOs), a key actor and beneficiary of the programme. The same CBOs will also be involved according to the principles of the

⁶ https://ec.europa.eu/info/sites/default/files/joint_communication_global_gateway.pdf

⁷ Setting the course for a sustainable blue planet - Joint Communication on the EU's International Ocean Governance agenda {SWD(2022) 174 final} - JOIN(2022) 28 final

⁸ EU gender action plan (gap) III – an ambitious agenda for gender equality and women's empowerment in EU external action {swd(2020) 284 final} - JOIN(2020) 17 final

Civil Society Organisations (CSO) roadmap, ensuring that their role in decision making processes related to land use, natural resources and economic development is taken into account by national authorities in the design and the implementation of the relevant policies.

Interventions will take a multi-sectorial approach whenever possible and will be implemented in complementarity. This initiative will notably be coordinated with the existing Team Europe initiative on sustainable cities by targeting major ecosystems around already supported cities (such as Pemba and Tanga) and seek complementary interventions. It will also take into account the forthcoming regional Western Indian Ocean Blue Economy programme (AAP 2023) involving several countries of the Western Indian Ocean.

2.2 Problem Analysis

Green job creation, climate change adaptation and biodiversity conservation are priorities for both the EU and Tanzania. Climate change is affecting businesses and the livelihoods of coastal local communities which are already among the poorest in the country, and contribute to the deterioration of the coastal ecosystems of Tanzania. Prominent environmental challenges include floods, sea-level rise, coastal erosion, saltwater intrusion, fresh water scarcity, pollution and land use/cover changes, with an inadequate adaptive capacity of rural communities and of urban centers to the impacts of climate change.

In that context, communities living in islands and coastal areas, including urban centers, need to access opportunities for jobs and more sustainable income generating activities, in coastal and marine economic sectors such as fisheries/mariculture, tourism, renewable energy, forestry, and other agricultural value chains. There are also business opportunities deriving from the ocean and coastal resources, and it is therefore essential to support a shift towards businesses that are more resources efficient and enable conservation, including through circular economy⁹.

The programme needs to verify preliminary findings and to explore the real potential of the Blue Economy sector by carrying out marine spatial planning, fish stock assessments, ecosystems inventories and also market analysis to understand where an intervention would have the greatest leverage. On that basis the aim will be to improve coastal and marine productions and services to generate better revenues by accessing new markets while respecting the environment. Issues related to production quality, high trade costs, limited standards compliance or poor competitiveness are among the difficulties met by economic actors in the coastal area, which the Blue Economy programme could support overcoming.

The sector of tourism which represents 10.7% of the country's GDP (second largest contributor to national GDP) and 11.1% of the country's total employment plays an important role as regard poverty alleviation and job creation in particular for women who represent 72% of workers in this sector. However as it relies mainly on natural resources and ecosystems through the coast, the sea, parks, reserves, forest and conservation areas, it is also very much exposed to climate change impacts and needs to be supported towards a more sustainable business model. The Covid 19 outbreak had also severely impacted the economy and the workers, and a support to the recovery plan for the sector should be part of the activities proposed.

Therefore in a limited and fragile space that is the object of competing activities at the detriment of the environment, it is important to support a healthy and productive ocean and coastal ecosystem and the conservation and sustainable use of its resources, the investment in durable solutions to limit pollution and to protect the coastal area and prepare the coastal population to adapt to climate change impacts, the promotion of a tourism that is respectful of the environment, encourage nature conservation and promote cultural heritage, the launch of renewable offshore energies, and the development of value chains that aim at better quality production, contribute to food security and improved nutrition and added value for the local communities and businesses, and that preserve resources for future generations in a context of an important demographic growth and an increased pressure on the natural resources. This will also address some of the root causes of migration. This programme will first deliver on the Green Deals priority area, but it will also contribute to the human capital and employment, as well as governance priorities. In that perspective, women empowerment and participation in the Blue Economy will be strengthened in order to reduce inequalities in the distribution of revenues.

⁹ A circular economy aims to maintain the value of products, materials and resources for as long as possible by returning them into the product cycle at the end of their use, while minimising the generation of waste. The fewer products we discard, the less materials we extract, the better for our environment.

The final beneficiaries of this action will be the populations living in the coastal area and in the islands, including women and girls and persons (at risk of being) displaced, who will benefit from an improved environment contributing to decent standards of living and enhanced economic opportunities for livelihood. As a multi-dimension policy area, the Blue Economy covers different subjects such as the conservation of ecosystems and biodiversity, circular economy¹⁰, the economic development of coastal and marine areas and the governance.

Other main stakeholders are the following:

Local authorities and communities: On that basis local authorities, in particular the districts in Tanzania, are directly involved because of their role in land planning use and on economic development. Other important actors are Community Based Organisations such as Beach Management Units – Shahia Fishery Communities in Zanzibar, Community Wildlife Management Areas and Community Based Forest Management, which play an important role in land planning use, conservation of natural resources, and the productive use of natural resources. They have a strong role to play in these areas and are also a key actor for the redistribution of wealth within communities, social cohesion and local democracy. Within these communities, the programme will address the role of women and youth, taking into account the peculiarities of the coastal cultures and Zanzibar society, but under the angle of fostering gender equality and women’s rights.

Central Government: In Mainland the Ministry of Finance and Planning is coordinating the task force to design the Blue Economy strategy with a view to contributing to its implementation; the President’s Office Regional Administration and Local Government, which is the ministry responsible for Local Government Authorities, will play a key role in channelling funds to districts and coordinate measures for climate change adaptation and disaster risk reduction along the coastal area; the Vice President Office division of environment is responsible for the coordination and implementation of all environmental laws and policies and is also the institution in charge of following up the NDC implementation; the Ministry of Natural Resources and Tourism, the Ministry of Fisheries and Livestock and the Deep Sea Fishing Authority are key players for the policy framework and the implementation of activities related to coastal and marine conservation, fisheries, aquaculture and mariculture; finally the National Land use Planning Commission, the Ministry of Culture, the Prime Minister Office for Employment and Labour; the Ministry of Energy the Rural Energy Agency; and the Tanzania Forestry Services Agency will also be involved. In Zanzibar, the President Office Finance and Planning, the Ministries of Blue Economy, Tourism, Water and Energy, the Zanzibar first Vice President Office in charge of environment, management of coastal forests and mangrove, the ministry of agriculture and natural resources, the Zanzibar Utilities Regulatory Authority, and the Zanzibar Water regulatory authority are the main public stakeholders.

Private actors: Micro Small and Medium Size Enterprises (MSMEs) will be the main target group for the objective related to sustainable businesses, under this action. MSMEs may receive specific support to adopt sustainable practices and create new quality and green jobs. Local business organisations, either public (e.g. Tanzania Investment Centre) or private (e.g. Tanzania Private Sector Foundation, Tanzania Confederation of Industries, Tanzania Chamber of Commerce, Zanzibar chamber of commerce, Industries and Agriculture, Associations in the tourism industry), will be involved/ consulted. Tanzanian banks and other local financial institutions are potential providers of financial products to local businesses. The Action will support design of specific financial products for young/female entrepreneurs and promote financial inclusion for vulnerable communities, including those (at risk of being) displaced. The action will also explore the feasibility of business incubators in the Blue Economy with a strong focus on support services to businesses, innovation and access to markets.

2.3 Additional Areas of Assessment

2.3.1 Pre-condition on Fundamental Values

N/A

2.3.2 Public Policy

Policy Context

The *National Blue Economy Strategy* is currently being developed under the leadership of the Ministry of Finance and Planning with technical support from a Task Force, which is comprised of experts from related government sectors. The draft Blue Economy Strategy is expected to be circulated for broader stakeholder review and

¹⁰ Development and improvement of solid waste recycling value chain (source segregation, upstream collectors, collection hubs, recycling plants)

consultations before endorsement by the Government by end of 2022. The *National Blue Economy Strategy* will move from a sector-by-sector approach to development planning, towards a more integrated and holistic framework that will facilitate harmonisation and coordination. It should be noted, that although the Blue Economy Strategy will cover the whole Tanzania mainland, this Action will focus specifically on the areas relevant to coastal and marine areas, which will be reflected in the variable indicators.

The *National Blue Economy Strategy* will build upon and establish synergies between a number of key sector policies that form integral pillars for the strategy, including:

- the *National Environment Policy and its Implementation Strategy (2021)*,
- the *National Climate Change Response Strategy and its Implementation Plan (2021)*,
- *National Environmental Master Plan for Strategic Interventions (NEMSI, 2022 – 2032)*
- the *Nationally Determined Contribution (2021) and its Implementation Plan (2021)*,
- the *Fisheries Policy (2015)*,
- the *National Forest Policy (1998), and its Implementation Strategy (2021)*
- *the National Tourism Policy (1999), together with the comprehensive COVID-19 Recovery and Sustainability Plan for Tourism Sector in Tanzania 2020/21-2024/25;*
- the *National Integrated Coastal Environmental Management Strategy (2003)*, and the
- *National Disaster Management Policy (2004), amongst others*

Although the Government has made substantive progress in the subsector listed above, an inclusive and comprehensive *National Blue Economy Strategy* would still require further engagement with national and sub-national public and private stakeholders. The proposed Action will support the Government of Tanzania to finalise this important endeavour and increase synergies regarding mandates and actions. **The following assessment will focus on three key proxy policies which will form an integral part of the Blue Economy Strategy:** a) the *Nationally Determined Contribution (2021)*; b) *National Tourism Policy (1999) complemented by the Comprehensive COVID-19 Recovery and Sustainability Plan for Tourism Sector in Tanzania 2020/21-2024/25*, as well as c) *Fisheries Policy (2015) complemented by the National Integrated Coastal Ecosystem Management Strategy, NICEMS (2003)*

A. *Nationally Determined Contribution (2021)*

The United Republic of Tanzania submitted its Nationally Determined Contributions (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2021, as an update of the Intended Nationally Determined Contribution (INDC) submitted in 2015. The NDC put a strong emphasis on the role of the coastal and marine elements in the country's approach to climate change adaptation and mitigation. Under the leadership of the Vice President's Office (VPO), with convening power among sectoral ministries, the NDC remains an overarching instrument capable of coordinating various actions under climate change and resilience economy. The NDC is the first guiding document that subsumes various interrelated sectors important to combat climate change. The policy correctly identifies the various threats resulting from extreme weather conditions affecting not only agriculture production, water bodies, energy, infrastructure, but ultimately economic growth. The policy therefore identifies various mitigation and adaptation measures to address these challenges covering various sectors¹¹. Previous studies estimated that climate change could lead to a net economic loss of almost 2% of GDP each year by 2030 in Tanzania¹², if adequate mitigation and adaptation interventions are not instituted. With this policy, Tanzania also fulfils the requirement of the Paris Agreement on Greenhouse Gas (GHG) Emission Reduction Commitments. Overall, the suggested areas of intervention respond directly to the identified challenges including as well inadequate resources for adaptive capacities but also technical insufficient capacities to measure and report reduction in GHGs.

