

**THE UNITED REPUBLIC OF TANZANIA
MULTIANNUAL INDICATIVE PROGRAMME
2021-2027**

LIST OF ACRONYMS

CSO:	Civil society organisations
DAC:	Development Assistance Committee of the Organisation for Economic Co-operation and Development
EDFI:	European Development Finance Institutions
EFSD:	European Fund for Sustainable Development
EIP:	External Investment Plan
EU:	European Union
FAO:	Food and Agriculture Organisation
FYDP:	Five Years Development Plan
GDP:	Gross Domestic Product
ICT:	Information and Communication Technology
IUU:	Illegal, Unreported and Unregulated fishing
LA:	Local Authorities
LGA:	Local Government Administration
MIP:	Multiannual Indicative Programme
MSME:	Micro, Small and Medium Enterprises
NDC:	Nationally Determined Contributions
NDICI-GE:	Neighbourhood Development and International Cooperation Instrument-Global Europe
SDG:	Sustainable Development Goals
SME:	Small and medium enterprises
TEI:	Team Europe initiative
TVET:	Technical and Vocational Education and Training

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1. The overall lines of the EU international cooperation in Tanzania

1.1. Basis for programming

45 years of cooperation between Tanzania and EU, although not immune from alternating phases, have broadly confirmed the matching and common interests between the country's development objectives and the EU policy priorities. Such a partnership should be sustained by a regular and respectful political and policy dialogue aimed at consolidating trust, as well as the rollout of development cooperation involving Government and local authorities, civil society and private sector.

In spite of Tanzania having reached the middle-income status in 2020, and with a view to consolidating this achievement in a post-COVID-19 recovery context, a number of issues still need to be addressed. Thus, to reap the dividends of a steady demographic growth, delivery of effective and equitable basic services and the promise of a better future for women and youth – in particular the access to a decent job – are essential. Yet, this needs to factor in the increasing pressure on national resources, aggravated by global climate change, as well as the worldwide digital revolution that deeply disrupts traditional behaviours.

Tanzania and EU share a common interest in ensuring peace, security and – national and regional – stability but also environmental protection and reduction in CO₂ emissions in a context of global climate change, considering the now well-known risks of internationalisation of conflicts as well as migratory crisis. Investment and trade are also of mutual interest given the significant potential for foreign investment in Tanzania and the considerable capacity of the European market to absorb Tanzanian exports. The added-value of the EU has therefore to do with its green agenda, including European sustainable investments, its leadership role on climate resilience on the international scene and the natural trade partner it should be for Tanzania.

Yet, to cope with a steady demographic growth, the matching between Tanzania and EU priorities and interests require delivery of effective and equitable basic services and the promise of a better future for its youth – in particular the access to a decent job. This needs to factor in the increasing pressure on national resources, aggravated by climate change, as well as the worldwide digital revolution that deeply disrupts traditional behaviours.

The need to adapt to these major trends is at the root of the choice of Tanzania-EU cooperation priority areas. To contribute to addressing these challenges and grabbing new opportunities offered by a fast changing and interconnected world, the EU should focus its partnership with Tanzania on areas of cooperation where it has a comparative advantage over other international development partners. In particular, Tanzania-EU cooperation 2021-2027 should focus on policy reforms consolidating governance and contributing to country's development objectives in areas such as green transition and digital transformation for private sector development and jobs creation – notably for empowered women and youth – built on a conducive investment and trade climate and fundamental values.

Tanzania's National Development Vision 2025, which is entering in its last phase with the third Five-Year Development Plan (FYDP III, 2021-2025), and Zanzibar Development Vision 2050 are the main strategic documents the Government of Tanzania refers to for its development ambitions, while Tanzania has its National Climate Change Response Strategy and has updated its NDC in September 2021. Inspired by the principles of aid effectiveness, they therefore constitute the legitimate basis for Tanzania-EU cooperation programming.

More specifically, and in order to sustain Tanzania's recently acquired status of middle-income country, the FYDP III aims at realizing competitiveness-led export growth, leveraging national competitiveness for human development and promoting large infrastructures. Zanzibar

Development Vision 2050 also focuses on economic transformation, infrastructural linkages, human capital and social services as well as governance and resilience.

During the Tanzania- and EU-led consultation process that guided the formulation of this Multi-annual Indicative Programme, Government of Tanzania, but also Tanzanian civil society and private sector, were of the view that the five priorities of the new European Commission¹ are relevant and compatible with Tanzania development goals.

The EU, in turn, sees the opportunity to pursue its foreign policy objectives of promoting democracy and fundamental freedoms, contributing to economic growth and poverty and inequality reduction, improving business climate for both domestic and foreign – in particular European – investment and supporting regional economic integration as well as regional peace and security initiatives. The European Green Deal, launched in 2019, will boost the efficient use of resources by moving to a clean and circular economy, opposing climate change, reverting biodiversity loss and cutting pollution, all relevant for Tanzania². Other reference initiatives/reference documents have also guided the drafting of this Multi-annual Indicative Programme, e.g. on governance, education or gender, as contributors to the common values of Tanzania and EU³.

1.2. Status of joint programming

There is no formal joint programming process in place in Tanzania as of early 2021. Some good practices have however been implemented by the EU Delegation and EU Member States missions – 11 of them are present in Tanzania, namely Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Poland, Spain and Sweden – such as information sharing, harmonisation of views and ad hoc joint visibility.

Progress in this regard will come from the commitment of the EU delegation and Member States missions, under the “Team Europe” approach, to engage on drafting a “Team Europe Vision for cooperation with Tanzania during the period 2021-2025”⁴, aligned with the timespan of the third National Development Plan. In February 2021, an agreement was reached on the detailed content of the document as well as a division of labour between Embassies and EU Delegation in drafting the document. This upcoming Team Europe Vision, based on the comprehensive Africa-EU strategy adopted on 9 March 2020⁵, aims to be a pragmatic and relatively short document. It will provide in particular key-messages on more systematic EU visibility opportunities and, above all, a spirit of “Working Better Together”, applied to concrete examples, such as the Team Europe Initiatives. In terms of timetable, the target is for this document ready during the second semester 2021. Synergies with other Commission programmes will be sought, for example with INTERREG.

1.3. Priority areas of the EU's cooperation with Tanzania

The exercise of reconciling Tanzania and EU priorities has identified a number of common goals for Tanzania's sustainable economic and social development for the years to come. Given the natural alignment of interests between Tanzania and EU, the following three priority areas of cooperation were smoothly agreed on:

¹ Green deals; digital transformation; sustainable growth and decent jobs; migration and mobility; governance, peace and security.

² In particular, the Green Deal NaturAfrica Initiative will tackle biodiversity loss and offer economic opportunities in green sectors and the Council Conclusions on EU human rights guidelines on Safe Drinking Water and Sanitation (2019) will help in the design of “green infrastructures”.

³ Such as the Human Rights and Democracy Action Plan 2020-2024 (also on gender inequality).

⁴ As of October 2021, this document is still a draft under preparation by the EU Delegation and the EU Member-States present in Tanzania.

⁵ Joint HRVP/Commission Communication, 9 March 2020 JOIN(2020) 4 Final.

Green Deals

Defined as partnerships, in particular between the public and private sectors, that create sustainable – hence inclusive, ethical and respectful of the environment in the long-term – economic development, this concept echoes the willingness expressed by the Government of Tanzania to promote economic transformation, infrastructures and export-orientation, in partnership with the private sector. Green recovery is all the more relevant in a context of post-COVID-19 crisis and as a means to address its socio-economic impact. Productive sectors may all be considered under this umbrella but a particular attention will be given to sustainable agriculture, fisheries and forestry, as well as tourism, linked to environmental protection and climate resilience⁶. Service delivery is equally essential for the green deals to take place and provision of energy, water⁷ and transport services are necessary to the benefit of citizens and businesses. Deals, for example private-public partnerships, will be expected to be made nation-wide but geographic areas such as coastal areas, Zanzibar islands and cities will be favoured, as the focus areas of the Team Europe Initiatives.

