



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country  
Partnership **Tanzania**



# TANZANIA

Programme for Country Partnership — PCP

Annual Report **2020**



# SUSTAINABLE DEVELOPMENT GOALS

**1** NO POVERTY

**2** ZERO HUNGER

**3** GOOD HEALTH AND WELL-BEING

**4** QUALITY EDUCATION

**10** REDUCED INEQUALITIES

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

**5** GENDER EQUALITY

**6** CLEAN WATER AND SANITATION

**11** SUSTAINABLE CITIES AND COMMUNITIES

**7** AFFORDABLE AND CLEAN ENERGY

**8** DECENT WORK AND ECONOMIC GROWTH

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

**13** CLIMATE ACTION

**14** LIFE BELOW WATER

**17** PARTNERSHIPS FOR THE GOALS

**15** LIFE ON LAND

**16** PEACE, JUSTICE AND STRONG INSTITUTIONS

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# PCP TANZANIA AT A GLANCE

## STATUS

Date of approval of the development of the PCP by the UNIDO Executive Board: 20 October 2020

**Programming: Initiated in 2020 – ongoing**

Implementation: Expected to commence in 2021

Expected completion date: 2025

## PRINCIPLE NATIONAL POLICY / STRATEGY SUPPORTED BY THE PCP

Tanzania Development Vision 2025

Second Five Year Development Plan for the Mainland (FYDP II, 2016/17-2020/21)

Zanzibar Vision 2020

Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP, 2016-2020)

## TENTATIVE FOCUS SECTORS / AREAS

To be finalized through PCP programming:

Industrial policy and statistics

Promoting digitalization and the greening of enterprises and value chains

Building capacity of industrial development support entities

Promoting energy production and efficiency

Promoting environmental sustainability, including the blue economy

Enhancing skills development for industrial development

Strengthening value addition in the agricultural, mining and chemical sectors

## MAIN PARTICIPATING MINISTRIES

Prime Minister's Office

Ministry of Industry and Trade

Ministry of Trade and Industry (Zanzibar)

President's Office – Regional Administration and Local Government

Ministry of Finance and Planning

## KEY DEVELOPMENT PARTNERS

**Financial institutions:** Tanzania Agricultural Development Bank, Tanzania Investment Bank, African Development Bank, World Bank, International Fund for Agricultural Development, Green Climate Fund

**Bilateral/multilateral partners:** European Union, China, Denmark, Germany, Ireland, Norway, United States of America, Sweden, Global Environment Facility

**UN entities:** Food and Agriculture Organization, World Food Programme, International Trade Centre, United Nations Development Programme, UN Entity for Gender Equality and Women Empowerment (UN Women), UN Environment, United Nations Capital Development Fund, International Labour Organization

**Business sector:** Tanzania National Business Council; Tanzania Private Sector Foundation; Tanzania Chamber of Commerce, Industry and Agriculture; Zanzibar Chamber of Commerce; Confederation of Tanzania Industries

## UNIDO PROJECTS WITH FUNDING SECURED (COMPLETED AND ONGOING)

UNIDO's ongoing portfolio in Tanzania at the end of 2020, to serve as a baseline and to be integrated into the PCP: 5 projects with total funding of \$8,889,256

## TOTAL INVESTMENTS LEVERAGED (CUMULATIVE)

N/A as the development of PCP Tanzania was approved in October 2020.

## TOTAL PCP VOLUME

N/A as the development of PCP Tanzania was approved in October 2020.

# 1. EXECUTIVE SUMMARY

In October 2020, the UNIDO Executive Board approved the development of the Programme for Country Partnership (PCP) for Tanzania, following the official request by the President of the United Republic of Tanzania, John Pombe Joseph Magufuli.

The request builds on earlier discussions between the UNIDO Director General and representatives of the Government of the United Republic of Tanzania to strengthen cooperation for inclusive and sustainable industrial development (ISID), including through the development of a PCP, and the signing, in March 2018, of a Joint Declaration on increased collaboration.

Over the course of 2021, the Government of the United Republic of Tanzania and UNIDO will work together to develop a comprehensive programme and set up the national coordination structures to lead the implementation of the PCP.

## 2. INTRODUCTION

The Programme for Country Partnership (PCP) is UNIDO's flagship programme to support countries in achieving their long-term ISID goals. It is founded on a multi-stakeholder partnership to ensure synergy between different interventions and maximize impact. PCP interventions aim to unlock public and private investment in selected priority industrial sectors and areas. The PCP delivers an integrated service package by combining UNIDO's advisory and normative services, technical cooperation and convening function. Each PCP is tailored to country needs, aligned with the national development agenda and owned by the host government.

