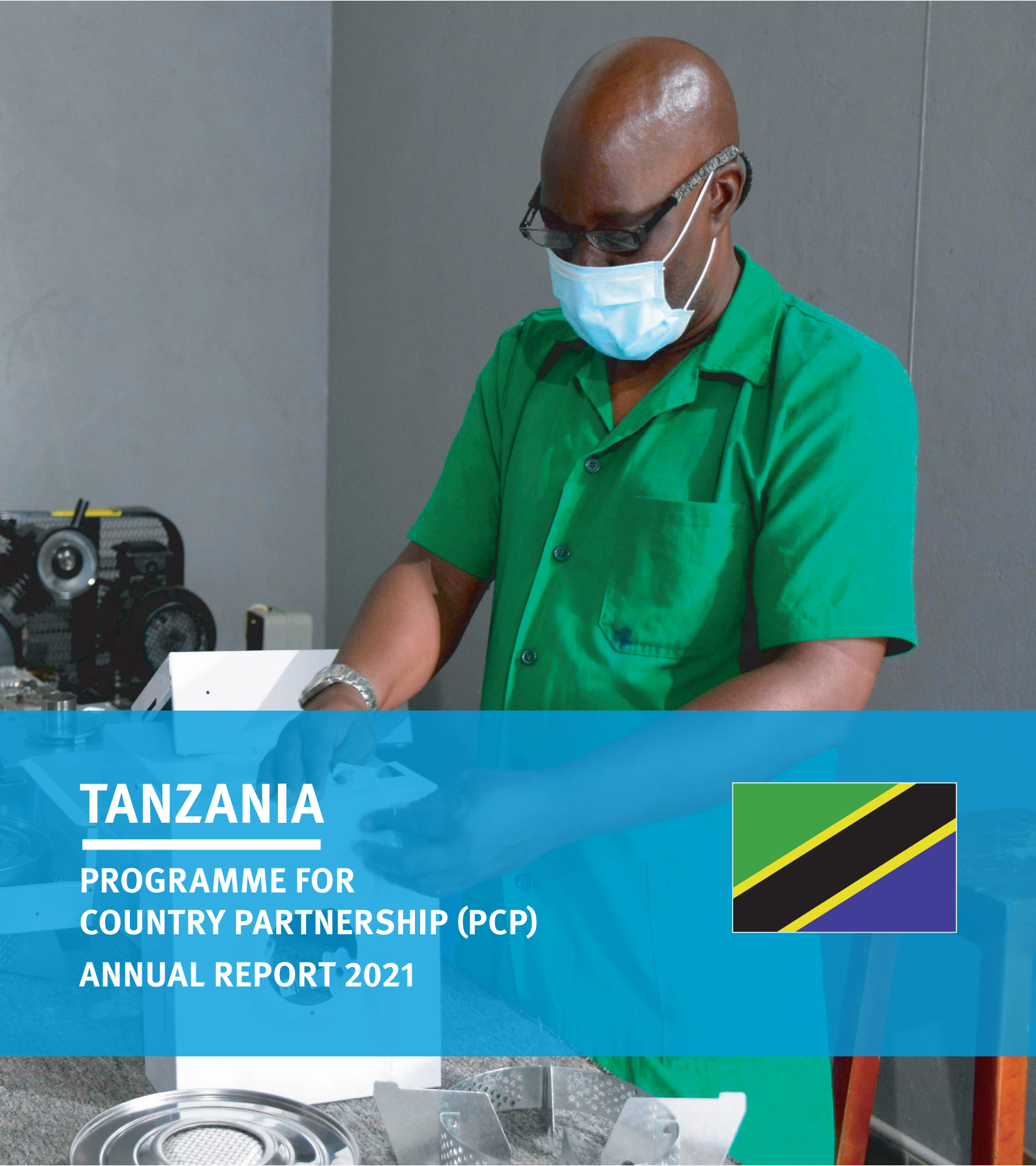




UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country
Partnership **Tanzania**