The NDC is complemented by an implementation plan covering the years 2021-2030. The plan includes a detailed costing per activity and indicators; however, targets are not yet formulated. Further, the implementation plan covers the mitigation component, which is further defined through the GHG MRV¹³ system and the adaptation component, which will be further covered by the National Adaptation Plan, currently under development.

- a) National climate GHG MRV system is an important aspect for Tanzania to fulfil its commitment in the implementation of its ambitious NDC. The NDC introduces the economy-wide target of reducing greenhouse

¹¹ Agriculture, Livestock, Forestry, Energy, Coastal Marine Environment and Fisheries, Water Resources, Tourism, Human Settlements, Health, Infrastructure, Disaster Risk Reduction, Transport, and Waste.

¹² Watkiss, P. Downing, T., Dyszynski, J., Pye, S. et al (2011). The Economics of Climate Change in the United Republic of Tanzania. Report to Development Partners Group and the UK Department for International Development. Published January 2011. Available at: <http://economics-of-cc-in-tanzania.org/> - accessed 28/04/2022.

¹³ Measurement, Reporting and Verification

gas (GHG) emissions by 30% (low ambition scenario) to 35% (high ambition scenario) relative to a Business-As-Usual (BAU) scenario by 2030. This requires the presence of a strong institution to support the GHG MRV system. This will ensure the country's ability to account for the emission reduction using robust and reliable system. In 2018, a national MRV system for mitigation effort was initiated through the establishment of the National Carbon Monitoring Centre (NCMC). The NCMC was established with the respective mandate, but technical deficiencies to cover MRV in the key sectors required to report on the NDC to the global UNFCCC system are evident. The initial mandate of the NCMC for GHG MRV was restricted to REDD¹⁴ and REDD+¹⁵ but later extended to Agriculture, Energy, Industrial Processes and Product Use, and Waste. The GHG MRV system will ensure regular assessment of the adaptation and mitigation actions, and emission estimates will be compiled at the national level.

- b) Similarly, the National Adaptation Plan (NAP) process is expected to develop a national adaptation monitoring and evaluation (M&E) system that will serve domestic and international reporting, and later incorporated under MRV system.

The coordination of the NDC implementation is under the Vice President's Office, which is responsible for overall M&E. The capacity at the VPO¹⁶ needs to be strengthened to effectively cover the wide spread interventions of the NDC. Currently, the VPO is responsible for multiple coordination of multilateral and international agreements, hence calling for its effective strengthening. Even though the unit covering the NDC is union-wide, this action will follow up of the mainland interventions only. At implementation level, the sector ministries in collaboration with the Local Government Authorities will be responsible for implementing the adaptation and mitigation interventions.

Regarding its financing, the NDC estimates the total budget for implementation at USD 19.2 billion until 2030, which seems over optimistic given the limited fiscal space. However, the strategy lists several sources for climate finance, including the climate finance mechanism under UNFCCC, financial institutions, bilateral and multilateral sources as well as own government resources. Hence if all these sources are well utilised, the financing of the strategy might materialise accordingly. This policy area fulfils the criteria of relevance and credibility and should be supported further to help Tanzania fulfil its global commitments towards climate change adaptation and mitigation in the framework of the Blue Economy.

B. National Tourism Policy (1999) complemented by the Comprehensive COVID-19 Recovery and Sustainability Plan for Tourism Sector in Tanzania 2020/21-2024/25

The focus on the Tourism sector policy is based on its relevance to the national economy. It is the second biggest contributor to the country's GDP and it is presumed to feature prominently in the Blue Economy strategy. Attempts by the government of Tanzania has been to increase the number of visitors per annum, which reached 1.5 million in 2019, before dropping to around 600.000 in 2020 due to Covid-19 pandemic. The main challenge facing tourism sector is overdependence on a few selected sites such as Serengeti, Ngorongoro, Mount Kilimanjaro and Zanzibar and hence leaves other areas unexplored, especially along the coastal belt of the country. Tourism is also heavily dependent on external tourists unlike domestic market, which also contain high potential for the sector. Going forward the obvious tension between mass tourism generating more revenue versus sustainable (eco)tourism with lower yields, would need to be addressed.

The 1999 national policy intends to diversify tourist destinations in the country with desire to explore potentials in the Southern Circuit and coastal areas; with the latter tallying with the Blue Economy Strategy. Attempts will include integration of tourism activities by creating sufficient high value networks, improvement of regulatory framework and support to necessary tourism infrastructures. Similarly, actions to increase local tourism are equally included: e.g. cultural and ecotourism, local oriented marketing, and crafting products packages sensitive to local population, awareness campaigns and increase economic opportunities linked to the tourism industry.

This policy is further complemented by the comprehensive COVID-19 Recovery and Sustainability Plan for Tourism Sector in Tanzania 2020/21-2024/25. This plan provides additional momentum to revamp tourism to become a major foreign currency earner again, by focusing mainly on a solid basis to contribute to the overall objective of this Action and its three specific objectives, and more specifically to the second specific objective on Sustainable businesses and productive use of natural resources and the specific outputs related to tourism. The main push will be to achieve quicker results concerning the business environment, that is identified as the main obstacle for a more complete

¹⁴ Reducing emissions from deforestation and forest degradation

¹⁵ Reducing emissions from deforestation and forest degradation plus sustainable forestry management

¹⁶ VPO is the National Designated Authority (NDA) recognized under the UNFCCC procedures. The DNA at VPO will receive technical advice from National Climate Change Technical Committee (NCCTC): that will be the one reviewing and approving information submitted by NCMC

development of the sector and to attract more foreign investment especially in the coastal areas where the Blue Economy TEI will focus.

The coordination of the tourism activities in Tanzania is under the responsibility of the Ministry of Natural Resources and Tourism (MNRT) and the implementing lies with its various agencies¹⁷. Directorate of Tourism under MNRT is responsible for much of coordination of the policy. Due to nature of the scattered entities involved in tourism, the M&E framework is relatively weak, hence strengthening the coordination and implementation capacity of the Directorate of Tourism is necessary. Currently, progress reports on tourism can be obtained from respective agencies of the MNRT.

Public financing for the tourism sector is through central government subvention to the MNRT. Overall, MNRT was allocated 571 billion TZS¹⁸ in the 2021/22 budget, of which 73% was recurrent expenditure and 27% for development interventions. Other sources of funds to the tourism sector is through bilateral and multilateral programmes and private sector (both foreign and domestic).

C. Fisheries Policy (2015) complemented by the National Integrated Coastal Ecosystem Management Strategy, NICEMS (2003)

The National Fisheries Policy (2015) sets forth objectives to support productive use and conservation and sustainable use of resources in the national water bodies. The policy seeks to address fisheries resource management, utilization and market controls, aquatic environmental protection, amongst other things. The long-term objective of the policy is to achieve sustainable fisheries. One among specific objectives is to ensure effective management and sustainability of fisheries resources and aquatic environment. It further entails the need to support conservation and protection of the fisheries resources and environment in the marine areas. In this respect, the Policy aligns with the draft Blue Economy Strategy. Given the nature of the coastal ecosystem, in order to realize policy effectiveness, it is therefore, complemented by the National Integrated Coastal Ecosystem Management Strategy, NICEMS (2003). The NICEMS is a relevant and credible strategy that provide instruments for the implementation of the Integrated Coastal Management (ICM) interventions in the country, which aligns with the Blue Economy Strategy.

The ICM action plans have been developed and implemented in all coastal districts, leading to an increased number of programmes/projects on coastal and marine conservation and awareness on the importance of conservation of coastal resources among the coastal communities. A number of application tools including sectoral guidelines such as Mariculture Investors Guide, District ICM Action Planning Guidelines, and Coastal Tourism Guidelines are in place. These actions have so far proven very relevant to preserve and enable productive use of coastal ecosystems. However, there are a number of issues with significant implications for ICM that have emerged over the years, which need to be integrated into a new NICEMS/ Blue Economy Strategy. These include oil and gas exploration and extraction, bio-fuel development, climate change, and the whole ecosystem based and disaster risk reduction frameworks. Of particular importance is how to spatially map and allocate uses (coastal spatial planning) to different coastal and marine areas to reduce over-exploitation, minimize resource use conflicts and ensure secure resource tenure.