The UNIDO Director General visited Tanzania in March 2018. During the mission, the Director General and the Minister of Industry and Trade signed a Joint Declaration on strengthening collaboration, including through the future development of a PCP for Tanzania. The Joint Declaration was signed in the presence of the Vice-President of the United Republic of Tanzania, Samia Suluhu Hassan. The Government's request to UNIDO for the development of the PCP follows initial approval by the Cabinet, involving the Mainland and the Revolutionary Government of Zanzibar, and consultations with various ministries, thus paving the way for an inclusive, national leadership and ownership of the PCP. Prior to this, the Government also sponsored study tours to Ethiopia and Senegal, respectively, for officials to learn about the PCP approach, its implementation on the ground, and the experiences and successes of the first PCP pilots.

Tanzania's formal request to become a PCP country was approved by the UNIDO Executive Board on 20 October 2020. In its submission, Tanzania affirmed the country's commitment to lead, own and implement the PCP, highlighting that the Prime Minister's Office will coordinate all activities of the Government's ministries, departments and agencies with respect to the PCP. It also stated the commitment, through the Ministry of Finance and Planning, for the United Republic of Tanzania to lead the mobilization funds for the implementation of the PCP.

### 2.1. POLICY FRAMEWORK

There are distinct frameworks for Tanzania Mainland and for the Revolutionary Government of Zanzibar. For the Mainland, the main framework is the Tanzania Development Vision 2025 implemented through the Tanzania Long-Term Perspective Plan (TLPP, 2011/12-2025/26), which is divided in three Five Year Development Plans (FYFPs): FYDP I (2011/12-2015/16), FYDP II (2016/17-2020/21) and FYDP III (2021/22-2025/26). Implementation of the FYDP II is being completed concurrently with the preparation of the FYDP III.

The PCP will support the FYDP III, which is expected to include some elements of the agenda of the FYDP II. At sectoral level, the Ministry of Industry and Trade (MIT) is leading the implementation of the Sustainable Industrial Development Policy (SIDP, 1996-2020) and the Small and Medium Enterprises (SME) Development Policy (2003), both of which are under review, and the Integrated Industrial Development Strategy (IIDS, 2025). MIT is also implementing, jointly with other Agricultural Sector Lead Ministries (ASLMs), the Second Agricultural Sector Development Programme (ASDP, 2016/17 - 2025/26) for which component 3 focuses on Rural Commercialization and Value Addition (i.e. building competitive commodity value chains). A Tanzania Agro-Industries Development Flagship (TAIDF, 2020) was developed to contribute directly to this component of ASPD II and stimulate outcomes of other components of the programme. Furthermore, in 2018, the Government launched the Blueprint for Regulatory Reforms to Improve the Business Environment and amended the Public-Private Partnership (PPP) Act including empowering the Minister of Finance and Planning to make decisions on the projects requiring government financing by moving the PPP Centre from PMO to MFP. Additionally, the National Skills Development Strategy (NSDS, 2016-2021) was developed to address skills challenges, including in the industrial sector.