Human capital and employment

Central to Tanzania development strategies, this priority area will contribute to providing individuals – in particular women and youth – with the minimal decent living conditions as well as employment opportunities, making use of the following set of instruments:

- Skills development is a major expectation from the public and private sectors with regard to the performance of the institution or company.
- Social protection is equally necessary to provide minimum social services and well-being to poor households whilst promoting financial inclusion and economic empowerment. Social protection and economic empowerment furthermore address one of the root cause of migration and violent extremism and contribute to peace and security.
- Fostering green jobs⁸ through MSMEs development will rely on different tools such as access to finance, innovation, incubators, business development services and digitalisation.

Governance

This priority area broadly encompasses a number of actors and nature of interventions. Looking at three categories of actors – Government/local authorities, civil society and private sector – it is proposed to (i) support Government/local authorities systems, their performance and accountability, for an improved service delivery at national and local level, (ii) contribute to an inclusive and open society with social accountability and the rule of law and (iii) further improve a conducive business environment for private sector investment and trade. A simultaneous and interlinked support to these three categories or actors of the Tanzanian society will also promote platforms for dialogue and partnerships between them: as an example, justice is multifaceted and one of the sectors with the strongest potential to contribute to the consolidation of the rule of law, social peace and confidence of private investors. The digitalisation agenda will be equally mainstreamed in this priority area where e-government and e-services will not only allow for swifter procedures and reduction of red tape, but can also foster transparency and accountability. This priority area will contribute to reducing the digital

⁶ EU put in place regulations to prevent illegal and environmentally unsustainable commodities ending up on the European market. This relates to trade of marine fishery products (EU IUU Regulation) and forestry, whereby trade of deforestation-free timber and other forestry products will be promoted through new certification schemes. Synergies will be sought with the African Circular Economy Alliance whereby African countries can leapfrog to a low-emission and climate-resilient development model by adopting circular economy principles emphasizing green innovations and jobs, cross-border market opportunities and economic diversification.

⁷ Number of people without access to safe drinking water and sanitation increases as a result of rapid population growth coupled with low investment in water supply and sanitation infrastructure and operational and maintenance capacities.

⁸ Employments created in a sustainable way, hence inclusive (in particular gender-sensitive), ethical and respectful of the environment in the long-term.

divide (including between urban and rural areas) and tackling the issue of affordability of internet, notably through connectivity expansion based on a favourable regulatory framework.

These three priority areas are closely interrelated and support each other towards the achievement of economic and social development goals – in particular jobs creation through private sector development. For example, skills development and improved business environment will enhance private sector capacity and potential for growth, which in turn will create jobs and economic development for the well-being of citizens. Similarly, attention to environment and climate change and promotion of green deals will contribute to a virtuous circle of long-lasting development of an inclusive society, that will in turn lead to increased social and macro-economic stability, necessary for investment, trade and tourism expansion.

The green dimensions –in particular inclusiveness and environmental sustainability- of all actions will be guaranteed by the systematic inclusion and promotion of women and youth and a particular attention to environment and climate resilience, essential to avoid natural resources degradation and preservation of Tanzania natural and cultural assets. Thus, crosscutting issues such as gender, youth, climate change but also digitalisation will be mainstreamed in all priority areas. Priority areas and their specific objectives will contribute to the spending targets for gender, climate change, education, human capital and social inclusion and, to some extent, migration. Given the absence of massive fluxes of migrants from and to Tanzania, two aspects of migration will be considered, transit and human trafficking – to be also addressed from a regional perspective. Last but not least, a Rights Based Approach will be the basis for all initiatives derived from the programming, already taking into account a double lens perspective of duty bearer and duty holders.

1.4. Justification and context

1.4.1. Choice of priority areas

At the root of the choice of the priority areas is the need to adapt to three major trends: one, specifically Tanzanian, which is a steady demographic growth and two, exogenous, which are climate change and the digital revolution. This choice was further confirmed by the convergence of Tanzania and EU strategic objectives regarding Tanzania's economic growth and the well-being of its citizens.

Green Deals: The vastness of the nation and its demographic growth at 3% yearly make it imperative for the Government to focus on Tanzania's environment and fight deforestation and biodiversity loss. The exponential urbanization – while around 70% of the population still lives in rural areas – is visible in many cities with increasing pollution levels and unhealthy living habitat. Wealth should therefore be created, through “deals” that may tap into the natural ecosystem, but it should follow patterns that are respectful of the environment and inclusive.

Human Capital and Employment: In 2019 the net enrolment rate in secondary education was only 28.9% and the gross enrolment rate in tertiary education was 3.1%⁹. With regard to poverty, it is estimated that, out of a population of 60 million people, today in the mainland around 14 million people are poor¹⁰. A key challenge is therefore to improve the employability and the entrepreneurship skills of young people with a special attention to women and, at the same time, to ensure social protection for the poorest. The vast majority of Tanzanian companies are SMEs, who are also a major employer. The proportion of firms citing an inadequately educated workforce as a major constraint was 40%¹¹, and investments also require a skilled workforce. Eventually, while Tanzania is currently not a country of origin for migration, precarious poverty levels combined with high population growth may change this in the future. Furthermore, vulnerable groups, especially young girls, are already much at risk of

⁹ Compared with a Sub-Saharan average of 36% and 9% respectively, source: UNESCO

¹⁰ Source: World Bank

¹¹ Roughly the double of the Sub-Saharan average, source: World Bank, 2013 Tanzania Enterprise Survey

human trafficking. This priority area aims to contribute to addressing these challenges.

Governance: Tanzania is engaged in numerous reforms aiming at increasing the efficiency of the public administration and is focusing more and more on its plans for improving the business environment¹². Such reforms present opportunities for EU engagement. The Government of Tanzania is also scaling up digital investment in infrastructure while ensuring public sector accountability. The new e-Government policy of 2019 aims at improving access to public services through digital technologies. Digital solutions can also be used for networking, opinion-making, monitoring of human rights and tracking corruption.

Tanzania and EU share a common interest in ensuring peace, security and – national and regional – stability but also environmental protection and reduction in CO₂ emissions in the context of climate change, considering the now well-known risks of internationalisation of conflicts as well as migratory crisis. Investment and trade are also of mutual interest given the significant potential for foreign investment in Tanzania and the considerable capacity of the European market to absorb Tanzanian exports. The added-value of the EU has therefore to do with its green agenda, including with regard to European sustainable investments, its leadership role on climate resilience on the international scene and the natural trade partner it should be for Tanzania.

Multilateral commitments, including the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, have also contributed to the choice of these priority areas, more specifically the Paris Agreement, ratified by the Government of Tanzania in 2018, and the preparation of its national determined contributions to reduce national emissions and adapt to the impacts of climate change. In all three priority areas, gender policy will be integrated both with self-standing actions and in sector programmes, as part of the EU's Gender Action Plan 2021–2025 to accelerate progress on empowering women and girls.

1.4.2. Achievement of relevant targets

These priorities will contribute to achieving a set of targets on economic growth, gender, climate change, education, human capital and social inclusion and, to some extent, migration.

1.4.3. EU's integrated response and policy coherence

Policy coherence will be pursued to ensure that actions under the different pillars of the integrated EU response – political dialogue, trade policy investment support and cooperation – are mutually reinforcing. The founding principle of a partnership is an open and constructive political and policy dialogue as an essential element to ensure overall coherence in the relations. EU trade policy with Tanzania is currently based on the Everything But Arms scheme but it could be upgraded during the lifespan of the MIP to a different level of partnership (e.g. Economic Partnership Agreement) as Tanzania's economy grows. Synergy and complementarity between a trade agreement and the MIP would strengthen a strategic trade and development partnership consistent with the objective of sustainable development (including stronger labour rights protection and environmental standards) to meet both the EU and the country's interests. As regards cooperation, coherence with policies on environment, climate action, maritime affairs and fisheries, education and culture, peace and stability, among others, will be included in the response funded with the NDICI-GE instrument. Although limited humanitarian aid is provided by the EU to Tanzania's refugee settlements, coherence of policy and sources of funding will be sought.

¹² Key constraints to private sector investment and business growth in Tanzania include the unpredictable regulatory business environment, high compliance costs, challenging tax administration, persistent skills and knowledge gaps and lack of access to finance and business development services. In May 2018, the Government of Tanzania adopted the Blueprint for regulatory reforms to improve the business environment in Tanzania. The Blueprint Action Plan, adopted in June 2019, aims at improving regulatory procedures, avoiding regulatory overlaps, promoting transparency, and establishing an effective Monitoring and Evaluation framework. Implementation of the Blueprint is well underway and continues to be a high priority of the Government under its new leadership.