The coordination of the NICEMS as it is a crosscutting strategy lies under supervision VPO, through the National Environmental Management Council (NEMC)¹⁹. The implementation of the NICEMS lies with line ministries and local government authorities. The NICEMS, aligns with the National Environmental Master Plan for Strategic Interventions (NEMSI, 2022 – 2032). Key elements of the NEMSI especially those with significance to the coastal and marine ecosystems will be operationalized by the NICEMS.

Finance to cater for the NICEMS include subvention from the government to NEMC, and as well to participating sectors under their respective budgets, bilateral and multilateral programmes and private sector. For the year 2021/22 the budget allocated for NEMC was 3.7 billion TZS²⁰.

Conclusion

¹⁷ MNRT has several bodies that provide services and management of the tourist sites including the Tanzania National Parks Authority (TANAPA), Tanzania Wildlife Management Authority (TAWA), Tanzania Forest Services agency (TFS), and Ngorongoro Conservation Area Authority (NCAA) and Department of Antiquities. MNRT further has dedicated tourism promotional entity the Tanzania Tourist Board (TTB), which is responsible to support marketing of tourist attractions of the country

¹⁸ Approx. 227.1 M EUR

¹⁹ NEMC is responsible for the M&E of the NIEMCS. NEMC is capable autonomous entity established in 1983, with responsibilities of enforcing environmental management laws. Ministry of Fisheries and Livestock, MNRT and Ministry of Lands Housing and Human Settlements including National Land Use Planning Commission (NLUPC) are important stakeholders due to jurisdictions related to allocation and supervision of coastal and marine resources.

²⁰ Budget Speech by Min. Suleman Jaffo, in the Parliament Session in 2021/2022 budget session.

Therefore, considering the increased pressure and anticipated demand from Blue Economy investments on coastal and marine ecosystems, a Blue Economy Strategy will enable coordinated and harmonised implementation and effective monitoring of coastal and marine resources with robust institutional, technological and information management structures at all levels. The new strategy should adopt all key Integrated Coastal Zonal Management approaches, principles and tools for multiple management and development objectives.

The Delegation concludes that on the basis of the key policy areas analysed above which serve as proxy public policies for the Blue Economy Strategy, the policies are relevant and credible. Therefore, the policies can be supported by the Commission with the proposed budget support contract.

2.3.3 Macroeconomic Policy

Tanzania's pre-pandemic growth trajectory was strong with an average annual GDP of 6.5% between 2013 and 2018. Although the pandemic has pushed the global economy into a recession in 2020, Tanzania kept its economy relatively afloat, with an official growth rate of 4.8% though World Bank (WB) and International Monetary Fund (IMF) growth estimates for 2020 were lower, around 1% and 2% respectively. The economic slowdown was mainly attributable to adversely affected export-oriented industries, especially tourism and traditional exports, and caused by a drop in foreign investment. So far, Tanzania has maintained its recently obtained status as middle-income country (LMIC), even though external shocks led to a slight decrease in Gross National Income per capita, which reached 1,080 in 2020.

During 2021, the economy has started showing signs of recovery with a growth rate of 4.9%. After several years of discrepancies, the IMF and WB figures are now consistent with Government estimates. High frequency indicators from the WB show an upward trend as mobility, goods and services exports, tourist arrivals and credit to the private sector all rose during 2021. The rebound in economic growth is largely because of strong performance in accommodation and restaurant services, mining and electricity. The tourism industries in Tanzania Mainland and Zanzibar both got an impetus, even though tourist arrivals have not fully recovered yet. Overall, economic activity across sectors has not yet reached pre-pandemic levels. Depending on external developments and the pace of the Government's COVID-19 response, the WB predicts a 6% medium-term growth potential.

Between September and December 2021, the IMF approved loans totalling \$751 million to Tanzania under its Rapid Credit Facility in order to tackle the health and socio-economic challenges caused by the pandemic. Discussions on a possible new IMF programme are ongoing.

Tanzania's macro-economic framework remains relatively stable despite the external economic shocks that impact the fiscal deficit, public debt levels, the current account deficit. As part of the COVID-19 recovery, fiscal buffers have been replenished with official gross reserves sufficient to cover 6.1 months of imports in February 2022, exceeding national and regional thresholds. The Government also continues to successfully stabilise the trajectory of the Tanzanian Shilling against main trading currencies. Revenue shortfalls and elevated expenditure drove the fiscal deficit up to 3.9% in 2020/21. Whether the fiscal deficit indeed reverts back to projected levels of 2%, partly depends on external factors and the domestic policy response. The external sector faces continued strain due to the impact of the Russia-Ukraine conflict - also impacting cereals and fertilisers imports to Tanzania. The current account deficit doubled during February 2022 because of a rising import bill. Increased foreign inflows offset the negative trend so that the overall balance of payment has improved in recent months. The Government has a continued track record of ensuring stability in headline inflation, within the country target of 3-5%. Energy, fuel and food inflation have been more volatile, with recent upward pressure.

During the pandemic, Tanzania's risk of debt distress increased to "moderate" and overall public debt levels rose to 40.6% in October 2021. The increase in the rating is caused by Tanzania's weakened ability to absorb shocks with sensitivity to a narrowing export base and by the lower debt burden thresholds corresponding to the new medium debt carrying capacity classification. Rising debt levels are driven by non-concessional borrowing to finance large capital projects, including the standard gauge railway, the major hydropower dam and the national airline. Domestic borrowing also increased to finance the widening fiscal deficit. A changing debt composition may lead to liquidity risks as commercial debt has increased from 3% of GDP in 2011 to more than 16% of GDP in 2021. While debt levels are still sustainable, debt service equalled 40% of domestic revenues in October 2021, putting increasing pressure on fiscal space.

Domestic revenue mobilisation continues to be a priority for the Government of Tanzania to finance the FYDP III. The country's recent reclassification to LMIC and shifting priorities of traditional development partners is likely to

reduce access to grants and concessional loans. Tanzania has considerable untapped revenue potential from tax revenues, non-tax revenues and alternative financing. The tax to GDP ratio is low at 11.4% (FY2020/21) and the tax gap is estimated at 6 to 7%, one of the largest in the region. During the implementation of the FYDP II (2015/16-2020/21), tax revenues increased by 56% in nominal terms. Revenues are recovering after revenue shortfalls in both Tanzania mainland and Zanzibar in 2020/21. Tax revenue outturns for the first 7 months of 2021/22 are high at 97% of targets for Tanzania mainland and 83% for Zanzibar.

In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

2.3.4 Public Financial Management

The Government of Tanzania (GoT) has made progress in strengthening its Public Financial Management (PFM) systems since the latest PEFA in 2017, for Mainland. The 2017 PEFA concluded that Tanzania's PFM System improved in 9 out of 28 performance indicators and regressed in 10 out of 28. The PFM system is strong in the following areas: reporting on extra-budgetary operations, fiscal risk reporting, public asset management, debt management, budget preparation, legislative scrutiny of budgets, accounting for revenue, payroll controls and legislative scrutiny of audit reports. Procurement management, internal and external audit are emerging strengths.

The latest official 2017 PEFA results identify budget credibility as a weakness, with large discrepancies between budgets and actual expenditures. Other weaknesses were public investment management, comprehensiveness of budget documentation, fiscal strategy, expenditure arrears, public access to fiscal information, medium term expenditure framework, in-year controls on non-salary expenditures, in-year budget reports and predictability of in-year resource allocation.

Since 2017, cash management has improved following the adoption of a Treasury Single Account, compliance with public procurement regulations improved as a result of the e-procurement system, GoT made progress in arrears clearance, internal availability of budget information improved due to the Central Budget Management System. The Government is also more compliant with the International Public Sector Accounting Standards accounting standards as the 2019/20 financial statements received an unqualified opinion, has accelerated the integration of IT systems through an "Enterprise Service Bus" and deployed an audit recommendation tracking information system to enhance the implementation of audit recommendations.

Revenue and expenditure targets have shown more realism. Marginal real term annual increases, translated in improved budget credibility prior to COVID-19. The pandemic eroded progress in 2019/20, but for the ongoing fiscal year, tax revenue outturn is exceptionally high reaching 97% of its target for the first three quarters. On the expenditure side, execution of the development budget equally reached 96% in FY2020/21. This seems to be driven by IMF emergency financing for Tanzania's COVID-19 response. Overall, budget credibility is an important precondition for more advanced PFM reforms and remains important to monitor throughout the budget support, as well as predictability of in year resource allocations, commitment controls and arrears.

The PFM reform programme in Tanzania (PFMRP) is both credible and relevant. The programme's strategic objectives are formulated to address the weaknesses identified in the PEFA assessment. PFMRP has a comprehensive action plan that identifies tasks, timeframes, resources and responsibilities. The action plan is coherent with Tanzania Development Vision 2025 and Five Year Development Plans. The PFMRP has been adequately financed by GoT and Development Partners and is implemented, with oversight from stakeholders such as the Development Partners PFM Group and the PFMRP Secretariat. A results-oriented Monitoring and Evaluation Framework is in place.

Tanzania joined the EITI as part of the government's wider reform efforts to make the extractive sector more competitive and maximise the benefits from mining. Tanzania has been using the EITI process to produce data on local content, the East Africa Crude Oil Pipeline and the contribution of artisanal and small-scale mining to mining revenues and local content. The latest report covering 2018-2019 was published in June 2021. Tanzania is also a member of the Financial Action Task Force (FATF). According to the latest FATF Mutual Evaluation Report June 2021, measuring effectiveness and technical compliance rating, Tanzania was compliant for 3 and Largely Compliant for 11 of the FATF 40 Recommendations. In terms of level of effectiveness rating, Tanzania had 2 moderate and 8 low, with none of the variables rated high.