TANZANIA

PROGRAMME FOR
COUNTRY PARTNERSHIP (PCP)
ANNUAL REPORT 2021





SUSTAINABLE DEVELOPMENT GOALS






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THE PCP AT A GLANCE

 COUNTRY	UNITED REPUBLIC OF TANZANIA
STATUS	<ul style="list-style-type: none">• Date of approval of the development of the PCP by the UNIDO Executive Board: 20 October 2020• Programming: Initiated in 2020 – ongoing• Implementation: Start date to be confirmed.
PRINCIPLE NATIONAL POLICY/STRATEGY SUPPORTED BY THE PCP	For Tanzania Mainland: <ul style="list-style-type: none">• Tanzania Development Vision 2025,• Third Five Year Development Plan (FYDP III, 2021/22 - 2025/26)• Sustainable Industrial Development Policy (SIDP), 1996-2020 For Zanzibar: <ul style="list-style-type: none">• Zanzibar Development Vision 2050• Zanzibar Development Plan 2021 – 2025• Zanzibar Industrial Policy (ZIP, 2019-2029)
TENTATIVE FOCUS SECTORS/AREAS	To be validated during PCP formulation: <ul style="list-style-type: none">• Industrial policy and statistics• Promoting digitalization and greening of enterprises and value chains• Building capacity of industrial development support organizations• Promoting energy production and its efficient use• Promoting environmental sustainability• Enhancing skills development for industrial development• Strengthening value addition in mining sector and chemicals• Blue economy
MAIN PARTICIPATING MINISTRIES	Main national ministries expected to participate in the national coordination body/governance of the PCP include: <ul style="list-style-type: none">• Prime Minister’s Office (PMO);• Ministry of Finance and Planning;• Ministry of Industry and Trade (MIT);• Ministry of Agriculture (MoA);• Ministry of Livestock and Fisheries (MLF);• Ministry of Trade and Industrial Development (MTID, Zanzibar);• President’s Office – Regional Administration and Local Government; and• Ministry of Minerals.



<p>KEY DEVELOPMENT PARTNERS (ENVISIONED)</p>	<ul style="list-style-type: none"> • Financial institutions: African Development Bank, Adaptation Fund, Global Environmental Facility, Green Climate Fund, Tanzania Agricultural Development Bank, Tanzania Investment Bank, World Bank • Bilateral/multilateral partners: European Union, China, Denmark, Germany, Ireland, Norway, United States of America, Sweden. • UN entities: Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), International Trade Centre (ITC), United Nations Capital Development Fund (UNCDF), United Nations Development Programme (UNDP), United Nations Entity for Gender Equality and Women Empowerment (UN Women), United Nations Environment Programme (UNEP), World Food Programme (WFP). • Other partners (business sector) Confederation of Tanzania Industries (CTI), Tanzania Chamber of Commerce Industry and Agriculture (TCCIA), Tanzania National Business Council (TNBC), Tanzania Private Sector Foundation (TPSF), Tanzania Women Chamber of Commerce (TWCC), Zanzibar National Chamber of Commerce (ZNCC).
<p>UNIDO PROJECTS WITH FUNDING SECURED¹ (COMPLETED AND ONGOING)</p>	<p>UNIDO's ongoing portfolio in Tanzania at the end of 2021, to serve as a baseline and to be integrated into the PCP:</p> <ul style="list-style-type: none"> • Total number of projects: 7 • Total funding: \$ 20,298,091 • Total expenditures to end of current reporting period: \$ 7,549,883
<p>TOTAL INVESTMENTS LEVERAGED² (CUMULATIVE)</p>	<p>Not applicable</p>
<p>TOTAL PCP VOLUME</p>	<p>Not applicable</p>

¹ **Funding secured:** The total budget (net, i.e. excluding programme support costs) under signed agreements for UNIDO programmes and projects, indicated in US\$ amounts.