1.4.4. Lessons learnt

A lesson that may benefit the “Green Deals” priority area is the positive impact of integrating climate adaptation, mitigation and awareness raising on productive sectors to increase people’s resilience to external shocks. As regards “Human capital and employment”, lessons from Tanzania’s social safety net programme confirm significant impacts on health, education and household asset creation, whilst building human capital and helping extremely poor households move into sustainable livelihoods. On “Governance”, a multistakeholder approach including local administrations, private sector and civil society, is to be reinforced. It would complement support to technical reforms with efforts to build a consensus for change as well as durable institutional transformation for social accountability in an inclusive society. Previous engagements to address the business climate have taught us that regulatory reforms and public services to businesses should be evidence-based and developed in close consultation with the private sector. In addition, efforts to improve the business environment require a cross-sectoral and market system development approach with close coordination with key stakeholders. Eventually, experience has shown that ICT, possibly the fastest growing sector, is also a key contributor to social and economic development in the country.

1.4.5. Role and capacities of civil society organizations

During the preparation of this MIP, consultations took place with around 250 civil society organisations (CSOs)¹³. A long experience of partnering with CSOs will feed into future contributions expected from the civil society, on service delivery and advocacy as well as in the promotion of Human rights, including labour rights, and protection of the most marginalized. CSOs will participate in the programmes under the three priority areas, either as implementing agents or as consulted stakeholders. Additionally, this MIP provides for actions aiming at strengthening the structure and functioning of CSOs.

1.5. Duration of the MIP and option for synchronisation

The present MIP will have a duration of 7 years. The mid-term review of this and other multiannual indicative programmes is planned for 2024. Without prejudice to the mid-term review, an ad-hoc review is foreseen in 2025 or 2026 given that the third National Development Plan will cover the period 2021-2025 and that next presidential elections are due in 2025. Reporting and revisions of the Human Rights, Democracy Country Strategy and the Gender Country Level Implementation Plan will also tally with the MIP milestones.

2. EU support per priority area and proposals of Team Europe Initiatives

2.1. Priority area 1 – Green deals

The Green Deals priority will look at productive investments and potential for public-private partnership, with the perspective of economic, social and environmental sustainability. This priority area will contribute to SDG 8 (Decent work and Economic Growth), SDG 11 (Sustainable cities and communities),¹² (Responsible consumption and production), 13 (Climate action), 14 (Life below water) and 15 (Life on land).

2.1.1. Specific objectives related to the priority area

Specific objective 1.1: to promote sustainable businesses in the Blue Economy¹⁴ and the sectors of Agriculture, Forestry and Fishery (310 Agriculture, Forestry and Fishery)

Due to technological and production inefficiency, agriculture-based economic activities, forest

¹³ National and international, including faith-based organisations, across different sectors and clusters such as human rights and democracy, gender equality, freedom of expression and media, minority groups including people living with disability, from both Tanzania Mainland and Zanzibar.

¹⁴ Sustainable use of ocean and coastal resources for economic growth, improved livelihoods and jobs while preserving the health of the ecosystems

products and fishing livelihoods do not provide sufficient income, while putting pressure on natural resources through, e.g. agricultural land expansion, charcoal production and illegal fishing. With close proximity to markets and high demand for agriculture, forestry and fisheries products, there is an important potential for economic transformation by promoting sustainable businesses, in particular in Tanzania's Blue Economy framework. Alternative energy sources for cooking will be promoted while productive use of energy would lead to higher incomes. Development of the fisheries value chain will contribute to food security and improved nutrition and would be complemented by a regional intervention on Blue Economy to address multi-country challenges related to governance and fisheries, building on the current cooperation developed in Tanzania and the region (water transboundary management). **Non-state actors**, including CSOs, can play an active role in enhancing skills, particularly among women and youth as well as working with communities on climate adaptation and value chain development. The **main risk** is that resources remain unsustainably exploited, increasing biodiversity loss, climate change impact and poverty. Dialogue and support for relevant policies and legal frameworks is essential.

Specific objective 1.2: to promote environmental protection, climate resilience and tourism (410 General Environment Protection)

Environmental and biodiversity protection¹⁵ should be strengthened through land use planning, improved governance and providing livelihood alternatives to destructive use and encroachment, as a way to promote resilience against key climate vulnerabilities, e.g. droughts and floods. Relevant policy and legal frameworks need not only to be developed but also enforced. There is significant potential to make tourism more sustainable in collaboration with the private sector, and to diversify the offer while promoting local communities participation and decent job creation linked to nature-based tourism and historical sites. Digital platforms could promote tourism destinations and their specific roles in the preservation of local environment and economic growth. **Non-state actors**, including CSOs, can play a strong advocacy role and ensure accountability on climate change actions, in accordance with Tanzania's NDC commitments (updated in September 2021). **Main risks** could be reluctance to develop and enforce legal frameworks for environmental protection and insufficient private sector investment in sectors such as eco-tourism. Dialogue and an enabling environment will help reduce this risk.

Specific objective 1.3: to promote green cities¹⁶ for the benefit of their communities and businesses (DAC 430 Urban Development)

To reap the potential of Tanzania's rapid urbanisation, it is essential to support a more sustainable and inclusive urban development. Cities are the powerhouse of Tanzania's economy and offer opportunities for decent job creation, innovation and inclusion. However, unplanned and unmanaged urbanisation could hamper the delivery of major development goals and weaken the capacity of local authorities to face the impacts of climate change and include disaster preparedness in their plans. This objective therefore integrates key dimensions related to building a viable future for Tanzanians with a particular focus on women and youth linked to entrepreneurship, employability, innovation, digitalisation and accountability. **Non-state actors**, including CSOs, will play a major role in the identification of activities in cities and implementation of some of them. CSOs would also support inclusiveness and participation of the most marginalised, which is particularly relevant to urban contexts. **Main risks**: if urbanisation is not properly managed, the cities will face a number of

¹⁵ The Coastal Forest of Eastern Africa, which stretches across Tanzania, is one of 36 worldwide biodiversity hotspots. Adjacent, and part of the marine ecosystem, is the mangrove forest and an extensive seagrass bed. Important seascapes include the Rufiji Delta, Mafia Island and the Zanzibar archipelago.

¹⁶ Developed urban area that creates sustainable economic development and high quality of life by excelling in multiple key areas: economy, mobility, environment, people, living, government.

intertwined challenges and suffer in their future development. The support will provide an enabling environment based on solid ownership of local authorities and urban communities.

2.1.2. Expected results per specific objective

For **Specific Objective 1.1: to promote sustainable businesses in the Blue Economy and the sectors of Agriculture, Forestry and Fishery**, expected results are:

- a) Enabling frameworks for Blue Economy are in place,
- b) Value addition and sustainable practices in Agriculture, Forestry and Fisheries value-chains have increased,
- c) Integrated coastal zone¹⁷ management is applied.

For **Specific Objective 1.2: to promote environmental protection, climate resilience and tourism**, expected results are:

- a) Science-based climate change adaptation and mitigation plans are implemented, including promotion of nature based solutions
- b) Terrestrial, marine and coastal conservation areas have increased and are sustainably managed,
- c) Tourism is more sustainable, inclusive and diversified.

For **Specific Objective 1.3: to promote green and smart cities for the benefit of their communities and businesses**, expected results are:

- a) An enabling regulatory and policy environment for green and smart cities supported by EU is operational promoting an inclusive economy for women and youth,
- b) Cities are more resilient and services to urban poor communities, in particular in settlements, are improved and using relevant digital solutions,
- c) Local economy has grown sustainably in a number of selected cities.

2.1.3. Indicators (including baseline and targets), per expected result

Indicators (see attachment 1) will help measure the achievement of expected results, with a particular focus on the deliverables of the Team Europe Initiatives. They may therefore, in certain instances (e.g. for the Team Europe Initiatives), target narrower geographical areas. Where possible, gender- and age-sensitive disaggregated data will be provided to reflect the specific attention given to women and youth.