Tanzania does not have a separate policy for domestic revenue mobilisation or tax revenues beyond the chapter on policy financing in the FYDP III. Tax policy changes are introduced annually through the Finance Bill. The

existing policy framework is rather unpredictable in the eyes of investors. Some policy changes have been effective, whereas others did not have the intended impact and were reversed shortly after. The government headed by President Samia Suluhu Hassan is leaning towards a more medium term outlook with a stronger emphasis on widening the tax base, improving voluntary compliance and addressing tax evasion, as highlighted in the budget speech of June 2021. These priorities reflect the Government's commitment to a more conducive investment climate.

The latest Finance Bill for 2021/22 intended to promote economic recovery and balanced the need to improve the business environment and increase domestic revenues. Measures include a 1% reduction of income tax for the lowest band, introduction of a lower income tax rate of 3% for small-scale miners, a levy on mobile money transactions and sim cards, exemption for income tax on interest derived from government bonds and increased duty rates on various imported products to protect local industries.

Tanzania is implementing reforms to modernise the tax administration with the goal of increasing voluntary compliance. For example, Tanzania Revenue Authority (TRA) increased scanning capacity and launched a centralised scanner system to increase efficiency at the ports. TRA also launched an electronic filing system, and in the near future, it plans to implement an integrated revenue administration system. TRA is enhancing its infrastructure to accommodate the shift to a digital tax authority. The reform progress has been positive but slow, mostly due to competing priorities and weaknesses in planning, budgeting and procurement. The new leadership at TRA is more reform-oriented and has started to implement changes to move away from harmful collection practices used in the past.

The Government has shown a continued commitment to PFM and Domestic Revenue Mobilisation (DRM) reforms under President Samia Suluhu Hassan. The Government is currently undergoing a new PEFA assessment. The report will be publicly available Quarter 2 of 2022 and will inform the PFM reform priorities of the GoT beyond June 2022. GoT also announced a review of its domestic revenue system. The review will also assess opportunities to improve the budget process to allow for more inclusive and productive consultations between government, private sector and civil society on proposed tax policy changes. The Government is expected to maintain its current open and cooperative attitude towards the private sector and CSOs in the review process. Both processes confirm the GoT's openness and commitment to evidence-based PFM and DRM reforms.

In conclusion, the public finance management reform strategy is sufficiently relevant and credible, including on domestic revenue mobilisation, and the eligibility criterion is met.

2.3.5 Transparency and Oversight of the Budget

Tanzania has a well-structured budget process with a sound legal base. The GoT follows the provisions of the Budget Act 2015 in a satisfactory manner, and meets the entry requirement for this eligibility criteria. The budget preparation process scored an A in the latest 2017 PEFA. Since 2019, the GoT has consistently published budget guidelines, which provide the fiscal framework and high level budget ceilings to inform budget preparation. The executive, up to cabinet level, scrutinises the budget before submission to parliament. Compared to other countries in the region, Tanzania tends to submit the proposal relatively late leaving less time for parliamentary scrutiny.

After presenting the executive's budget proposal, parliamentary sessions take place between April and June before the start of the fiscal year on 1st July. The GoT has started publishing volumes II-IV of the Executive's Budget Proposal online since FY 2021/22, but not volume I²¹ and only after enactment of the budget which does not meet the OBS and PEFA criteria. Upon parliamentary approval, the GoT publishes the Enacted Budget and a Citizen version on the website of the Ministry of Finance and Planning. In recent years, all budget volumes were made available within weeks from its enactment, which is an improvement as timely online publication used to be a challenge. This latest Enacted Budget for FY 2021/22 was published timely. Citizen budgets, however, have been published too late into the year for them to be an effective tool to inform and engage the public.

During implementation, the Budget Act prescribes the need to publish in-year reports, or Budget Execution Reports (BER), within 30 days after the end of every quarter. In reality, the reports are published much later and often difficult to locate on the website. This does not meet PEFA and Open Budget Survey (OBS) criteria for in-year

²¹ The budget books have 4 volumes. Volume I covers the financial statements and revenue estimates, Volume II and II covers public expenditure estimates (recurrent) and Volume IV Public expenditure estimates for the development budget.

reporting. While internal information systems have made the production of these reports more efficient, lengthy internal approval processes stand in the way of timely publication.

The BER for Q2 serves as a mid-year report. Its comprehensiveness can be improved by reporting on budget reallocations. The most recent in-year reports for FY2020/21 are all available online. Financial Statements are published after release of the general audit reports, which are published annually in April. The Financial statements from 2017 up to 2020 are all available online.

Budget comprehensiveness has improved, as the budget currently shows both the actual budget and fiscal forecasts for outer years. Data necessary to improve the comprehensiveness of the information presented in the Budget documentation is readily available. For example, the Integrated Financial Management System (IFMIS) produces regular reports based on the revised budget allocations for different Votes. Also, expenditure can be compared against the budget in IFMIS throughout the year.

Tanzania's OBS score increased to 17 in 2019 from 10 in 2017, suggesting a modest positive trend. At the same time, budget Transparency remains low, with according to OBS scant availability of information. Tanzania loses most points by not making the Executive's Budget Proposal available online before enactment every year in June. Tanzania's mid-year report is not considered sufficient as an update on budget execution, and in-year budget execution reports have been published with a delay. The Tanzania Budget Act 2015 instructs GoT to publish the audited financial statements. Since the audit is released every year in April, GoT does not meet the OBS deadline of publication within 4 months after the end of the FY.

The OBS 2019 reports that the legislature and the audit office provided weak oversight during the budgeting process. Tanzania scored 31 out of 100 on legislative oversight. While oversight is regarded as weak, both National Audit office and Legislature are continuously strengthening their respective institutions. With regards to parliamentary oversight, the parliamentary budget office continues to provide support to the parliament. An information centre has been set up to assist parliamentarians to access information related to budget and a guide has been prepared to assist the National Assembly in scrutinising the national budget. On the contrary, legislative scrutiny of the budget scored a B+ in the latest PEFA and external audit a C+, mostly because the Supreme Audit Institution does not meet PEFA's independence requirements.

All in all, Tanzania meets the entry requirements and slow, incremental progress is visible. Renewed openness of the Government offers an opportunity for Tanzania to harvest low hanging fruits and improve their performance in the OBS and PEFA assessments. In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to contribute to a climate resilient Blue Economy on the Tanzanian coastal cities and ecosystems, Zanzibar and the Indian Ocean (Exclusive Economic Zone).

The Specific Objectives (Outcomes) of this action are to promote:

1. Environmental protection, a climate-resilient sustainable management of coastal ecosystems and prevention of disaster displacement
2. Sustainable and job-intensive businesses in blue economy, including productive uses of the marine and coastal ecosystems
3. Transformative governance and policy reforms.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (SO) are:

SO 1 – Environmental protection and climate resilience

- 1.1 A coastal resource baseline inventory for the Blue Economy strategy framework is created and regularly updated in priority areas
- 1.2 Climate change adaptation and mitigation plans are implemented, including the promotion of nature based solutions
- 1.3 Terrestrial, marine and coastal conservation areas have increased and are sustainably managed
- 1.4 Integrated coastal zone management is developed and/or applied

SO 2 - Sustainable and job-intensive businesses in Blue Economy, including productive uses of the marine and coastal ecosystems

- 2.1 Value addition and sustainable/innovative practices in fisheries/mariculture, marine and coastal value-chains, including a contribution to food security and improved nutrition, have increased
- 2.2 Availability of quality and accessible financial products and capital investments in key sustainable economic sectors has been increased, including for women entrepreneurs
- 2.3 Tourism is more sustainable, inclusive and diversified

SO 3 – Transformative Governance (Budget support)

Induced outputs

- 3.1 The Blue Economy enabling framework is improved
- 3.2 Improved Monitoring, Reporting and Verification system for climate change reporting
- 3.3 Improved business environment and inclusive public-private dialogue and dialogue with CSOs

Direct outputs

- 3.5 Better coordination of the Blue Economy task force (Complementary support)
- 3.6 Improved policy dialogue with donors community
- 3.7 External assistance is channelled through the national budget
- 3.8 Improved policy performance assessment and monitoring

3.2 Indicative Activities

SO 1 – Environmental protection and climate resilience

Outputs 1.1-1.3:

- Natural or infrastructure based solutions, taking into account disaster displacement and prevention, are applied for climate and disaster resilience
- The National Carbon Monitoring Center is fully operational and has become a center of reference for climate change monitoring
- Coastal forest, mangrove, marine parks and reserves, and marine conservation areas are better protected and managed
- A coastal resources inventory is implemented and a key fish stock assessment is carried out
- Digital technologies are used: improved quality and delivery of meteorological services, marine spatial planning applied to key areas, data management information system established for coastal resources management/ICZM
- Law enforcement, surveillance, and control in coastal and marine areas is more effective

Team Europe Initiative contribution: activities will be co-financed by complementary programmes or indirect management with Germany and Ireland in the North of the country (Marine Park Tanga-Pangani), France in Zanzibar and southern Coastal area, Finland in the most southern part of the country (Mtwara) and Sweden.

SO 2 – Sustainable businesses

Outputs 2.1-2.3:

- Support skills development and public-private partnerships for better match between jobs supply and demand, enabling coastal entrepreneurs to access sustainable and competitive technologies and knowledge, in particular for women and youth.
- Set up of innovative business incubators/accelerators, tailored finance facilities for direct and indirect investments in coastal businesses, with a focus on women and youth.
- Support to fishery sector, through better monitoring, control and regulation of fishing activities, including for curbing illegal, unreported and unregulated fishing, including through the use of Video Monitoring System.
- Support to sustainable fisheries and aquaculture value chains to contribute to food security, nutrition and livelihoods.
- Promotion of innovative mariculture activities and improvement of existing ones.
- Support to coastal tourism industry for a greener and more resilient business model.
- Support to Community-led stewardship of coastal and marine ecosystems in tourism clusters.
- Launch of new products, destinations and natural and cultural heritage sites attractions on the coast, including in relation to the concept of Swahili coast.