² **Funding leveraged:** These include public or private resources, in cash or in-kind, allocated by public or private partners towards the objectives of the PCP. They are contributed partly as a result of UNIDO interventions within the framework of the PCP, and based on a verbal or written commitment. Such resources are not channeled through UNIDO's accounts and accordingly not under the Organization's direct control.

1. Executive summary

Over the course of 2021, the Government of the United Republic of Tanzania and UNIDO initiated the process to develop a Programme for Country Partnership (PCP). This is building on the approval by the UNIDO Executive Board in October 2020 of the development of the PCP for Tanzania, following the official request by the President of the United Republic of Tanzania, H.E. John Pombe Joseph Magufuli.

Tanzania affirmed the country's commitment to full ownership of the PCP, highlighting that the Prime Minister's Office shall coordinate all activities of the Government Ministries, Departments and Agencies (MDAs) with respect to the PCP. It also stated the commitment that, through the Ministry of Finance and Planning, the United Republic of Tanzania (URT) shall mobilize funds for its implementation.

Tanzania's desire to become a PCP country dates back to January 2016 when Her Excellency Ms. Samia Suluhu Hassan, the then Vice President of the United Republic of Tanzania, conducted discussions with Mr. Li Yong, Director General of UNIDO, on the PCP initiative during the African Union Heads of States summit held in Addis Ababa, Ethiopia. During the mission conducted to Tanzania in March 2018, the UNIDO Director General and the Minister of Industry and Trade, H.E. Mr. Charles Mwijage, signed a Joint Declaration on Tanzania on enhancing collaboration through the development of a PCP. The Joint Declaration was signed in the presence of Her Excellence Ms. Samia Suluhu Hassan, Vice President of the United Republic of Tanzania.

In February 2021, the UNIDO Representative (PCP Tanzania Programme Manager) fielded a mission to Dodoma and Zanzibar to discuss with the Permanent and Principal Secretaries (PSs) of key ministries the next steps towards the development of PCP Tanzania. The Government has considered earmarking TZS 4.4 billion, approximately \$1.9 million, to kick start the PCP while finalizing the funds mobilization process.

Potential thematic areas for PCP Tanzania remain those with the ability to create more labour-intensive jobs specifically in the sectors of agriculture, industry, mining and chemicals focusing, for example, on textiles and garments, leather and leather products, edible oil and pharmaceutical industries, as well as the blue economy. Safeguarding the environment, for example through promoting efficient use of resources and cleaner production, is another priority and commitment of the Government.

The mentioned potential thematic areas for PCP Tanzania are aligned not only to the Second United Nations Development Assistance Plan (UNDAP II) 2016-2021 (which was extended to 2022), but also the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2022-2027 being developed jointly by the UN system and the United Republic of Tanzania. PCP-Tanzania will stipulate and elaborate the participation and contribution of UNIDO to the UNSDCF 2022-2027.³

³ Both UNDAP II and the UNSDCF respond to the national development agenda stipulated in the Tanzania Development Vision 2025 and the Zanzibar Vision 2020, which was succeeded by the Zanzibar Development Vision 2050 together with their implementation tools, namely the Second and Third Five Year Development Plans: (FYDP II, 2016/17-2020/21 and FYDP III, 2021/22-2025/26) for Tanzania Mainland, as well as the Third Zanzibar Strategy for Growth and Reduction of Poverty (ZSGPR III, with a Kiswahili popular acronym of MKUZA) 2016-2020 and its successor, the Zanzibar Development Plan (ZADEP) 2021 - 2025 for Zanzibar.



2. Background

PCP Tanzania will be designed and implemented to support Tanzania's industrial development stipulated in the distinct development frameworks for Tanzania Mainland and for the Revolutionary Government of Zanzibar.⁴ 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 the skills gap challenges including in the industrial sector.