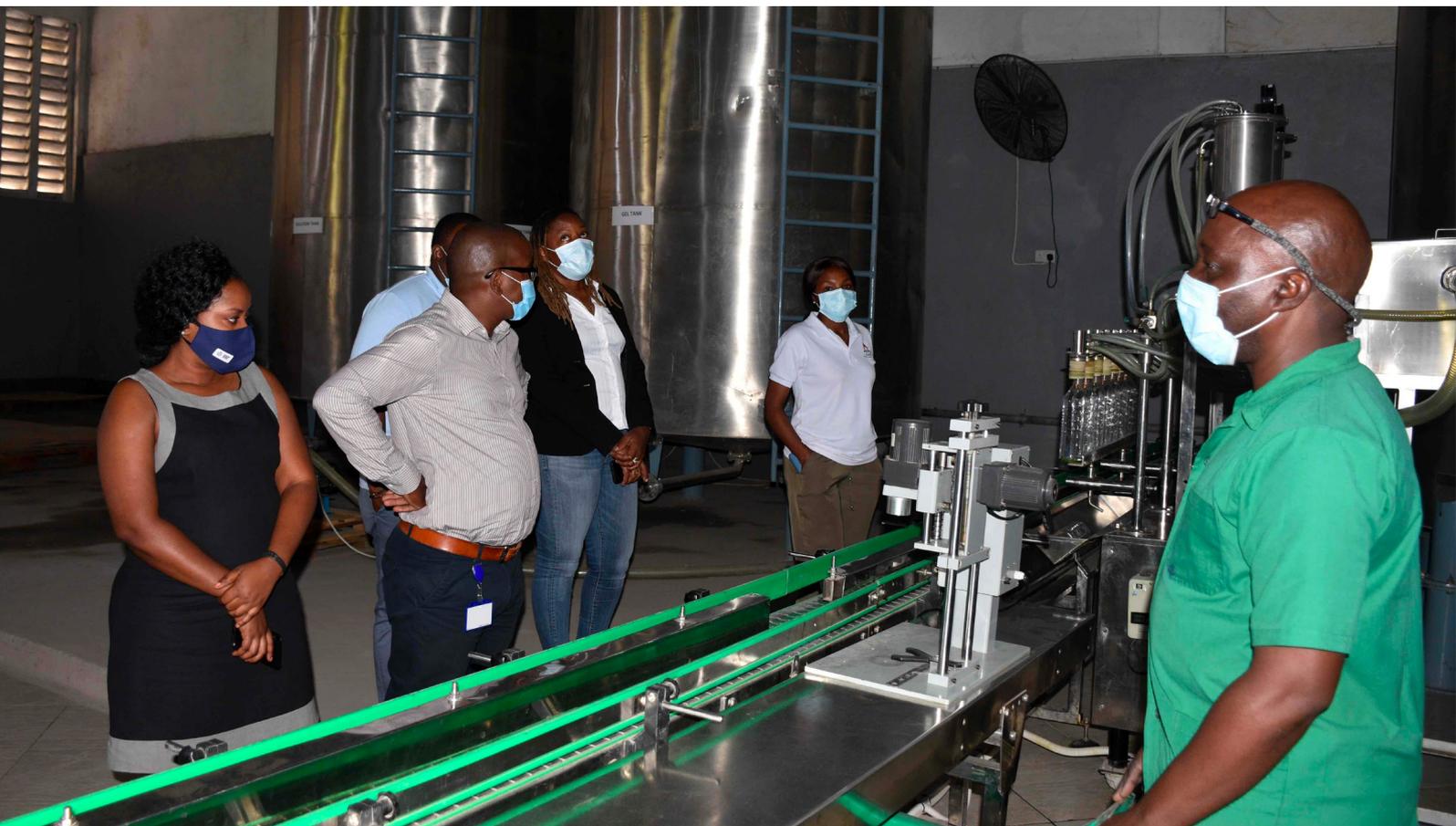
The long-term development aspirations for Zanzibar were presented in the Zanzibar Vision 2020, which, like the TDV 2025, was aimed at transforming the isle’s agriculture-based economy into a middle-income semi-industrialized economy by the target year. The main tools for implementing the Zanzibar Vision 2020 were three series of the Zanzibar Strategy for Growth and Reduction of Poverty (ZSGPR, with a Kiswahili popular acronym of MKUZA), implemented during the three periods of 2007-2010, 2010-2015 and 2016-2020. Having successfully completed the implementation of Vision 2020 and MKUZA III, the Government has launched the Zanzibar Development Vision 2050 (ZDV 2050), for which the first implementation tool/national development strategy is being prepared. Building on the Zanzibar Vision 2020, ZDV 2050 puts human development at the forefront of national planning, aiming at Zanzibar attaining upper middle-income status by 2050. ZDV 2050 has four pillars namely: (i) Economic transformation; (ii) Human capital and social services; (iii) Infrastructural linkages; and (iv) Governance and resilience. At sector level, a new Zanzibar Industrial Policy (ZIP, 2019-2029) was launched to succeed the Zanzibar Industrial Policy 1998-2008. The new policy focuses on value addition for primary goods and promoting linkages between industrial sub-sectors and other productive sectors to drive the industrialization process. While processes for the preparation of the new ZIP implementation tools are being planned, Zanzibar continues with the implementation of the Zanzibar Small and Medium Enterprises Policy (2006) and the Zanzibar Agricultural Development Programme (Z-ASDP, 2018-2028).