Team Europe Initiative contribution: activities will be facilitated and co-financed through blending operations with EU Development Financial Institutions, EU Member States and the EIB.

SO 3 – Transformative Governance

Budget support and technical assistance will support **policy dialogue with the Ministry of Finance as chair of the Blue economy Task force, Vice President's Office for Environment, Ministry of Livestock and Fisheries and Ministry for Natural Resources and Tourism**. Zanzibar being not eligible for Budget support, policy dialogue will be facilitated with the Ministry of Blue Economy and with the President Office finance and planning through technical assistance and through project activities. The dialogue will aim at supporting necessary reforms, sufficient resources allocation and planning.

Output 3.1-3.3:

- Functional review of the legal and policy framework that exists for the wide range of key stakeholders involved in implementing various aspects of the Blue Economy Strategy. Development of a harmonised governance structure/framework that will improve coordination among and rationalise mandates of key agencies for the effective implementation of the Tanzania Blue Economy Strategy.
- Monitoring, Reporting and Verification system for climate change and identification of institutional challenges and constraints that affect or impede effective inter-agency coordination
- Cost-benefit and risk assessment of the priority projects which will include an assessment of possible risks associated with climate change that could affect the timely implementation of the intervention
- Broad-based consultative process with the private sector and civil society to identify Blue Economy financing needs and investment opportunities

The commitment of the EU's contribution to the Team Europe Initiative foreseen under this action plan will be complemented by other contributions from EU Member States and Team Europe partners. It is subject to the formal confirmation of each respective partners' contribution. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

The Action aligns with Tanzania's priorities in terms of climate change and conservation of biodiversity commitments. Climate change adaptation and mitigation measures stipulated in the Action resonate with the National Climate Change Response Strategy (2021), Nationally Determined Contributions (2021) and National Environmental Policy (2021). In terms of conservation of biodiversity through sustainable coastal forest management, the Action aligns with several policy instruments such Forest Policy (1998), Forest Policy Implementation Strategy (2021), National REDD+ Strategy (2013), National Beekeeping Implementation Strategy (2021), National Tree Planting Strategy (2016), National Forest Landscape Restoration Strategy (2020), and Forest Resources Management and Conservation Strategy (2018).

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that key environmental and climate-related aspects need be addressed during design.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that specific activities will be implemented not only to mainstream gender equality throughout the programme but also to carry out gender based analysis to understand potential patterns of inequalities in relevant economic sectors or value chains and to address them. Gender Equality is one of the main priorities set by top leadership in Tanzania, the President Samia Suluhu Hassan, as well as the President of Zanzibar Hussein Ali Mwinyi. In particular, the latter is a champion of the "HeForShe" campaign and has made the fight against Gender Based Violence an action priority of his administration. This programme will build and support the Gender programme approved under the AAP 2021 in fighting Gender bias and stereotypes in the sectors that are very sensitive for women and girls, among

others, tourism industry and rural areas, fisheries and climate change adaptation; in addition this the action will further contribute to the GAP II Clip for Tanzania.

Human Rights

Tanzania is a party to the most important international conventions on human rights and has a national legislation providing for the protection of human rights. Despite the letter of the law, in the last years, respect for human rights and fundamental freedoms faced some restrictions. The situation has improved after the accession to power of the incumbent President who has given positive signals, still to be confirmed by concrete actions, on freedom of expression and to respect for human rights. As for the way this action will contribute to consolidating human rights see also the paragraph below on Democracy. Special attention will be also paid to the Decent work agenda in particular the rights at work such as protection from discrimination, forced labour and child labour, and freedom of association. As competing interests over ocean spaces will continue to grow in the coming years, special emphasis will be given to strengthen participatory ocean governance that embraces human rights and gender equality. The action will thus contribute to implement the Human Rights and Democracy Country Strategy for Tanzania, in particular priorities linked to Gender Equality and women’s rights, Freedom of expression and association.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that there will be no specific activities in relation to disabilities however an inclusive approach is promoted through the human rights-based approach.

Democracy

The Constitution of Tanzania affirms the principle of democracy and all the institutions of a democratic system are in place. The challenges faced by the country in the last years, which contributed to criticism of different international partners, appeared more evident during the 2020 elections, highlighting the absence of a rigorous separation of powers providing for the independence of certain bodies like the judiciary and key agencies such as the electoral commissions. Accordingly, the Head of State has very extended powers and the good functioning of the democratic system relies on his/her policy decisions. In this context, inclusion and consultation of the citizens in the policy decisions is all the more important. This action will contribute to consolidate the CBOs system that allows communities to have a voice in the management of their direct environment and in the management and use of land and tenure and user rights in fisheries and aquaculture. It will also strengthen the position of the local administrations providing them with more tools to exercise their role.

Conflict sensitivity, peace and resilience

The population of the Coastal Area of Tanzania and in the Islands is among the poorest in the country. This situation can lead to social and political tensions due to a perceived neglect from central government regarding social and economical policies. The programme, in complement with other EU funded programmes in this area, could contribute to improving the perception in the beneficiary populations by contributing to important aspects of their well being (Environment, economic opportunities) and by working with local communities for their improved involvement in decision making. The southern region of Mtwara which is bordering the conflict affected Cabo Delgado region in Mozambique, can be exposed to spillover effects and this should be taken into consideration. The Blue Economy programme will build on the lessons learnt from current EU supported projects building methodologies to foster dialogue, community resilience and conflict resolution.

Disaster Risk Reduction

The National Disaster Management Policy (2014) aims to strengthen capacity for coordination and cooperation among key stakeholders at all levels to address risks and emergent disasters. The coastal landscape is prone to the climate change-related hazards such as floods, drought, strong winds and tropical cyclones. The policy advocates and provides a roadmap for strengthening capacity for provision of weather-, climate- and water-related early warning, prevention and preparedness as part of Tanzania’s disaster risk reduction and climate change adaptation efforts. Further initiatives will address mitigation measure for disaster displacement and prevention.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures

1	Lack of political will to implement relevant institutional and policy reforms	Medium	Medium	Regular policy dialogue at national and local level, including technical support for implementation
1	Insufficient coordination among various Ministries, Department and Agencies responsible for Blue Economy sectors and across national/local level	High	Medium	Support to the coordination mechanisms in Zanzibar and Mainland (Blue Economy Ministry and the Blue Economy Task force). Support regular structured dialogue among various stakeholders at national and local levels
3	Conflicting interests and plans in the Coastal areas (dams, pipelines, Marine protected Areas, etc)	High	High	Support to coastal/marine spatial planning and participatory planning at national and local level
2	Limited capacities of Local Governments and Agencies and other institutions in charge of planning, budgeting and managing projects	High	Medium	Institutional capacity building to selected LGAs and agencies, research and technical support
1	Limited readiness of private sector to invest in a constantly changing environment	Medium	Medium	Support to improve business environment, public/private dialogue and incentives to green and inclusive businesses (infrastructures, taxes, access to finance)
3	Insufficient skills in targeted BE sectors	High	Medium	Include research, training, TVET and/or skills exchanges in all components
2	Risk of forced displacement or migration because of environmental degradation caused by climate change	Medium	Medium	Support to natural and infrastructure based solutions for climate change adaptation; support to alternative livelihoods for local communities; increased investments in job rich green businesses in the coastal area.
2	Potential spillover of the conflict in Cabo Delgado in the border region of Mtwara	High	High	Promotion of economic development for local communities and continuation of EU supported projects building methodologies to foster dialogue, community resilience and conflict resolution.

Lessons Learnt:

Although Blue Economy is a new topic of EU cooperation in Tanzania, previous programmes implemented in Tanzania show that an integrated approach combining different sectors and actors across the value chains have the potential to produce a much more sustainable impact on the medium-long term. This requires the combination of different implementation modalities and tools and a stronger effort on coordination mechanisms. Budget support provides an essential framework for dialogue, leadership and ownership at national level. Previous programmes also

show that in big countries like Tanzania, geographical focus for multisector actions and involvement of local authorities and other stakeholders, is key to achieve results and trigger local dynamics.

Over the past few years, the National Carbon Monitoring Center (NCMC) has been receiving direct technical support from the Joint Research Centre – JRC. This has included i) short-term technical training on image analysis at Ispra, ii) provision of sentinel satellite images, and iii) development of scripts for image analysis for developing Forest Reference Emission Level (FREL). Furthermore, EU supported through UNDP implementation the development of the GHG Inventory baseline and portal for Tanzania, which is now hosted by NCMC. Through this project the EU has positioned itself as a climate change adaptation champion, and the Blue Economy programme would ensure the follow up of activities already carried out to operationalise the established systems. The EU is also supporting in Tanzania the programme Local that is working at the local and subnational levels for adaptation to protect people, livelihoods and ecosystems. The programme channels funds through the National State budget to LGAs which are in a unique position to identify the climate change adaptation responses that best meet local needs, and typically are mandated to undertake the small- to medium-sized adaptation and infrastructure investments needed for building climate resilience – e.g. land use and agriculture , water management, irrigation and drainage, environmental and natural resources management, and disaster risk management. In this framework, UNCDF in cooperation with PORALG has supported 3 adaptation plans from the 3 LoCAL Districts in Dodoma. The mechanism is now in place with specific accounts created and dedicated to climate change and that can be extended to coastal areas districts within the blue economy programme. Tanzania has also benefited from the Global Climate Change Alliance Plus (GCCA+) a EU flagship global programme that plays a fundamental role in the implementation of the external dimension of the EU Green Deal. Several vulnerable rural communities spread in the North of the country and in Pemba benefited from support and were empowered to adapt and mitigate the impacts of climate change through diversification of livelihoods, sustainable management of local ecosystems and land, and the development of Climate Change adaptive eco-villages.