The first implementation tool of the ZDV 2050⁵ is the Zanzibar Development Plan 2020-25, being prepared. ZDV 2050 has four pillars, namely: (i) Economic Transformation, (ii) Human Capital and Social Services, (iii) Infrastructural Linkages, and (iv) Governance and Resilience. At sectoral 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 subsectors and other productive sectors to drive the industrialization process. Zanzibar continues with the implementation of the Zanzibar Small and Medium Enterprises Policy (2006), and the Zanzibar Agricultural Development Programme (Z-ASDP, 2018-2028).

The Tanzania Mainland indicators, which would apply to PCP for monitoring progress towards the expected results, would include the following targets, selected from FYDP III, SIDP (1996-2020) and the IIDS 2025:

- Increasing the share of employment in the manufacturing sector to overall employment from 6.7% in 2019/20 to 12.8% in 2025/26;
- Increasing overall industrial GDP real growth rate from 7.3% in 2019/20 to 8.7% in 2025/26;
- Increasing the share of the overall industrial to Gross Domestic Product (GDP) at current prices from 29.9% in 2019/20 to 31.1% in 2025/26;
- Increasing manufacturing value added from \$1.8 billion in 2010 to \$16.8 billion by 2025; and
- Increasing share of industrial exports to total export earnings from 14.6% in 2019/20 to 20.2% in 2025/26.

For Zanzibar, the following targets from the ZDV 2050 are considered as relevant:

- Share of industry to GDP increased from 18% in 2019 to 25% in 2030;
- Share of manufacturing to GDP increased from 6.8% in 2019 to 12% in 2030;
- Share of employment in manufacturing increased from under 10% in 2018 to 15% in 2030;
- Proportion of manufactured exports originating from the Free Economic Zones (FES) reaching 28% in 2030;
- Share of energy generation from domestic electricity production to rise from zero in 2020 to 27.4% in 2030;
- Share of total energy generation from domestic renewable energy production to rise from zero in 2020 to 27.4% in 2030;
- Proportion of businesses using ICT products and services in their operations to reach 50% in 2030;

⁴ For Mainland the main framework is the Tanzania Development Vision 2025 implemented through the Tanzania Long Term Perspective Plan (TLPP, 2011/12-2025/26) divided in three Five Year Development Plans (FYDPs): FYDP I (2011/12-2015/16), FYDP II (2016/17-2020/21) and FYDP III (2021/22-2025/26). The PCP will support the FYDP III which includes some unfinished agenda of the FYDP II.

⁵ The long-term development aspirations for Zanzibar are presented in the Zanzibar Development Vision (ZDV) 2050, which succeeded Zanzibar Vision (ZV) 2020. Building on Zanzibar Vision 2020, ZDV 2050 puts human development at the forefront of national planning, promoting the isle's agriculture-based economy and embracing the Blue Economy to lead Zanzibar into a semi-industrialized economy with an Upper Middle-Income Status (UMIS) by 2050. 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.

- Proportion of land allocated for industry to rise from 2% in 2019 to 4% in 2030; and
- Afforestation rate to increase from 640 ha in 2015 to 4,000 ha in 2030.

The priority sectors indicated as part of Tanzania’s request to become a PCP country, identified from the FYDP II (2016/17-2020/21) and IIDS 2025 are those which have ability to create more jobs of about 40% in manufacturing sector and most of them are labour-intensive. While the specific sectors reflected in the request include agriculture, industry, mining and chemicals, it was elaborated that the Government is mainly focusing on textiles and garments, leather and leather products, edible oil and pharmaceutical industries. The request also highlights the commitment to safeguard the environment for example on promoting efficient use of resources and cleaner production.

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

3. Alignment with and contribution to the UNSDCF

The UNSDCF 2022-2027 is being developed to succeed UNDP II scheduled for completion in June 2022. The UNSDCF will be a new common/joint business plan of the United Nations system with the Government of the United Republic of Tanzania. The draft Common country Analysis (CCA) has identified the economic dimension as one of the three key result areas that need to be reflected in the new Cooperation Framework.

The UNSDCF for Tanzania, under formulation being guided by the principles of “leaving no one behind”, gender equality and women’s empowerment, and an overall human rights-based approach to programming in Tanzania, proposes four inter-linked and mutually reinforcing strategic priorities and outcomes.