Indicators monitoring the local economic development are reflected in Priority Area 2 – Human capital and employment.

2.1.4. Possible use of blending and guarantees for investment under EFSD+

The “Green Deals” priority area will rely heavily on EFSD+, both for blending and guarantees¹⁸, in a bid to promote sustainable investment and circular economy. Such operations will be used to finance infrastructure by public and private actors. Under the Green and sustainable cities Team Europe Initiative (TEI), blended operations will be concentrated on urban infrastructures, including PPPs, e.g. urban mobility, water and sanitation, renewable energy, solid waste management, local markets. The Blue Economy TEI will target investments such as ports, fishermen landing site or aquaculture. Beyond geographically localised TEIs, operations may support infrastructures with a regional dimension that support trade (e.g. energy transmission), tourism (e.g. constructions in protected areas), etc.

Subject to its confirmation through the implementation phase, it is expected that an indicative amount of EUR 30 Mio may be used between 2021 and 2024 to provision EFSD+ guarantee operations under this priority area, in particular EUR 10 Mio for investments in public infrastructure, such as municipal buildings (e.g. construction business centers, restoration of cultural buildings), fishery and aquaculture constructions or recreational infrastructure in cities, including feasibility studies, through use of sovereign and sub-sovereign guarantees; the

¹⁷ The Coastal Zone referred to is an area spanning from 100 km inland to the end of the Exclusive Economic Zone, i.e. 200 miles (ca. 370 km) off shore.

¹⁸ Including Technical Assistance Grants and Intermediate Finance.

remaining EUR 20 Mio will be used for private sector investments, including PPPs and investments by local communities / cooperatives, therefore through non-sovereign operations. Private guarantees could support investments for productive uses in value chains (e.g. coastal agro-forestry, fishery, eco-tourism, beekeeping, wood processing for added-value), energy (e.g. productive uses, clean cooking) and urban mobility (e.g. green transition of transport operations).

Gender and rights-based approach will be mainstreamed in blending and guarantees, including e.g. with gender positive discrimination.

2.2. Human capital and employment

This priority area will focus on skills development, economic empowerment and employment creation, to the benefit of both vulnerable groups, in the context of social protection measures for poverty reduction, and SMEs for green jobs creation in economic activities. This priority area will contribute to SDG 1 (No poverty), 2 (Ending hunger), 4 (Inclusive and equitable quality education), 5 (Achieving gender equality), 8 (Decent work and economic growth), 9 (Industry, innovation and infrastructure) and 10 (Reducing inequalities).

2.2.1. Specific objectives related to the priority area

Specific objective 2.1: to enhance employability and entrepreneurship through skills development (110 Education)

The aim of skills development is to increase employability, but also autonomy and participation. Enterprise surveys reveal a substantial skill gap. Self-employment is also hampered by a lack of skills. Skills development can focus on a range of skills from basic entrepreneurship ones to more advanced business development abilities. Technical and Vocational Education and Training may complement formal education (including here digital in education and teacher's training). Furthermore, support to tertiary education will be explored through initiatives such as ERASMUS+. This intervention at national level will be complementary to the harmonisation of the East African tertiary education systems and training curricula.

Specific objective 2.2: to contribute to poverty reduction and economic empowerment through financial inclusion and social protection (160 Other Social Infrastructure and Services)

For vulnerable groups, economic empowerment is interdependent on social protection. Skills development needs therefore to be complemented with opportunities to strengthen financial security through various social protection measures, access to finance and risk coping mechanisms. Low-income groups in Tanzania mostly engage in some form of economic activity. However, such survival entrepreneurs face important obstacles to grow and require tailored support, for example in the form of seed funds or mechanisms to strengthen household financial stability, including insurance options for dealing with health risks. Government-led Productive Social Safety Net programme seeks to provide poor households with income-earning opportunities and socio-economic services, while enhancing and protecting the human capital of their children. It especially focuses on productive and financial inclusion, through support services such as public works, savings groups, trainings, and livelihood grants.

This specific objective will contribute to addressing one of the root causes of migration. Rights based approach and leaving no one behind will guide the conception and implementation of this objective.

Specific objective 2.3: to foster green jobs¹⁹ creation through SMEs development (321 Industry, including SMEs development)

SMEs form a large part of the Tanzanian economy and are an important employer. An enabling environment in the form of access to finance and business development services would allow SMEs to scale up their activities and create jobs with a particular focus on green jobs. The promotion of innovative, circular and digital solutions will encourage start-ups and young entrepreneurs to engage in activities with a leapfrogging potential. A gender responsive approach will be taken to ensure these actions are focussed on women and tailored to their needs. A rights-based approach should also allow reaching most marginalized, excluded or discriminated part of the population, under the principle of “leaving no one behind”.

Regional initiatives, e.g. around public private dialogue or access to finance, can provide complementary support. The strategy of the Government is to develop countrywide affordable financial digital services requiring a regional approach to ensure that SMEs can operate beyond the Tanzanian territory.

Non-state actors, including CSOs, play an important role, being notably able to reach out to vulnerable communities and to act as specialised service providers in skills training, access to finance or business development. They will contribute to building inclusive democracy and respect for human rights, including labour rights for all. The **main risk** in this area relates to an unfavourable business environment. Priority area 3 (Governance) aims to mitigate such a risk.

As described in the two Team Europe Initiatives in § 2.4, **private sector development and investment will constitute the highlight of EU action in Tanzania**. Public-private dialogue and partnerships will trigger green (i.e. socially inclusive and environmentally sustainable) deals, where the private sector will benefit from skilled workers, access to finance and value-chains (e.g. tourism) promotion, in a conducive business environment.

2.2.2. Expected results per specific objective

For **Specific objective 2.1: to enhance employability and entrepreneurship through skills development**, expected results are:

- a) The skills gap for the private and public sectors is reduced,
- b) The skill set of youth in selected areas is enhanced,
- c) Digital skills of entrepreneurs, especially youth and women, are increased.

For **Specific objective 2.2: to contribute to poverty reduction and economic empowerment through financial inclusion and social protection**, expected results are:

- a) Social protection is ensured for the most vulnerable populations,
- b) The most vulnerable populations are economically empowered,
- c) Access to finance for the most vulnerable groups, including through digital financial services, is increased.

For **Specific objective 2.3: to foster green jobs creation through SMEs development**, expected results are:

- a) Financial services are available to support SME growth,
- b) Quality business development services are available to support SME growth,
- c) SME innovation and digitalisation have been promoted, notably in the green sectors.

¹⁹ Employments created in a sustainable way, hence inclusive (in particular gender-sensitive), ethical and respectful of the environment in the long-term

2.2.3. Indicators (including baseline and targets), per expected result

Indicators (see attachment 1) will help measure the achievement of expected results, with a particular focus on the deliverables of the Team Europe Initiatives. They may therefore, in certain instances, target narrower geographical areas. Where possible, gender- and age-sensitive disaggregated data will be provided to reflect the specific attention given to women and youth.

2.2.4. Possible use of blending and guarantees for investment under EFSD+

The “Human Capital and Employment” priority area will make use of the EFSD+, both blending and guarantees, in the fields of skills development and financial inclusion:

- Blending can be used for operations such as investments in Technical and Vocational Education and Training to the benefit, i.a. of the Team Europe Initiatives (e.g. tourism schools to the benefit of coastal areas and National Parks),
- Subject to its confirmation through the implementation phase, it is expected that an indicative amount of EUR 20 Mio may be used between 2021 and 2024 to provision EFSD+ guarantee operations under this priority area, in particular EUR 5 million for investments in local public infrastructure (e.g. to support marketable education / skills development, including for feasibility studies) through sub-sovereign guarantees; the remaining EUR 15 million is expected to be used for non-sovereign access to finance; private guarantees will be deployed through local finance institutions to increase access to finance for SMEs²⁰. A contribution to existing guarantee schemes such as NASIRA implemented by FMO or InclusiFI implemented by AECID or Financial inclusion implemented by Proparco, may be envisaged.

Gender and rights-based approach will be mainstreamed in blending and guarantees, including e.g. with gender positive discrimination.