Finally, under the ECOFISH regional programme , the Deep Sea Fishing Authority is implementing a project for a better monitoring and control of fishing activities in Tanzania territorial waters (curbing IUU fishing within Exclusive Economic Zone and transboundary waters of Tanzania and SWIO region).

All these programmes that were implemented in recent year or are still active have proven efficient methodologies through various angles to empower the Tanzanian LGAs and local communities' capacities to adapt to the adverse effects of climate change through sustainable use of their natural resources. The Blue economy programme will benefit from these lessons learnt.

3.5 The Intervention Logic

The action intends to strengthen Tanzania's capacity to enforce environmental protection and climate and disaster resilience and, at the same time, bring direct and sustainable benefits to local communities from productive sectors, in the specific geographical area of the Indian Ocean and the coast. Unlocking the potential of the ocean and coastal economies while preserving the environment and biodiversity for climate change resilience will indeed help meet the Overall Objective of the Action, which is to contribute to a climate resilient Blue Economy on the Tanzanian coastal cities and ecosystems, Zanzibar and the Indian Ocean (Exclusive Economic Zone).

Environmental protection and climate-resilient sustainable management of coastal ecosystems (specific objective 1) relies on the implementation of climate change mitigation and adaptation plans but also, specifically to the geographical area, integrated coastal zone management and sustainable management of conservation areas (outputs 1.1 to 1.3). The preservation of these areas is essential to Tanzania's environment conservation but is also necessary to guarantee that the sustainable use of these ecosystems for economic purposes will not exhaust the natural resources.

Thus, "blue job"-intensive businesses, including productive uses of the marine and coastal ecosystems, can be sustained (specific objective 2). To this aim, the programme intends to add value, promote innovative and sustainable practices in marine and coastal value-chains (output 2.1) and, to increase access to finance, major bottleneck to business development, it will avail financial products and capital investments – notably to women – in the productive sectors of the Blue Economy (output 2.2), e.g. in fisheries/mariculture, forestry, offshores renewable energies and specifically eco-tourism (output 2.3).

To guarantee the synergy between these two goals in the long-term, a transformative governance (specific objective 3) will make use of the budget support modality to guarantee an improved enabling framework and Monitoring, Reporting and Verification system for climate change (outputs 3.1 and 3.2). Dialogue with CSOs and private sector, involved in marine and coastal management will contribute to more accountability and an improved business environment (outputs 3.3).

A multiplying effect will be achieved with several EU Member States co-financing some of these actions, where their support –whenever possible through blending operations – is the most relevant, either geographically (e.g. Germany on Zanzibar, Finland in Mtwara) or sector-wise (e.g. France on fisheries, EIB on access to finance). Given its focus on climate change adaptation, such an action also aims at limiting future climate-related forced displacement.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To create a climate resilient blue economy	1 Number of decent jobs supported/sustained by the EU (*/**) disaggregated by sex and age group 2 Human development index in coastal areas	1 0 (year 0) 2 t.b.d. ²²	1 TBD 2 TBD	1 PMO -Labour, Youth Employment 2 UNDP Human Dev Index	<i>Not applicable</i>
Outcome 1	1 Environmental protection, a climate-resilient sustainable management of coastal ecosystems and prevention of disaster displacement are promoted	1.1 Area of marine and coastal ecosystems inventorized/assessed 1.2. Net variation of intact and restored coastal ecosystems area	1.1 0 (year 0) 1.2 0% (year 0) 1.3 0% (year 0)	1.1 TBD ²³ 1.2 TBD 1.3 TBD	1.1 Inventories undertaken by Forestry Dept. (MNRT), Fisheries Division in collaboration with National Carbon Monitoring Centre (NCMC),	<ul style="list-style-type: none"> • The Blue Economy agenda remains a top development priority for the mainland and Zanzibar for the next 5 years; • External shocks from climate change or the COVID-19 pandemic do not create adverse budgetary strain that requires the GoT to divert funding and

²² TBD at the start of Program implementation

²³ TBD based on number and extension of priority areas supported by the EU Program. Data and information systems for monitoring, reporting and verification of the Blue Economy established by year 3; Baseline data on fisheries, coastal resources, and mangroves established by year 4;

		1.3 GHG Emission reduction from coastal ecosystems			1.2 Yearly accounting from National Carbon Monitoring Centre (NCCM) 1.3 Institute of Marine Science of University of Dar es Salaam	institutional focus away from the BE development agenda; <ul style="list-style-type: none"> Collecting/inventorizing/assessing the baseline data and setting up the monitoring systems starts at the very beginning of the Program (one of the first activities of the program)
Outcome 2	2 Support to sustainable businesses in blue economy, including the productive use of the marine and coastal ecosystems	2.1 Number of EU supported investments in those sectors (*/**) 2.2 Number of new/innovative products or production processes entering the market from coastal areas 2.3 Number of businesses operating in the Blue economy	2.1 0 (year 0) 2.2 0 (year 0) 2.3 - tbd	2.1 t.b.d. 2.2 t.b.d. 2.3 -tbd	2.1 Programme/Project M & E 2.2 Chamber of Commerce; Market surveys 2.3 Chamber of Commerce; Ministry of finance; Tanzania revenue administration	<ul style="list-style-type: none"> The Blue Economy agenda remains a top development priority for the mainland and Zanzibar for the next 5 years; External shocks from climate change or the COVID-19 pandemic do not create adverse budgetary strain that requires the GoT to divert funding and institutional focus away from the BE development agenda;
Outcome 3	3 Transformative Governance and policy and sector reforms are implemented	3.1 Number of reforms/policies adopted or updated related to the Blue Economy 3.2 Blue Economy Sector funding level	3.1 0 (year 0) 3.2 0 Tsh (year 0)	3.1 1 (year 1); 4 (year 4) 3.3 TBD	3.1 Presidents annual State of the National address to parliament 3.2 Annual Budgets presented to Parliament by the Minister of Finance	<ul style="list-style-type: none"> The BE agenda remains a top development priority for the mainland and Zanzibar for the next 5 years; <p>External shocks/hazards (including those related to climate change or the COVID-19 pandemic do not create adverse budgetary strain that requires the GoT to divert funding and institutional focus away from the BE development agenda;</p>
Output 1 relating to Outcome 1	1.1 A coastal resource baseline inventory for the BE strategy framework is created and regularly updated in priority areas	1.1.1 Number of baselines established on inventory and status of coastal and marine ecosystems	1.1.1 0 (year 0)	1.1.1 TBD	1.1.1 Data from inventories undertaken for each coastal ecosystem/coastal resource	<ul style="list-style-type: none"> Baseline inventories/assessments are undertaken for each priority area and started at the beginning of the Program (one of the first activities of the program). Monitoring systems are also set up at the beginning of Program implementation.

						6 baseline inventories/assessments undertaken per priority area supported by the EU Program (Fish stock assessment; Inventory and assessment of coral reefs ecosystems; Inventory and assessment of seagrass meadows; Inventory and assessment of coastal forest; Inventory and assessment of mangrove forest; assessments on the status of marine pollution)
Output 2 relating to Outcome 1	1.2 Climate change adaptation and mitigation plans are developed and/or implemented, including promotion of nature-based solutions	1.2.1 Number of cities/districts with climate change adaptation and mitigation strategies developed and under implementation with EU support (*/**) 1.2.2 Population impacted by climate resilient interventions undertaken, disaggregated by sex and age group	1.2.1 TBD (year 0) 1.2.2 0 (year 0)	1.2.1 TBD 1.2.2 TBD	1.2.1 District Councils, Ministry of Lands, Housing and Human Settlements, Development Research and Academia, CSOs, Private Sector and DPs, National Carbon Monitoring Centre (NCCM)1.2.2 Local Government Authorities, NGOs CSOs	
Output 3 relating to Outcome 1	1.3 Terrestrial, marine and coastal conservation areas have increased and are sustainably managed	1.3.1 Area of mangrove forest conserved/ restored (km2) 1.3.2 Increase in coastal forest area (%) under community-based forest management (km2) 1.3.3 Marine areas under protection and sustainable management with EU support (km2) (*/**)	1.3.1 -tbd 1.3.2 - tbd 1.3.3 - 0	1.3.1 - tbd 1.3.2 - tbd 1.3.3 – 25% increase by 2027	Ministry responsible for Natural Resources, TFS, Land, Environment, and Local Governments; NCCM, Land Use Planning Commission, CSOs and Private Sector	

Output 4 relating to Outcome 1	1.4 Integrated coastal zone management is developed and applied	1.4.1 Population impacted by climate resilient coastal management interventions 1.4.2 Number of coastal communities consulted on Marine spatial plans	1.4.1 - tbd 1.4.2 -tbd	1.4.1 - tbd 1.4.2 - tbd	1.4.1 – Min, Livestock & Fisheries, Extension and training, Program documents/reports (M&E surveys) 1.4.2 – districts, BMUs	
Output 1 relating to Outcome 2	2.1 Value addition and sustainable/innovative practices in fisheries/mariculture, marine and coastal value-chains, including a contribution to food security and improved nutrition, have increased	2.1.1 Number of people in the fishing sector trained/supported in post-harvest management, disaggregated by sex and age group 2.1.2 Number of persons/community members trained/supported to adopt new sustainable practices related to aquaculture, mariculture and fishing 2.1.3 Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and /or security of land (*/**)	2.1.1- tbd 2.1.2 - tbd	2.1.1 - tbd 2.1.2 – tbd 2.1.3 tbd	2.1.1 - Min, Livestock & Fisheries, Extension and training, Program documents/reports (M&E surveys) 2.1.2 - Community Development Officers at district level, Program documents/reports (M&E surveys) 2.1.3 programme and project M&E	
Output 2 relating to Outcome 2	2.2 Availability of quality and accessible business services, financial products, and capital investments in key sustainable economic sectors has been increased, including for women entrepreneurs	2.2.1 Number of SMEs in the Blue economy accessing business services and /or finance with EU support, disaggregated by sex and age group 2.2.2 Number of people trained in sustainable blue economy businesses / jobs	2.2.1 – 0 (year 0) 2.2.2 – 0 (year 0)	2.2.1 - tbd 2.2.2 - tbd	2.2.1 Min. Community Dev., Gender & Special Groups; Accredited Banks; Program Documents/Reports (M&E surveys) 2.2.2 Min. VET; Min. Community	Projects reports Projects reports