The alignment of potential interventions to be supported through the PCP Tanzania and the UNSDCF for Tanzania are summarized in the following table.

UNSDCF Strategic Priority / Outcome	Outcome Statement	Description and alignment with the PCP Tanzania
SP 1: People	Outcome 1: By 2027, people in the United Republic of Tanzania, especially the most vulnerable, increasingly utilize quality gender transformative, inclusive and integrated basic education, health (with particular focus on RMNCAH, AIDS, TB, malaria, and epidemic prone diseases), nutrition, WASH and protection services.	This strategic priority sees the UN working to improve the well-being of those living in Tanzania both now and in the future. The aim is a healthy and educated population with improved capabilities and better equipped to support the realization of the country’s aspirations as an MIC. UNIDO, through PCP Tanzania, is expected to participate in the strategic priority for example through the ongoing support to promote domestic production of PPEs and the use of bioethanol, renewable clear energy for cooking which would reduce exposure of persons, especially women and children who bear the cooking responsibility, to Indoor Air Pollution which is highly associated with respiratory infections including COVID-19.



UNSDCF Strategic Priority / Outcome	Outcome Statement	Description and alignment with the PCP Tanzania
SP 2: Prosperity	Outcome 2: People in the United Republic of Tanzania working in MSMEs and small-scale agriculture, especially the most vulnerable, achieve increased, more sustainable productivity and incomes with more equitable access to productive resources.	The focus for the UN under the strategic priority is on increasing production, productivity and incomes, helping to achieve decent employment at the individual level but also transformation and growth at the national level, a key focus of the FYDP III and ZADEP. It is under this strategic priority where UNIDO would support interventions on data and industrial policies, institutional capacity-building and development of priority industrial value chains, particularly which mainly involve vulnerable groups such as women and the youth.
SP 3: Planet	Outcome 3: People in the United Republic of Tanzania especially the most vulnerable, contribute to and benefit from more inclusive and gender-responsive management of natural resources, climate change resilience, disaster risk reduction and increased use of efficient renewable energy.	The strategic priority is about supporting a greener more sustainable development path, which includes better access to clean energy and technology to fuel growth and enable more sustainable management of the wealth of natural resources that Tanzania enjoys. It will also involve working with the Government and communities to mitigate against climate change and reduce disaster risks. UNIDO, through PCP Tanzania, has wide participation opportunities as already demonstrated by the ongoing interventions like promoting the use of bioethanol for cooking to reduce the use of inefficient biomass which fuels deforestation, as well as conversion of agricultural waste to energy that is used for industrial and domestic needs.
SP 4: Enabling environment	Outcome 4: People in the United Republic of Tanzania, especially the most vulnerable, participate in and benefit from government institutions and systems that promote peace and justice, are gender responsive, inclusive, accountable and representative, and are compliant with international human rights norms and standards.	This strategic priority supports the realization of the results across the other areas. The priority area focuses on broader issues of governance, data, access to justice, PVE and mainstreaming of human rights.

4. Programme-level results

4.1 COORDINATION AND GOVERNANCE

The Government has committed to establish a coordination mechanism for the PCP, indicating that the Prime Minister's Office shall coordinate the implementation of the PCP and that the Government shall 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 Authority, 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. It further stated that the Ministry of Finance and Planning will be responsible for mobilizing resources for PCP implementation.

4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

The Government of Tanzania, including through its official PCP request to UNIDO, has committed to the establishment of a comprehensive multi-stakeholder partnership, comprising relevant government ministries and institutions, UN agencies and other development partners, financial institutions and the private sector, so as to ensure the full implementation of the PCP. The Government further indicated that, in the course of the implementation of the PCP, through the Ministry of Industry and Trade, it shall establish Thematic Working Groups that will include relevant ministries and institutions, UN agencies and development partners.