2.3. Governance

This broad priority area focusses on Government systems for public service delivery, social accountability and the rule of law for an inclusive society and an enabling environment for private sector-led growth. This priority area will contribute to SDG 5 (Gender equality), 10 and 16 (Peace, justice, and strong institutions).

2.3.1. Specific objectives related to the priority area

Specific objective 3.1: Support Government systems to deliver effective policy development and implementation (150 Government and civil society)

Government and local authorities systems ranging from planning and budgeting to implementation, monitoring and evaluation, both national and local, are essential to support policymaking, policy implementation and service delivery. The objective is to strengthen those systems, including public finance management and domestic revenue mobilisation, both at national and local level, in order to deliver sustainable institutional improvements and public services, also in support of priority areas 1 and 2 and the Team Europe Initiatives. Supported by enhanced connectivity, digital solutions will contribute to swifter procedures and reduction of red tape but can also foster transparency and accountability.

Specific objective 3.2: Contribute to social accountability and the rule of law for an inclusive society (150 Government and civil society)

For durable institutional change and an inclusive society, improvement of Government and local authorities systems needs to be complemented with support to the rule of law and social accountability. The rule of law is essential for upholding human rights, including labour rights

²⁰ including to venture capital to support investments in start-ups and innovative SMEs, digital innovations in the Fintech sector to reduce transaction costs in particular for micro-finance; private guarantees can also be used for skills development and capacity building, for financial inclusion with an important focus on gender.

and fundamental freedoms, peace and stability, as well as for the predictability of the business environment. The rule of law will also be essential in the move away from forms of forced or exploitative labour. In this regard, the presence of a professional, efficient, adequately structured and independent judiciary is a necessary condition. Legal aid to vulnerable groups is another important instrument to ensure compliance with the rule of law. Social accountability complements the formal accountability institutions, supports the Government/local authorities in communication efforts towards hard-to-reach groups and fosters citizen engagement in governance. Targeted complementary actions may also be needed to address regional challenges for example in relation to peace, security and human trafficking and the prevention of violent extremism.

Specific objective 3.3: Render the business environment more conducive to private sector growth and increase investment and trade (250 Business and other services)

An enabling business environment, more conducive to private sector growth and increased investment and trade (e.g. in areas such as raw materials value chains, relevant for the EU industry and to deliver on the green deals), is essential to unlock Tanzania's economic growth potential. Regulatory compliances costs should be reduced while simplification and digitalisation can also support the fight against corruption. Improving the digital regulatory framework will have a spill over effect on all other sectors and help overcome obstacles to the development of a digital economy. Public private dialogue key in identifying challenges in the business environment and helping the Government/local authorities improve the business environment, for example through regulatory impact assessment. The intervention to support a sustainable conducive business environment will also benefit from the regional economic integration framework adhered to by Tanzania, namely the Custom Union and the Common Market adopted by the East African Community, as well as the opportunities offered by the African Continental Free Trade Area.

Non-state actors, including CSOs, are an integral part of an inclusive society and essential for durable institutional change. They can provide services such as legal aid to vulnerable groups or help promote transparency and dialogue. Private sector organisations, such as the EU Business Group, can offer key insight in the challenges private sector operators face and the desired policy changes.

The **main risk** in this priority area relates to capacity constraints and possibly vested interests that can undermine institutional reform and accountability. Capacity strengthening and interventions to build consensus around reforms can mitigate these risks.

2.3.2. Expected results per specific objective

For **Specific objective 3.1.: support Government systems to deliver effective policy development and implementation**, expected results are:

- a) Public service delivery, macroeconomic stability and transparency, accountability and domestic revenue mobilisation are improved,
- b) Capacity of LGAs for budgeting planning and implementation has improved,
- c) Digital solutions for effective public service delivery have been deployed.

For **Specific objective 3.2.: Contribute to social accountability and the rule of law for an inclusive society**, expected results are:

- a) Vulnerable groups have access to legal aid services to protect their rights,
- b) Pluralism, the rule of law, respect for fundamental freedoms and access to information have been consolidated,
- c) Culture, as an engine of dialogue and mutual understanding, has been promoted.

For **Specific objective 3.3.: Render the business environment more conducive to private sector growth and increase investment and trade** expected results are:

- a) Regulatory business environment is improved,
- b) Private sector advocacy capacity is strengthened, including in relation to Tanzania-EU

- partnerships in green deals,
- c) An enabling regulatory and policy environment for international trade and investment is operational,
 - d) Sustainable trade and investment flows between Tanzania and the European Union have increased,
 - e) Private sector compliance costs have reduced, including for international trade and including through the digitalisation of public services to businesses.

2.3.3. Indicators (including baseline and targets), per expected result

Indicators (see attachment 1) will help measure the achievement of expected results, with a particular focus on the deliverables of the Team Europe Initiatives. They may therefore, in certain instances, target narrower geographical areas. Where possible, gender- and age-sensitive disaggregated data will be provided to reflect the specific attention given to women and youth.

2.3.4. Possible use of blending and guarantees for investment under EFSD+

The Governance priority area rather envisages supporting an enabling environment in order to promote investments and private sector growth. Yet, EFSD+ could be used to support Government interventions through:

- Blending for Government investments to increase broadband internet access in areas of market failure and support additional investments by the private sector,
- Subject to its confirmation through the implementation phase, it is expected that an indicative amount of EUR 10 Mio may be used between 2021 and 2024 to provision EFSD+ guarantee operations under this priority area, through sovereign guarantees (i.e. for the extension of broadband infrastructure, as an enabler for further private investments in the sector and to ensure access to reliable digital services for public administration and for the population).

Gender and rights-based approach will be mainstreamed in blending and guarantees, including e.g. with gender positive discrimination.

2.4. Proposals of Team Europe Initiatives

Since mid-2020, two Team Europe Initiatives (TEI) have been discussed in details with EU Member-States, one in favour of Blue Economy and the other one on Green and Smart Cities.

Blue Economy

Context/Relevance: Economic development relies massively on Tanzania's natural resources, with a low resource productivity ratio, which leads to unsustainable economic development and contributes to the massive depletion of natural resources. This also relates to its marine environment. The coastal forests of Eastern Africa and surrounding islands are among 36 biodiversity hotspots in the world, renowned for their species richness and endemism. However, rapid population growth, climate change and unsustainable exploitation of the ocean and the coast is putting an enormous strain on already fragile eco-systems. Under the Paris Agreement on climate change, Tanzania has committed to 10-20% reduction in emission of greenhouse gases by 2030. Its Implementation Plan for the NDC includes several activities related to the Blue Economy. EU priorities are reflected in the Green Deal and its commitment to allocate 25% of its new budget to climate related actions.

Rationale: The Blue Economy TEI, although connected to the Green Deals, reflects all three priority areas. Sustainable investment opportunities in the Blue Economy sectors of agriculture, forestry, fisheries and coastal and marine (eco-)tourism will be promoted, while environmental and climate governance frameworks will be formulated, adopted and enforced. Climate Change threats will be identified at local level and adaptation methods developed and implemented through integrated coastal zone management. A territorial approach, limited to the Indian Ocean, is expected to increase impact.

Content: While the Blue Economy covers many areas, there is a need to focus on a few priority interventions to ensure transformation, impact and EU visibility (as #TeamEurope). This TEI will centre on two interdependent pillars with governance issues addressed under both:

a) Sustainable productive use of the marine and coastal ecosystems. Focus will be on promoting a sustainable fishing industry through value chain development from production, processing and market access to institutional and policy support and nutrition. While Tanzania has not signed the FAO Agreement on Port State measures to prevent, deter, and eliminate illegal, unreported, unregulated fishing, Government showed interest in addressing it due to unsustainable practise and revenue loss. There is a market demand for forest products that can create businesses while protecting coastal forests. Improved forest management, forestry value addition and promotion of alternative livelihoods are key. Productive use includes processing of wood products, beekeeping, agroforestry and forest-based ecotourism. Investment in renewable energy would preserve forests from excessive biomass extraction for cooking, fish processing, etc. Plastic pollution poses a serious threat to the eco-system and needs to be addressed through policy and regulatory frameworks, while plastic recycling can provide innovative business opportunities.

b) Sustainable management of coastal ecosystems. In line with the EU's and Tanzania's commitments to the Paris Agreement on Climate Change and the Convention on Biological Diversity, focus will be on addressing the impact of climate change and promoting sustainable resource management through integrated coastal zone management, restoration and protection of mangroves and coastal forests and addressing plastic pollution. Support for marine spatial planning, using digital tools, will ensure equitable use of marine resources among many competing actors (ie. fisheries, aquaculture, tourism, energy, transport). The EU-Africa Task Force on Ocean Governance that is under consideration, could be used as a vehicle for policy dialogue and expertise. Tourism in coastal forests and seascapes is still underdeveloped. There is significant potential to improve use of resources, enhance private sector participation and job creation linked to nature-based tourism and historical coastal sites. Digital platforms could promote tourism destinations and their specific roles in in the protection and preservation of coastal zones and local economic growth.