		(disaggregated by sex and age group)			Dev., Gender & Special Groups, Program Documents/Reports (M&E surveys)	
Output 3 relating to Outcome 2	2.3 Tourism is more sustainable, inclusive and diversified	<p>2.3.1 Number of interventions and sector reforms implemented at national or local levels, to facilitate investments including for greener business models, and/or Decent work</p> <p>2.3.2 Number of MSMEs using renewable energy sources, sustainable consumption and production practices with EU support, including renewable energy sources (*/**)</p> <p>2.3.3 Number of people benefitting from technical and vocational education and training (TVET) on sustainable tourism practices and Blue Economy (disaggregated by sex and age group)</p>	<p>2.3.1 0 (year 0)</p> <p>2.3.2 0 (year 0)</p> <p>2.3.3 0 (year 0)</p>	<p>2.3.1 t.b.d.</p> <p>2.3.2 t.b.d.</p> <p>2.3.3 t.b.d.</p>	<p>2.3.1 Presidents annual State of the National address to parliament</p> <p>2.3.2 Chamber of Commerce, District Councils, Program Documents/reports (M&E surveys)</p> <p>2.3.3 Ministry of Education, VETA, District Councils, BMUs, Program Documents/reports (M&E surveys), Research Centers</p>	
Output 1 relating to Outcome 3	3.1 The Blue Economy enabling framework is improved	<p>3.1.1 Status of the coordinating authority for the Blue Economy</p> <p>3.1.2 Number of Blue economy policy instruments adopted/implemented (*/**)</p> <p>3.1.3 Number of BMUs members supported in</p>	<p>3.1.1 – 0 (year 0)</p> <p>3.1.2 0 (year 0)</p> <p>3.1.3 0 (year 0)</p>	<p>3.1.1 – Authority established</p> <p>3.1.2 t.b.d.</p> <p>3.1.3 t.b.d.</p>	<p>3.1.1 – Ministry of Finance and Planning</p> <p>3.1.2 Program documents (M&E surveys)</p> <p>3.1.3 Program documents (M&E surveys)</p>	

		developing Blue Economy activities				
Output 2 relating to Outcome 3	3.2 Improved MRV system for climate change reporting	3.2.1 Number of sectors (out of seven) that have developed protocols and mechanisms for yearly data collection on GHG emissions 3.2.2 Number of sectors (out of seven) that collect and process yearly data specific to their respective sectors, and produce the corresponding GHG emissions associated with the sectors' activities	3.2.1 1 ²⁴ (year 0) 3.2.2 1 (year 0)	3.2.1 7 (final year) 3.2.2 7 (final year)	3.2.1 VPO, NCMC, relevant sectoral Ministries 3.2.2 VPO, NCMC, relevant sectoral Ministries	
Output 3 relating to Outcome 3	3.3 Improved business environment and inclusive public-private dialogue and dialogue with CSOs	3.3.1 Number of sectors development/reform plans or initiatives developed or implemented, with stakeholder consultations 3.3.2 Number of professional/sectoral associations/CSOs created and/or strengthened 3.3.3 Number of infrastructures supported to facilitate/improve business development	3.3.1 t.b.d. ²⁵ 3.3.2 0 (year 0) 3.3.3 0 (year 0)	3.3.1 t.b.d. 3.3.2 t.b.d. 3.3.3 t.b.d.	3.3.1 relevant sectoral Ministries, District Councils, Regional Administrations (PO RALG) 3.3.2 District councils, 3.3.3 Program documents (M&E surveys)	
Sectoral Budget Support – related to Outcome 1, 2 and 3	1 BE Strategies/policies/plans adopted and/or updated in consultation with stakeholders	1.1 Number of Strategies reforms/plans adopted or updated in BE sector 2.1 Number of dialogue platforms/meetings held at national and local level	1.1 0 2.1 0	1.1 tbd 2.1 tbd	Disbursement dossiers Policy dialogue minutes	Regular dialogue with the Government No major natural or political crisis occurs

²⁴ LULUCF sector (one sector out of 7)

²⁵ Information to be collected at the start of the Program

	2 Mechanisms/structures for implementation and monitoring are operational	2.2 Level of disbursement for BE sectors development	2.2 tbd	2.2 tbd	Project progress reports	
	3 Activities to promote BE businesses and jobs, while protecting environment, are implemented at local level	2.3 Number of sectors publishing GHG reports	2.3 0	2.3 tbd		
		2.4 Early Warning system for extreme weather in place (or 3.3?)	2.4 0	2.4 tbd		
		3.1 Number of taxes/licences restructured for a more conducive investment ecosystem	3.1 tbd	3.1 tbd		
		3.2 Number of km2 of Coastal/Marine rehabilitated/protected	3.2 0	3.2 tbd		
		3.3 Number of infrastructures to support sustainable businesses	3.3 0	3.3 tbd		
		3.3 Number of people benefitting from TVET and trainings on sustainable BE	3.4 0	3.4 tbd		

Budget support Indicators will be defined further following meetings to be held with our Tanzanian partner.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 120 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

4.3.1 Rationale for the Amounts Allocated to Budget Support

The amount allocated for the budget support component is EUR 32 000 000, and for complementary support is EUR 160 600 000 of which the EU contribution is maximum EUR 78 000 000. This amount is based on lessons learned from previous and ongoing budget support operations and on the Government's financing needs to implement policy priorities.

In this action, budget support is complementary to other implementation modalities and adds value by allowing for a high-level results oriented policy dialogue between the EU, Ministry of Finance and Planning, Vice president Office division of environment, the Ministry of Natural resources and Tourism, and the Ministry of Fisheries and livestock. Thus, bringing different stakeholders together to discuss and advance ongoing policy development and reform in order to adopt a Blue Economy strategy. It also incentivizes continued improvements in budget transparency and continued macro-economic stability.

Positive developments in the country make the use of budget support relevant and timely. The political engagement with Tanzania's national authorities has improved considerably. Moreover, budget support is the government's preferred implementation modality. During the six years of general budget support preceding the ongoing programmes, the Government had an absorption capacity of 96% out of 300 million euros. The absorption capacity for the recently concluded economic and fiscal governance programme is 88% out of 200 million euro. Informed by this change in track-record, this action opts for a different approach: a smaller, focussed sector reform and performance contract, where budget support blends with other modalities and is highly complementary to drive a specific set of reforms that require cooperation of different government actors.

The following disbursement calendar and profile proposed for the action is indicative. The actual disbursement calendar and profile will be set out in the financing agreement and may remain subject to change.

- Year 1 disbursement in 2022/23 fixed tranche after signing FA
- Year 2 disbursement in 2023/24 (n) based on eligibility assessment of 2022/23 (n-1)
- Year 3 disbursement in 2024/25 (n) based on eligibility assessment of 2023/24 (n-1)
- Year 4 disbursement in 2025/26 (n) based on eligibility assessment of 2024/25 (n-1)

4.3.2 Criteria for Disbursement of Budget Support

a) Conditions.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the Blue Economy strategy and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.

- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

b) The performance indicators for disbursement to be used for variable tranches may focus on the following policy priorities: Concerning the main policy framework, the indicators will focus on the main dimensions of the Blue Economy policy, in particular a strategic approach to donor and private sector engagement, the set up of a cost benefit system, and the set up of an harmonised governance structure. As for the National integrated coastal and marine environment management, indicators will cover the establishment of baseline for coastal resources, the development of coastal risks management tools, and the extension of marine protected areas. Concerning the tourism sector, the criteria will look at the milestones of the implementation of the Comprehensive COVID 19 Recovery and Sustainability Plan for Tourism Sector in Tanzania 2020/21-2025/26 and the budget allocations for the sector. Finally concerning the climate change policy, the indicators will focus on the National Carbon Monitoring Center development, the support to GHG inventory processes, and the functional coordination mechanisms of the Nationally Determined Contributions.

c) Modifications

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

4.3.3 Budget Support Details

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Tanzanian Shillings will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

The action includes both fixed and variable tranches over 4 years. The fixed component covers the first year and variable component starts in the second year and covers the last 3 years. The overall amount of variable tranches is 75% of the total. The incentive to deliver on the sector policy targets, through the variable tranches, starts from year 2. The total amount available each year is the same.

	Year 1 (2022/23)	Year 2 (2023/24)	Year 3 (2024/25)	Year 4 (2025/26)
Fixed tranche	8			
Variable tranche		8	8	8

The preliminary disbursement schedule is as follows:

- Year 1 disbursement in 2022/23 fixed tranche after signing FA
- Year 2 disbursement in 2023/24 (n) based on eligibility assessment of 2022/23 (n-1)
- Year 3 disbursement in 2024/25 (n) based on eligibility assessment of 2023/24 (n-1)
- Year 4 disbursement in 2025/26 (n) based on eligibility assessment of 2024/25 (n-1)

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²⁶.