Tanzania has committed, through the Ministry of Finance and Planning, to raising funds for the implementation of the PCP, using the experience it has in funds mobilization for national strategic and flagship projects as well as other development projects. Through its communication to UNIDO towards the end of 2021, the Government indicated to have set TZS 4.4 billion (approximately \$1.9 million) in its 2022/2023 budget to kick-start PCP-related activities and pledged its commitment to continue to raise funds.

The implementation process will be strongly oriented on partnership development, including collaboration with the Tanzania National Business Council (TNBC) through public-private dialogue, the Tanzania Private Sector Foundation (TPSF), the Confederation of Tanzania Industries (CTI), the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), and the Tanzania Women Chamber of Commerce (TWCC), for instance. It is expected that relevant private sector in institutions in Zanzibar will be identified at a later stage.

4.2. TECHNICAL COOPERATION RESULTS

UNIDO has an ongoing portfolio of six technical cooperation projects with total funding of \$10,186,812, which will be integrated into the PCP. New initiatives will be developed according to the identified priority areas and sectors, building on the country diagnostic exercise and the programming to be conducted in 2021.

4.4. RESPONSE TO COVID-19

With a view to support the Government in the emergency of the COVID-19 outbreak, UNIDO developed two projects: 1) A project to promote homegrown solutions - personal protective equipment (PPEs), funded by the Government of Japan through the Japanese Supplementary Budget 2020/21 around \$675,000; and 2) Another joint project with UNDP/ILO and UNCDF to support the structural development of value chains to address the negative COVID-19 impact and build resilience in view of potential future shocks. The project was funded by the MPTF around \$800,000 (i.e., \$200,000 for each agency).



Designing the PCP-Tanzania will take into consideration lessons learned and experience for the COVID-19 outbreak to build resilience and ensure the safeguarding of livelihoods, the economy and the environment.

5. Upcoming milestones and major results expected in 2022

In 2022, UNIDO will conduct a country diagnostic that will support the formulation of the PCP building on the tentatively identified areas of interventions (to be finalized through the diagnostic and programming):

- Industrial policy and statistics (improvement of the policy environment, including advice on policies, strategies and regulatory frameworks to foster among others the private sector);
- Promoting digitalization and greening of enterprises and value chains;
- Building capacity of industrial development support organizations;
- Promoting energy production and its efficient use;
- Promoting environmental sustainability;
- Enhancing skills development for industrial development;
- Strengthening value addition in mining sector and chemicals;
- Blue economy; and
- Promoting domestic production of pharmaceuticals as well as medical supplies and devices.

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. In parallel, UNIDO will support the Government in establishing a governance and coordination mechanism for the PCP.



Annex 1: Ongoing UNIDO TC

ERP ID	PCP tentative priority area	Ongoing projects	Donor	Funding (US\$)
140077	Promoting energy production and its efficient use	Promotion of Waste-to-Energy (WTE) Applications in Agro-Industries of Tanzania	GEF	5,277,000
150208	Promoting energy production and its efficient use	Promotion of Bio-Ethanol as Alternative Fuel for Cooking in the United Republic of Tanzania (Phase I)	GEF	2,557,078
210101	Promoting energy production and its efficient use	Scaling up bioethanol as a clean alternate fuel for cooking in Dar es Salaam	UN Capital Development Fund (UNCDF)	3,137,595
180028	Industrial policy and statistics Enhancing skills development for industrial development.	Programme for inclusive and sustainable industrial development (in the United Republic of Tanzania)	One UN Fund	1,147,178
200212	Enhancing skills development for industrial development	Promoting public health and social resilience against COVID-19 by strengthening the domestic supply chain of personal protective equipment	Japan	597,932
180348	Promoting environmental sustainability	HCFC phase-out management plan (Stage II)	Montreal Protocol	109,848
210097	Building capacity of industrial development support organizations Enhancing skills development for industrial development.	QUALITAN: Quality standards and compliance programme for the United Republic of Tanzania	EU	7,471,460
			Sub-total:	20,298,091



For more information, please scan the QR Code to
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