### 2.1.1 TENTATIVE PRIORITY SECTORS/AREAS

The tentative priority sectors for the PCP are based on the Second Five Year Development Plan (2016/17-2020/21) and the Integrated Industrial Development Strategy (IIDS, 2025) for the Mainland, as well as MKUZA III and the Zanzibar Industrial Policy (2019-2029). The official PCP request notes the sectors of agriculture, industry, mining, and chemicals, which have a strong potential for job creation in the manufacturing industries. Within these, the Government focuses on textiles and garments, leather and leather products, edible oil, and pharmaceuticals. The request also highlights commitment to safeguarding the environment by promoting resource efficiency and cleaner production in industry.

There are also a number of priority areas/sectors of relevance to the PCP, listed in the ZDV 2050 released in October 2020, including agriculture, industrialization and trade, tourism, the blue economy, oil and gas, and the creative and digital economy. The ZDV 2050 also highlights education and training, research and innovation, social protection and employment, energy, as well as environment and climate change.

Bottling of bio-ethanol.



### 3. ALIGNMENT WITH AND CONTRIBUTION TO UNSDCF

The Second United Nations Development Assistance Plan (UNDAP II), 2016/17-2020/21, extended by one year to 2021/22, is the common/joint business plan of the United Nations system with the Government of the United Republic of Tanzania.

The UNDAP II has four inter-linked thematic result areas (TRAs), namely: (i) Inclusive growth; (ii) Health nation; (iii) Democratic governance, human rights and gender equality; and (iv) Resilience. UNIDO is participating directly in TRAs (i) and (iv), although interventions also contribute to the other TRAs.

The relevant outcomes to which UNIDO contributes to, and so will the PCP Tanzania, include economic growth and employment (under the first TRA), and environment, climate change and disaster risk management (under the fourth TRA)

UNIDO, through the PCP, is expected to continue contributing to these outcomes, as well as others when the United Nations Sustainable Development Cooperation Framework (UNSDCF) is formulated and implemented to succeed UNDAP II (i.e. after 2021/22). So far, the draft common country assessment has identified the “economic dimension” as one of the three key result areas to be reflected in the new Cooperation Framework. Specific PCP contributions will be determined through programming.

### 4. PROGRAMME-LEVEL RESULTS

#### 4.1. COORDINATION AND GOVERNANCE

The Government of the United Republic of Tanzania has indicated that the Prime Minister’s Office will coordinate the implementation of the PCP, highlighting that the Ministry of Finance and Planning will lead resource mobilization for the programme.

The Government will establish a Joint Inter-ministerial PCP Steering Committee with members from relevant ministries including, among others: The President’s Office - Regional Administration and Local Government; the Prime Minister’s Office; the Ministry of Finance and Planning; the Ministry of Industry and Trade; the Ministry of Agriculture; and the Ministry of Livestock and Fisheries. Similar coordination arrangements are expected to be made for Zanzibar as well. The PCP’s coordination mechanism will be established in 2021.

#### 4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

The Government has commitment to raising funds for the implementation of PCP, with Tanzania Shilling (TZS) 1.0 billion (approximately \$435,000) already budgeted for the financial year 2020/21. The Government has pledged its commitment to lead national resource mobilization for the PCP.

Tanzania’s request to UNIDO also stipulates the establishment of a comprehensive multi-stakeholder partnership, comprising relevant government ministries and institutions, UN entities and other development partners, as well as financial institutions and the private sector, to ensure the successful implementation of the PCP. The Government has indicated that it intends to establish Thematic Working Groups, which will include relevant ministries and institutions, UN entities and development partners.

National private sector entities expected to be involved in the PCP include: the Tanzania National Business Council; the Tanzania Private Sector Foundation; the Confederation of Tanzania Industries; the Tanzania Chamber of Commerce, Industry and Agriculture; the Tanzania Women’s Chamber of Commerce; and the Zanzibar Chamber of Commerce. Other private sector institutions in Zanzibar will be identified at a later stage.

There are several pipeline interventions with high prospects for up-scaling through the PCP, including the Government and the African Development Bank-funded (\$396,000) feasibility studies to establish Tanzania Agro-Industrial Processing Zone in select locations. The upgrading potential lies in the establishment of industrial parks and related infrastructure. Another pipeline initiative, funded by the Government of Japan through the Japanese Supplementary Budget 2020/21 focuses on “Promoting Public Health and Social Resilience Against COVID-19” by strengthening the domestic supply chain of personal protective equipment. The European Union is undergoing its new (seven-year) programming phase, with potential focus areas including green growth and sustainable cities and human capital development, among others. This provides opportunity for synergy with UNIDO’s circular economy approach and other environmentally-friendly industrial initiatives focusing on renewable energy and energy efficiency.