Engagement with EU Member States and EDFs could be done through scaling up of existing programmes supported by several of them such as the Clean Ocean Initiative and the Blue Action Fund for integrated coastal zone management and plastic pollution. Joint or complementary actions are being explored with Member States active in climate change and biodiversity, fisheries/aquaculture, sustainable forest management, renewable energy and tourism, while spatial planning will be developed through twinning.

During the period 2021-2024, it is expected that an indicative amount of 140 Mio EUR will support this Team Europe initiative.

TEI Green and smart Cities SASA! (Sasa means Now in Kiswahili)

Context/relevance: Tanzanian cities produce more than half of the country's GDP. Within this context, Tanzania is seeing rapid population growth at a pace of 3% yearly and particularly the urban population is growing exponentially. Tanzania's urban population is today considered among the fastest growing in the world.

Rationale: The Green and Smart Cities Sasa! TEI reflects the various priority areas of the MIP, combining Green deals in an urban context, entrepreneurship through skills development, economic empowerment, financial inclusion and SMEs development as well as improved urban business environment for private sector. This initiative will support local Government systems to deliver services effectively and promote social accountability. EU will propose green and innovative solutions to support the basic needs of the urban citizens as initiated in some projects led by some of EU Member states targeting urban mobility, water and waste management. Team Europe will help Tanzania harness the potential of urbanisation for enhanced productivity, green transition and inclusive development. Support will be mostly provided to a number of cities based on a set of selection criteria. The focus on such

geographically limited areas through an integrated approach is expected to increase the impact of the present initiative.

Content: The three components of this initiative will be developed in a mutually beneficial manner to have the maximum transformational impact on the development of the country:

a) Green infrastructures: The rapid population growth multiplies the demand for infrastructures and services in urban areas. The TEI will promote sustainable and climate resilient infrastructures, encouraging the efficient use of resources and low carbon footprint in the operation of urban services. More particularly, Team Europe will work with Government and local authorities on the following components: sustainable urban mobility, basic municipal services, green resilience. Innovative digital solution will be implemented across activities to promote sustainability, efficiency and improving the quality of service delivery.

b) Cities, engine of growth: In spite of the large share of GDP they generate, Tanzanian cities do not deliver their full potential for a productive economy. This component is mainly built around strengthening the private sector including the promotion of PPPs and enhancing the capacity of SMEs to design bankable projects and access (green) finance. Tanzania entrepreneurs, in particular female and young entrepreneurs, will be supported to unlock the economic potential of the new urban population. Jobs creation and financial inclusion can be achieved through skill development, smart infrastructures and a better local business environment. Efficient urban-rural linkages will be promoted to ensure access to markets and services at affordable price and in a reasonable time, as a concrete contribution to the Farm to Fork strategy.

c) Service delivery and urban (e-)governance: the fast socio-economic growth has to be accompanied by improved management capacity and a wider use of interactive digital solutions to provide basic services and build a more effective public sector. More specifically, land management, local governance accountability – with a participation of local communities in the budget planning and implementation – and institutional capacity will be supported in the selected cities.

Engagement with EU Member States and EDFs: Focusing the European support on few key cities branded as *#TeamEurope Green and Smart Cities Sasa!* will have a strong development impact and will focus on a large spectrum of integrated activities based on a human-centred digital transformation. This initiative will build on various global and regional initiatives funded by the EU and its Member States. Twinning/peer to peer exchanges between cities, EFSD+ guarantees, blending, grants to CSOs, technical assistance, delegation/contribution agreements could be mobilised for the implementation of this component.

During the period 2021-2024, it is expected that an indicative amount of 130 Mio EUR will support this Team Europe initiative. This indicative contribution is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

3. Support measures

3.1. Measures in favour of civil society

Civil society is identified as a key actor in each of the three priority areas. Structured dialogue mechanism will be promoted across all sectors and priorities of Multiannual Indicative Programmes – national and regional – and Team Europe Initiatives will allow regular consultations with the civil society.

In addition to its “service delivery” roles described in the three priority areas, there is a need

for a crosscutting support to sustain an enabling environment for civil society. This includes strengthening civil society organisation (CSO) platforms and policy dialogue with Government/local authorities, building capacity for advocacy and promoting pluralism, inclusiveness, conflict prevention and human rights. Research and evidence generation are key elements in underpinning policy dialogues and can be carried out by the civil society. CSOs are furthermore well placed to support bottom-up planning and build understanding among poor and marginal communities. Fostering the use of culture and partnerships with relevant actors is a means to communicate and dialogue across cultures, increase awareness on different thematic issues (e.g. climate change, gender, digitalisation) while promoting economic activities such as tourism. The last ten years have witnessed the participation of the civil society and private sector organisations in the regional (mostly EAC) integration process. Tanzanian civil society and regional established platforms can play a key role in promoting the rights of vulnerable communities and influence the national and regional economic and climate change agenda of Tanzania. This regional-national dialogue will be promoted in the MIP.

Actions will also aim at contributing to the implementation of the CSO roadmap, Human Rights and Democracy Country Strategy as well as the Gender Country Level Implementation Plan.

3.2. Cooperation facility

The cooperation facility will provide complementary support where needed. It is expected to focus on the preparation, implementation and evaluation of EU cooperation, the promotion of EU-Tanzania policy dialogue and economic relations through conferences, studies and other dialogue platforms, the strategic communication on EU cooperation and promotion of EU-Tanzania relations, the facilitation of Joint Programming / Team Europe coordination, and institutional strengthening through short term interventions such as peer-to-peer exchanges, workshops, expert missions or study visits. Opportunities for TAIEX and Twinning arrangements will be sought to foster peer group exchange in various fields such as resilience, energy, water and waste management, agriculture, forestry, fishery and tourism.

4. Financial overview

Although the duration of this MIP is seven years, the indicative allocations for Tanzania and for each of the priority areas and support measures laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU. This decision should be preceded by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders of Tanzania.

	Amount in EUR M	Share of total
Priority Area 1 - Green Deals	191	45%
Priority Area 2 - Human Capital & Employment	107	25%
Priority Area 3 - Governance	107	25%
Support measures	21	5%
<i>TOTAL for initial period*</i>	426	100%

** Subject to its confirmation through the implementation phase, it is expected that that out of the total of EUR 426 million, an indicative amount of EUR 60 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations under the three priority areas.*

Attachments

1. Intervention framework
2. EU Donor matrix showing the current indicative allocations per sector (data for the period 2014-2020)

Attachment 1. Intervention framework

Priority area 1: GREEN DEALS²¹		
Specific objective 1.1: to promote sustainable businesses in the Blue Economy²² and the sectors of Agriculture, Forestry and Fishery (310 Agriculture, Forestry and Fishery)		
Expected Results	Indicators	Baseline, targets and sources of data
a) Enabling frameworks for Blue Economy are in place	a1) Number of Blue Economy policy instruments adopted / implemented (EURF level 3)	Baseline: 0 Target: 10 by 2027 Data source: Project M&E system
b) Value addition and sustainable practices in Agriculture, Forestry and Fisheries value-chains has increased	b1) Amount of EU supported investments in those sectors (EURF Level 3) b2) Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land	Baseline: 0 Target: b1) 72 Mio EUR b2) 100,000 in selected value chains by 2027 o/w > 60% women Data source: Project M&E
c) Integrated coastal zone ²³ management is applied	c1) Marine areas under (a) protection, (b) sustainable management with EU support (km ²) c2) % of revenue increase in communities under participative management, through EU support	Baseline: 0 Target: c1) 500,000 km ² have management plans and institutions in place by 2027 c2) 30% in selected value chains by 2027 o/w > 60% women Source: Ministries in charge of Blue Economy Mainland and Zanzibar
Specific objective 1.2: to promote environmental protection, climate resilience and tourism (410 General Environment Protection)		
Expected Results	Indicators	Baseline & targets