4.4.1 Direct Management (Grants)

Grants: (direct management)

a) Purpose of the grants

Grants will contribute to achievement of outputs 1.1, 2.1 and 2.3. This implementation arrangement is proposed due to particularly innovative approaches and therefore the need to seek expertise outside the usual institutions.

b) Type of applicants targeted

Potential applicants for funding include local authorities, public bodies, international (inter-governmental) organisations, Non-Governmental Organisations (NGOs), Civil society organisations (CSOs), research institutes, Academia, and economic operators such as SMEs.

4.4.2 Direct Management (Procurement)

Procurement will contribute to achievement of parts of the three specific objectives of the action. An operational procurement will be launched for implementation of the following activities:

- Complementary support to budget support operation (includes Technical Assistance)
- Institutional and capacity building of implementing agencies and local government.
- Capacity building to private sector associations or private actors for green investments.

4.4.3 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Extensive experience working in the region in the areas under the specific objectives in reference
- Complementarity of on-going similar activities in Tanzania or in the region
- Operational capacity

The implementation by this entity entails Output 1.1 on science-based climate change adaptation and mitigation plans are implemented, including promotion of nature based solutions; output 1.2 on terrestrial, marine and coastal conservation areas have increased and are sustainably managed; and output 1.3 on integrated coastal zone management. It may also entail output 2.1 on value addition and sustainable/innovative practices in Agriculture, Forestry and Fishery/mariculture value-chains have increased; output 2.2 on the availability of quality and accessible financial products and capital investments in key sustainable economic sectors has been increased; and output 2.3 on sustainable, inclusive and diversified tourism.

4.4.4 Indirect management with pillar assessed entities

This contribution may be implemented under indirect management with the entities, called Lead Finance Institutions, identified in the appendix to this Action Document.

The pipeline proposed under this mode of implementation has been identified during field visits with Member states and Lead Financial Institutions. During such field visits, public private dialogues have taken place to define the proposed pipeline and key areas of investment. Additionally funds for feasibility studies, design, other studies or impact assessments will be allocated to finalise the list that will be financed through this modality.

²⁶ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4.5 EFSD+ operations covered by budgetary guarantees

A part of this action may be implemented through budgetary guarantees under indirect management. The budgetary guarantees would fall within the following priority areas:

- Priority Area 1 – Green Deals (sector 430),
- Priority Area 2 – Human Capital and Employment (sectors 110,160 and 321)

This section is included for information purposes only. A comprehensive action plan covering all EFSD+ budgetary guarantees and the financing decision for the entire annual commitment under the EFSD+ budget line are adopted separately.

4.4.6 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case the preferred modality in 4.4.3 cannot be implemented due to circumstances outside of the Commission’s control, the action will be implemented in direct management through a grant (awarded following a call for proposal).

Grants (direct management)

a) Purpose of the grant(s)

The purpose of the grant is to implement part of the action if the preferred implementation modality in 4.4.3 cannot be performed (all specific objectives).

b) Type of applicants targeted

Potential applicants for funding include local authorities, public bodies, international (inter-governmental) organisations, Non-Governmental Organisations (NGOs), Civil society organisations (CSOs), research institutes, Academia, and economic operators such as SMEs.

4.4.7 Other actions or expenditure

Part of this action may be implemented through a Service Level Agreement with a Commission Department such as the JRC, in order to mobilise its expertise in the achievement of Specific objective 1 on Environmental protection and climate resilience and specific objective 2 on the promotion of sustainable businesses in blue economy, including the productive use of the marine and coastal ecosystem.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
<u>Budget support - cf. section 4.3</u>	32 000 000
Implementation modalities – cf. section 4.4	
<u>Specific objective 1</u> – Environmental protection and climate resilience composed of:	28 600 000
Indirect management with a pillar-assessed entity - cf. section 4.4.3	17 000 000
Indirect management with Lead Finance Institutions (via the AIP) – cf. section 4.4.4	7 000 000

Grants (direct management) - cf section 4.4.1	4 000 000
Implementation through Service Level Agreement with JRC - cf. section 4.4.7	600 000
Specific objective 2 – Sustainable businesses and productive use of natural resources composed of:	38 000 000
Indirect management with a pillar-assessed entity - cf. section 4.4.3	6 000 000
Grants (direct management) - cf section 4.4.1	4 000 000
Indirect management with Lead Finance Institutions (via the AIP) – cf. section 4.4.4	28 000 000
Specific objective 3 – Transformative Governance composed of:	
Procurement (direct management) – cf. section 4.4.2	4 000 000
Evaluation – cf. section 5.2	400 000
Audit – cf. section 5.3	
Contingencies	7 000 000
Totals	110 000 000
<i>Grants – total envelope under section 4.4.1 – EUR 8 000 000</i>	
<i>Procurement – total envelope under section 4.4.2 – EUR 4 000 000</i>	

4.7 Organisational Set-up and Responsibilities

<p>The implementation of the action involves the following stakeholders /organisational set up:</p> <ul style="list-style-type: none"> - The Ministry of Finance and Planning (MoFP), - The President’s Office for Environment - The Ministry of Natural Resources and Tourism - The Ministry of livestock and Fisheries - The Local Government Authorities (LGAs) in the coastal area, - The Commissioner for Land Planning and Use - The Zanzibar Ministry of Blue Economy - The Zanzibar Ministry for Tourism - The Zanzibar President Office for Planning and Finance - The Delegation of the European Union. <p>A Steering Committee (SC) will be established with meetings every six months. Biannual performance reports will be submitted at 6-month intervals with a clear focus on achievement of the results. The SC will include the main stakeholders for both Mainland and Zanzibar mentioned above.</p> <p>Separately or as part of the same mechanism, a structured Budget Support dialogue gathering the main interlocutors (at least President’s Office for Environment, Ministry of Natural Resources and Tourism, Ministry of Livestock and Fisheries, MOFP and EU Delegation) will take place 2 to 4 times a year preferably in the framework of the Blue economy Task Force. Reporting will be coordinated by MOFP. The macro-economic, PFM and Transparency and oversight eligibility criteria for budget support will be monitored for all budget support operations at once during a separate annual meeting with the MOFP. Tanzania-EU sector dialogue will fall under the Development Cooperation Framework.</p> <p>Coordination and harmonization of different components and contracts of the Action will be supported by the technical assistance recruited by the programme to facilitate dialogue across institutions, private sector and civil society. Technical assistance will adopt a result-based management approach through all components and results, building capacities and mechanisms across players. It will specifically support functions of coordination, internal coherence across results and contracts, building up a programme level M&E system, building capacities across institutions and stakeholders for management by results.</p>

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

4.8 Pre-conditions

N/A

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). In this regard a study will be launched at the beginning of the programme through a Technical Assistance Facility with external consultants, to collect preliminary data, and establish a baseline and targets for the Logical framework Matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The programme M&E Framework will develop detailed SMART indicators and yearly targets which provide the benchmark for monitoring progress. The program has been designed to collect data from sources within line ministries in order to prevent duplication of systems and overlap. The program has documented a detailed data sources and type of data required for each activity or program component. The design of the program provides for quarterly and annual monitoring of specific indicators, which will form the basis for the policy dialogue. The actors responsible for monitoring include VPO environment, Ministry of Fisheries and Livestock, Ministry for Natural Resources and Tourism and Non-State Actors. PFM-RP has extensive bi-annual progress reports.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action with variable tranche indicators focussed on areas where timely quality information is available as part of the official government budgetary documents, complemented with lines ministries, Members of the Blue Economy Task Force, reports where necessary. Eligibility monitoring will be based on programme M&E framework, PFM-RP progress reports, and policy dialogue with MoFP, Blue economy task force members and other stakeholders, at least twice a year.

5.2 Evaluation

Having regard to the importance of the action, a mid-term, final and ex-post evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission. All evaluations will be carried out under a gender and Human Rights sensitive approach in line with the Gap III guidelines.

The mid-term evaluation will be carried out to assess the progress and the achievements of key milestones in particular with respect to the implementation of the budget support (specific objective 3), preparation of a pipeline ready to be co-financed by the EFSD+ instrument. The evaluation of this programme will preferably be carried out jointly with Member States and EDFIs participating to this programme.

The Commission shall inform the implementing partner at least one month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the

evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as an intervention on Blue economy for job creation and climate change adaptation ;

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action <ul style="list-style-type: none"> • Budget support – cf section 4.4 – EUR 32 000 000 • Support entity: Technical assistance – EUR 4 000 000 • Support entity: Evaluation and audit – EUR 400 000
Group of actions level		
<input type="checkbox"/>	Group of actions	
Contract level		
<input type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>	Single Contract 2	
	(...)	
<input checked="" type="checkbox"/>	Group of contracts 1	Groups of contracts – 2 groups of contracts for the different specific objectives 1 and 2 <ul style="list-style-type: none"> • Specific objective 1: Indirect management with millar assessed entity, Indirect management with lead Finance Institution (via the AIP), grants in direct management, and service level agreement? • Specific objective 2: Indirect management with pillar assessed entity, Indirect management with lead Finance Institution (via the AIP), grants in direct management.

Appendix 2

INDICATIVE LIST OF LEAD FINANCE INSTITUTIONS TO WORK WITH IN INDIRECT MANAGEMENT VIA CONTRIBUTION TO THE NDICI REGIONAL INVESTMENT FACILITY

Specific objective	Lead Finance Institution	Area
Blending and guarantees EFSD+ projects		
Specific objectives: 1 - SO 1 – Environmental protection and climate resilience 2 - Sustainable and job-intensive businesses in Blue Economy, including productive uses of the marine and coastal ecosystems	<ul style="list-style-type: none"> - European Investment Bank (EIB) - Kreditanstalt für Wiederaufbau (KfW) - Agence française de Développement (AFD) - Proparco - AECID - CDP - AfBD - BIO - FindFund 	Public / private infrastructure Access to finance