### 4.3. TECHNICAL COOPERATION

UNIDO has an ongoing portfolio of five technical cooperation projects with total funding of \$8,889,256, which will be integrated into the PCP. New initiatives will be developed according to the identified priority areas and sectors, building on the diagnostic exercise and the programming to be conducted in 2021.

## 5. RESPONSE TO COVID-19

The United Nations Country Management Team (UNCMT) in Tanzania prepared a COVID-19 Emergency Appeal, with a time-frame of July to December 2020. UNIDO incorporated in the Appeal with two interventions budgeting a total of \$670,000. The interventions were: (i) Promoting domestic production of personal protective equipment (PPE) for selected vulnerable groups (\$270,000); and (ii) Reduction of frontline health worker's exposure to indoor air pollution (\$400,000); however, the Appeal was not funded.

Following the approval by some donors to the UNCMT to utilize part of the funds they contribute to UNDAF II to support the Government's response to COVID-19, UNIDO allocated project funds to support capacity development for sight-impaired tailors to diversify into the production of face masks. The group produced 7,000 units of cotton fabric facial masks, complying with prescribed national standards and donated them to populations in need in Dar es Salaam through the Regional Medical Officer. Furthermore, UNIDO prepared Concept Notes for funding considerations by potential donors. Discussions were held with the Government of Japan to finance a proposal titled Promoting Public Health and Social Resilience Against COVID-19 by strengthening the domestic supply chain of PPE, through the Japanese Supplementary Budget 2020/21. The final decision of the Government of Japan on this proposal, with a \$675,663 budget, is expected in early 2021.

The UNCMT also prepared an 18-month United Nations Socio-Economic Recovery Framework (UNSRF) for Tanzania Mainland and Zanzibar for the period January 2021 to June 2022 (the end of UNDAF II), building on the Appeal. UNIDO incorporated three interventions in the UNSRF, with a total budget of \$1,801. The interventions were: (i) Supporting the manufacturing of PPE by micro-, small and medium-sized enterprises (MSMEs) for use by vulnerable groups (\$351,000); (ii) Supporting COVID-19 resilience and recovery of MSMEs adding value in key value chains (\$975,000); and (iii) Implementing an internship programme to increase competence for young graduates for employment (\$475,000). With expectations of the UNSRF getting funding, UNIDO collaborated with UNDP (lead agency), ILO, UNCDF and UN Women to prepare a Joint Programme titled UN COVID-19 Resilience and Recovery Programme for Tanzania Mainland and Zanzibar MSMEs to Cope with COVID-19 Pandemic Economic Shocks. Another joint proposal, titled Scaling-up Food Security, Production and Market Systems, involving FAO (lead agency) and UNDP was prepared. The interventions could not be implemented, however, due to challenges in the mobilization of resources for the implementation of the UNSRF.

Other examples of interventions implemented in Tanzania in the context of COVID-19 include the distribution of ethanol cook stoves and fuel to reduce the use of charcoal and contribute to combating deforestation and forest degradation. Using ethanol for cooking, also reduces the risk for people, particularly for women and children who are largely responsible for cooking, to contract respiratory diseases caused by exposure to indoor air pollution associated with inefficient cooking fuels. The private company contracted by UNIDO for the clean cooking project was able to manufacture and donate hundreds of liters of hand sanitizers in response to a Government's appeal. The second example relates to industrial support organizations in Zanzibar and capacity-building on conducting feasibility studies and developing investment proposals using the UNIDO flagship software, the Computer Model for Feasibility Analysis and Reporting (COMFAR). With such capacity, the institutions can advise enterprises of different sizes, from micro to large, to start or re-orient their investments to address COVID-19 related interventions, such as production of PPEs.

## 6. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2021

In early 2021, UNIDO will initiate consultations with key national counterparts, from both the Tanzania Mainland and Zanzibar, to facilitate the shared understanding of PCP processes and discuss the next steps for the development of the PCP. Next steps also include supporting the Government in establishing the National Coordination Body and other governance structures for the PCP.

In 2021, UNIDO will conduct a Country Diagnostic as part of the PCP's programming phase. The results of the Diagnostic will help finalize the priority areas/sectors and develop a full-fledged PCP Tanzania programme document. Technical interventions will be developed in the identified priority areas in view of starting the implementation phase.

For more information, please scan the QR Code to  
[access the PCP Tanzania UNIDO website.](#)



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