²¹ Partnerships, in particular between the public and private sectors, that create sustainable - hence inclusive, ethical and respectful of the environment in the long-term - economic development

²² Sustainable use of ocean and coastal resources for economic growth, improved livelihoods and jobs while preserving the health of the ecosystems

²³ The Coastal Zone referred to is an area spanning from 100 km inland to the end of the Exclusive Economic Zone (EEZ), i.e. 200 miles (ca. 370 km) off shore.

a) Science-based climate change adaptation and mitigation plans are implemented	<p>a1) Number of countries and cities with climate change and/or disaster risk reduction strategies: (a) developed, (b) under implementation with EU support (EU RF Level 2)</p> <p>a2) Greenhouse gas emissions avoided (tonnes CO₂eq) with EU support (EU RF Level 2)</p> <p>a3) Renewable energy generation capacity installed (MW) with EU support (EU RF Level 2)</p>	<p>Baseline: 0</p> <p>Target:</p> <p>a1) 30% of LGAs in coastal areas</p> <p>a2) 5% of Government target for CO₂ reduction by 2027</p> <p>a3) 20% of Government target for renewable energy share in final consumption by 2027</p> <p>Data source: Project M&E system</p>
b) Terrestrial, Marine and coastal conservation areas have increased and are sustainably managed	b1) Conservation areas under a) protection b) sustainable management with EU support (km ²) (EU RF Level 2)	<p>b1) Baseline: 0</p> <p>Target: 25% increase by 2027</p> <p>Source: Ministries in charge of Blue Economy Mainland and Zanzibar</p>
c) Tourism is more sustainable, inclusive and diversified	<p>c1) Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support (EU RF Level 2)</p> <p>c2) Number of decent jobs supported/sustained by the EU (EU RF Level 3)</p>	<p>Baseline: 0</p> <p>Target:</p> <p>c1) 10 by 2027</p> <p>c2) 70,000 direct + 210,000 indirect decent jobs</p> <p>Source: Ministries in charge of Tourism Mainland and Zanzibar</p>

Specific objective 1.3: to promote green and smart cities²⁴ for the benefit of their communities and businesses (430 Urban Development²⁵)

Expected Results	Indicators	Baseline & targets
a) An enabling regulatory and policy environment for cities supported by EU is operational, promoting an inclusive economy for women and youth	<p>a1) Number of general planning schemes adopted or enforced with EU support</p> <p>a2) Proportion of cities with a direct participation structure of civil society</p>	<p>Baseline: 0</p> <p>Target:</p> <p>a1) 5 planning schemes</p> <p>a2) 5 cities</p>

²⁴ Developed urban area that creates sustainable economic development and high quality of life by excelling in multiple key areas: economy, mobility, environment, people, living, government.

²⁵ 3-Digit DAC Code: 430 "other multisector"

	in urban planning and management that operate regularly and democratically (SDG-11)	Data source: EU programme's M&E framework
b) Cities are more resilient and services to urban communities, in particular in settlements, are improved and using relevant digital solutions	<p>b1) Public investment per head in targeted cities with EU support</p> <p>b2) Number of people with access to improved drinking water source and/or sanitation facility with EU support (EU RF Level 2)</p> <p>b3) Number of digital urban services for communities established/expanded with EU support wherever applicable</p>	<p>Baseline: 0</p> <p>Target:</p> <p>b1) 37 € per head ²⁶</p> <p>b2) 1 million person</p> <p>b3) 15 urban services (3 services for 5 cities supported)</p> <p>Data source: EU programme's M&E framework</p>
c) Local economy has grown sustainably in a number of selected cities	c1) Indicators in priority area 2 will be used	<p>Baseline: 0</p> <p>Data source: EU programme's M&E framework</p>

Priority area 2: HUMAN CAPITAL AND EMPLOYMENT		
Specific objective 2.1: To enhance employability and entrepreneurship through skills development (110 Education)		
Expected Results	Indicators	Baseline & targets
a) The skills gap for the private and public sectors is reduced	a1) Proportion of firms citing an inadequately educated workforce as a major constraint (national/in TEI areas)	<p>a1) Baseline: 40%</p> <p>Target: 30%</p> <p>Source: World Bank, 2013 Tanzania Enterprise Survey</p>
b) The skill set of youth in selected areas is enhanced	b1) Number of youth who have benefited from skills development interventions supported by the EU (national/in TEI areas), disaggregated by sex and age group	<p>b1) Baseline: 0</p> <p>Target: 500,000</p> <p>o/w >50% women</p> <p>Source: projects monitoring reports</p>
c) Digital skills of entrepreneurs, especially youth and women, are increased	c1) Number of entrepreneurs who have benefited from digital skills development	<p>c1) Baseline: 0</p> <p>Target: 100,000</p> <p>o/w >50% women</p> <p>o/w >60% youth</p>

²⁶ 5 cities supported within the MIP, supporting services for 4 millions inhabitants and an EU budget of M€ 150

	interventions supported by the EU (national/in TEI areas), disaggregated by sex and age group	Source: projects monitoring reports
Specific objective 2.2: to contribute to poverty reduction and economic empowerment through financial inclusion and social protection (160 Other Social Infrastructure and Services)		
Expected Results	Indicators	Baseline & targets
a) Social protection is ensured for the most vulnerable populations	<p>a1) Number of individuals directly benefitting from EU supported interventions that aim to reduce social and economic inequality (national/in TEI areas)</p> <p>a2) Number of beneficiaries of safety net programmes (national/in TEI areas) disaggregated by sex and age group</p>	<p>a1) Baseline: 0 Target: 500,000 Data source: PSSN monitoring and Joint Annual Reviews and other project M&E systems</p> <p>a2) Baseline: 5,267,031 (2019) Target: 4,851,768 (52% female) Data source: PSSN monitoring and Joint Annual Reviews</p>
b) The most vulnerable populations are economically empowered	<p>b1) Number of targeted households receiving basic & skills training and livelihood grants (national/in TEI areas) disaggregated by sex and age group</p> <p>b2) Proportion of households involved in functional income generating investments one year after receipt of livelihood grant (national/in TEI areas) disaggregated by sex and age group</p>	<p>b1) Baseline: 0 Target: 200,000 (60% female) by 2023 Data source: PSSN monitoring and Joint Annual Reviews</p> <p>b2) Baseline: 0 (2019) Target: 70% (60% of whom female) by 2023 Data source: PSSN monitoring and Joint Annual Reviews</p>
c) Access to finance for the most vulnerable groups, including through digital financial services, is increased	c1) Proportion of targeted vulnerable households participating in functional savings groups (national/in TEI areas)	<p>c1) Baseline: 0 (2019) Target: 50% (60% of which are female) by 2023 Data source: PSSN monitoring and Joint Annual Reviews</p>

Specific objective 2.3: to foster green jobs²⁷ creation through SMEs development (321 Industry, including SMEs development)

Expected Results	Indicators	Baseline & targets
a) Financial services are available to support SME growth	a1) Number of beneficiaries with access to financial services with EU support (national/in TEI areas), disaggregated by a) firms b) individuals c) sex d) age group e) digital financial services	a1) Baseline: 0 Target: 100,000 o/w > 25% digital financial services Source: projects monitoring reports
b) Quality Business Development Services (BDS) are available to support SME growth	b1) Number of entrepreneurs reached through BDS through EU supported programmes (national/in TEI areas), disaggregated by a) sex, b) age group c) size of enterprise b2) Number of organisations capacitated to provide quality business development services to SMEs (national/in TEI areas)	b1) Baseline: 0 Target: 800 b2) Baseline: 0 Target: 14 Source: EU-funded FUNGUO programme
c) SME innovation and digitalisation have been promoted, notably in the green sectors.	c1) Rank of Tanzania on the global innovation index c2) Number of innovative ventures having access to private finance due to EU supported programmes (national/in TEI areas), disaggregated by a) sector, b) type of finance	c1) Baseline: 88 Target: 80 c2) : Baseline 0 Target: 100 o/w >50% women and youth-led teams Source: projects monitoring reports

Priority area 3: GOVERNANCE

Specific objective 3.1: to support Government systems to deliver effective policy development and implementation (150 Government and civil society)

Expected Results	Indicators	Baseline & targets
a) Public service delivery, macroeconomic stability and transparency, accountability and domestic revenue mobilisation are improved	a1) Net improvement in PEFA scores a2) Tax to GDP ratio	a1) Baseline year: 2017 Baseline value: 0 Target value: 10

²⁷ Employments created in a sustainable way, hence inclusive (in particular gender-sensitive), ethical and respectful of the environment in the long-term

	<p>a 3) Open budget survey Transparency score</p> <p>a4) Global Corruption Perception Index score</p>	<p>Data source: Latest PEFA assessment report</p> <p>a2) Baseline year: 2020 Baseline value: 12 Target value: 14 Data source: BoT Annual report</p> <p>a3) Baseline year: 2019 Baseline value: 17 Target value: 41 Data source: Latest open budget survey report</p> <p>a4) Baseline year: 2020 Baseline value: 38 Target value: 43</p> <p>Data source: Latest Global corruption perception Index report (Transparency International)</p>
b) Capacity of LGAs for budgeting planning and implementation of development projects has improved	b1) Number of LGA staff with improved budget planning and implementation skills due to EU support	<p>b1) Baseline: 0 Target: 50</p> <p>Data source: EU programme M&E framework</p>
c) Digital solutions for effective public service delivery have been deployed	<p>c1) Number of digitalisation reforms implemented at MDA level with EU support</p> <p>c2) Number of digitalisation reforms implemented at LGA level with EU support</p> <p>c3) Number of people and businesses using the public digital solutions implemented with EU support</p>	<p>c1) Baseline: 0 Target: 15 Data source: EU programme M&E framework</p> <p>c2) Baseline: 0 Target: 15 Data source: EU programme M&E framework</p> <p>c3) Baseline: 0 Target: 10,000 Data sources: EU programme M&E framework</p>
Specific objective 3.2: to contribute to social accountability and the rule of law for an inclusive society (150 Government and civil society)		
Expected Results	Indicators	Baseline & targets

<p>a) Vulnerable groups have access to legal aid services to protect their rights</p>	<p>a1) Number of people directly benefiting from legal aid interventions supported by the EU</p> <p>a2) Number of cases reported annually by women and % resolved</p> <p>a3) Number of people reached annually by legal education and human rights awareness building (disaggregated by sex and age group)</p>	<p>a1) Baseline: 96,708 Target: 150,000</p> <p>a2) Baseline: 59,257 / 68% (2020) Target: 70,000 / 75%</p> <p>a3) Baseline: 6,473,443 (2020) Target: 3,600,000</p> <p>Data source: Project M&E</p>
<p>b) Pluralism, the rule of law, respect for fundamental freedoms and access to information have been consolidated</p>	<p>b1) Governance Index Mo Ibrahim Index and its disaggregation</p> <p>b2) Participation, Rights and Inclusion</p> <p>b3) Press Freedom Indicator</p>	<p>Baselines:</p> <p>b1) 53.0/100 (2020 report Mo Ibrahim Foundation) - 19 in ranking out of 54 countries</p> <p>b2) Participation, Rights and Inclusion: 45.5/100</p> <p>b3) (2020 report – RSF) – 124 in ranking out of 180 countries</p> <p>Targets:</p> <p>b1) 59.0/100</p> <p>b2) 60/100</p> <p>b3) 100 in ranking out of 180 countries</p> <p>Source: Governance Index Mo Ibrahim Index</p>
<p>c) Culture as an engine of dialogue and mutual understanding has been promoted</p>	<p>c1) Extent to which women and girls are visible and portrayed as equal contributors to society in the media, literature, cultural and sports arenas (GAP III)</p>	<p>Baseline: 0</p> <p>Target: positive assessment of ad hoc or regular survey under leadership of Minister of Gender</p> <p>Source: independent survey</p>
<p>Specific objective 3.3: to make the business environment more conducive to private sector growth and increase investment and trade (250 Business and other services)</p>		
<p>Expected Results</p>	<p>Indicators</p>	<p>Baseline & targets</p>
<p>a) Regulatory business environment is improved</p>	<p>a1) Ease of Doing Business scores, disaggregated by indicator</p>	<p>a1) Baseline: 141 Target: 136</p>

		Source: Ease of Doing Business report
b) Private sector advocacy capacity is strengthened, including in relation to Tanzania-EU partnerships in green deals	<p>b1) Number of outputs (e.g. position papers, recommendations, studies) produced with the support of EU</p> <p>b2) Number of Public Private Dialogue that have taken place with the support of EU supported actions</p>	<p>b1) Baseline: 0 Target: 20</p> <p>b2) Baseline: 0 Target: 12</p> <p>Source: Project Progress Reports/open sources such as newspapers</p>
c) An enabling regulatory and policy environment for international trade and investment is operational	c1) Ease of Doing Business indicators: a) protecting minority investors, b) trading across borders, c) resolving insolvency	<p>c1) Baseline:</p> <p>a) 105 b) 181 c) 116</p> <p>Target:</p> <p>a) 100 b) 176 c) 111</p> <p>Sources WB Doing business Report</p>
d) Sustainable trade and investment flows between Tanzania and Europe have increased	<p>d1) Trade and investment flows between Tanzania and Europe</p> <p>d2) Number of EU companies with active investment in Tanzania, disaggregated by a) sector, b) company size</p>	<p>d1) Baseline: 1.4 Bio EUR (2020) Target: increase of trade volume between EU and Tanzania of 10% Source: Trade Statistics</p> <p>d2) Baseline: 1,000 Target: increase of companies with European Union participation of 10%</p> <p>Source: Ministries in charge of Trade Mainland and Zanzibar</p>
e) Private sector compliance costs have reduced, including for international trade and including through digital public services to businesses	e1) Total costs associated with private sector compliance requirements, including for international trade, disaggregated for type of cost	<p>e1) Baseline: 1,500 USD Target: Total compliance costs are reduced by 20%</p> <p>Source: doing business reports</p>

Attachment 2 – EU Donor matrix showing the current indicative allocations per sector (data for the period 2014-2020)

Sectors	Belgium	Denmark	EU Delegation	Finland	France	Germany	Ireland	Italy	Poland	Spain	Sweden	The Netherlands
Gender	352,723	33,500,000	9,000,000	3,900,000	490,000		6,145,000				241,185	3,100,000
Youth			4,000,000		750,000		1,840,000		5,710		10,937,220	
Human Rights	1,412,065		8,000,000	1,850,000			1,100,000				40,471,975	13,100,000
Democracy			8,000,000	1,500,000	107,000		9,400,000				5,917,968	
Rule of Law			15,000,000									37,394
Business												
Environment and entrepreneurship	5727835	80,400,000	18,000,000								8,938,966	52,460,643
Climate Change			10,800,000		107,000							8,815
Innovation, Technology, Digitalisation	1,300,000	less than 1 MEUR		9,000,000								
Environment/Natural Resources	5,155,604			19,000,000	750,000	31,000,000		935,882	258,000			
Education	6,907,844							22,745,000	1,825,000		209,347,683	5,382,375
Health	2,031,920	73,700,000			10,000,000	71,500,000	47,125,000	3,467,773	1,039,000			
Nutrition			12,000,000				13,686,000					9,143,475
Social Protection			20,170,000				67,000	1,463,170	101,800		108,419,821	
Economic and Fiscal Governance		73,700,000	198,200,000	14,900,000		55,000,000		1,191,521			46,325,000	
Agriculture	9495759		74,500,000		850,000		19,658,561	622,789	42,880,000		13,207,411	48,535,551
Energy			164,500,000		418,000,000				78,000		103,748,891	
Transport			70,000,000		100,000,000	24,000,000						
Water and Sanitation			28,000,000		186500000	57,500,000		2,734,942	143,000			12,947,717
Trade	175000		9,600,000				2,000,000					
Tourism												50,000