

MINISTRY OF FOREIGN AFFAIRS OF DENMARK
Danida

DENMARK'S DEVELOPMENT ASSISTANCE TO TANZANIA 2007-2011



DANISH ASSISTANCE WITHIN THE FRAMEWORK OF THE JOINT ASSISTANCE STRATEGY FOR TANZANIA



CONTENTS

Overview	4
Joint Assistance Strategy	4
Strategy for Growth and Reduction of Poverty	
– Budget Support	5
Business Sector Programme	6
Health Sector Programme	6
Environment Sector Programme	7
Crosscutting Reform Programmes	7
Refugee Host Areas Programme	8
Business-to-Business Programme	8
The Strategy – A Living Process	8
The Three Assistance Strategy Documents	9

BOXES

Tanzania – facts about the country	3
Key Issues in the Danish Development Assistance Policy	10



PHOTO: MIKKEL ØSTERGAARD

TANZANIA – FACTS ABOUT THE COUNTRY

Capital

Dodoma, but in practice Dar es Salaam still functions as the capital.

Area

Area: 945,000 square kilometres (Denmark: 43,000 square kilometres).

Inhabitants

36,800,000 including 1,004,000 on Zanzibar (2005).

Population growth per year

2.9 per cent (1980-2002).

Population

Mainly bantu, but the population on Zanzibar are mixed Arabic and African.

Language

Kiswahili and English plus Arabic on Zanzibar.

Religion

45 per cent Christians, 45 per cent Muslims, 10 per cent native religions
 – Zanzibar: 99 per cent Muslims.



OVERVIEW

From 2007, Denmark's development assistance to Tanzania will be provided as an integral part of a Joint Assistance Strategy shared by all donors in Tanzania. In the period 2007-2011, the Danish support of the implementation of the Joint Assistance Strategy will focus on four main areas:

- A dynamic business environment.
- Public health.
- Management of natural resources.
- Budget support, which goes directly to Tanzania's Ministry of Finance and helps fund the implementation of Tanzania's Strategy for Growth and Reduction of Poverty.

In addition, Denmark will support:

- Democracy and good governance.
- Public administration.
- Cooperation between Tanzanian and Danish companies.
- Refugees and the local communities hosting them.

As part of the agreement between the donors about a more clear-cut division of labour, it has been decided that the Danish support towards construction and maintenance of roads and to agricultural development will cease when the currently funded activities come to an end.

JOINT ASSISTANCE STRATEGY

The Danish assistance is part of a considerable international assistance effort. Most of the international assistance is provided in accordance with a Joint Assistance Strategy, which the Tanzanian government and the country's 45 multilateral and bilateral donors have developed together.

The total Danish assistance to Tanzania is expected to amount to approx. 500 million Danish kroner annually (approx. 91 million USD) until the end of the strategy period in 2011. The Danish Finance Bill for 2007 allocates 400 million Danish kroner (approx. 73 million USD) a year until 2010 to budget support, sector programmes and crosscutting reforms.

To this should be added the environment, the Business-to-Business Programme, soft loans, the Refugee Host Area Programme, research and assistance through private Danish development organisations.

As part of the agreement between the donors about a more clear-cut division of labour, Denmark has decided to leave the agriculture and road sectors. Agriculture mainly because the sector is adequately covered by a number of major donors: The World Bank, the EU and the African Development Bank. In addition, the ability of the Tanzanian authorities and agricultural organisations to implement the agreed strategies has unfortunately proved limited. The Danish support has therefore not had the desired impact and the results of the work so far have been unsatisfactory in several respects. The current agricultural agreement expires in 2007.

The road sector is also characterised by the presence of several major donors: The World Bank, the EU, the African Development Bank and Japan. From a Danish point of view, it is particularly important that the EU is planning to focus its earmarked assistance on, among others, agriculture and roads.

The Road Sector Programme focuses on building trunk roads, regional roads, district roads, village roads and footbridges with support of the capacity of TANROADS and other central institutions to manage the country's infrastructure. The current agreements in the road sector will not expire until 2010.

In addition to focusing on fewer sectors, Denmark will during the strategy period work towards more coherent and concentrated efforts within both the three sector programmes and the support for democracy, good governance, public administration and refugees. This will also help making the efforts more effective.

The number of independent projects will be reduced during the strategy period.

Focusing the assistance on fewer sectors does not imply a reduction of the total assistance, but a concentration of the resources within fewer sectors.

STRATEGY FOR GROWTH AND REDUCTION OF POVERTY – BUDGET SUPPORT

Tanzania was one of the first developing countries to formulate a comprehensive poverty reduction strategy (National Strategy for Growth and Reduction of Poverty), in which the donors had confidence. The current strategy came into force in 2005 and runs until 2011.

The strategy focuses on the achievement of actual results, unlike its predecessor, which focused on securing resources for seven priority sectors. The strategy attaches importance to a sustainable reduction of poverty through a broadbased and balanced growth.

The growth is to be created by the private sector, whose framework conditions must therefore be improved. Foreign trade must be increased and Tanzania's international competitiveness must be strengthened. This will be achieved through greater value-addition in the processing industry, especially for agricultural products, general improvement of the product quality and a broader product range.

The strategy attaches importance to good governance, partly by focusing on the implementation of a national anti-corruption plan and reforms of the public administration. The Millennium Development Goals are incorporated in the strategy.

Most of the funds for the implementation of the National Strategy for Growth and Reduction of Poverty come from Tanzania itself, but a significant contribution is made by the international donors, who finance over 40 per cent of the country's public expenditure.

The purpose of the Danish budget support is to contribute to the reduction of poverty in accordance with the objectives of Tanzania's Strategy for Growth and Reduction of Poverty. Approx. 25 per cent of the total Danish assistance will be in the form of budget support.

BUSINESS SECTOR PROGRAMME

Tanzania's Strategy for Growth and Reduction of Poverty attaches importance to improving the framework conditions for the private sector as a means of achieving continued high economic growth. This is entirely in keeping with the objectives of the Danish Business Sector Programme, which has achieved good results within few years. The broad Danish sector approach is moreover unique among the donors in Tanzania and it has contributed to a solid insight into the conditions and challenges of the business sector.

The Business Sector Programme supports the Tanzanian government's efforts to improve the framework conditions for the country's business development. Denmark supports the reform of the business legislation, strengthening of the trade and labour legal system, strengthening of the working environment service, development of business organisations and initiatives to promote foreign investments.

To this should be added support towards increased participation in international trade, the development of an effective labour market and credit advice to small and medium-size companies.

The programme will be renewed when the first phase expires in mid-2008. Efforts will be made to focus on fewer elements. The successful private sector component in the Agriculture Sector Programme is expected to continue as part of the second phase of the Business Sector Programme.

HEALTH SECTOR PROGRAMME

Denmark has provided Health Sector Programme assistance since the mid-1990s. Denmark is one of the main donors within health and one of the few with experience from working with the health sector on Zanzibar. In addition, the Danish resource base is large and respected.

The Health Sector Programme focuses on increased access to and improved quality of basic healthcare. This is partly achieved by helping the government to implement a sector reform and to improve the service level in the primary health service throughout the country by contributing to investment and operating budgets at both central and district level. One of the aims is to improve the drug supply.

In addition, Denmark supports the strengthening of hospital management, greater involvement of the private sector and increased assistance to Zanzibar.

The programme will be renewed when the current phase expires in mid-2009. The overall Health Sector Programme will also be simplified and more focused.

ENVIRONMENT SECTOR PROGRAMME

Denmark has supported the environment sector since the 1980s. As Denmark is the lead donor in the sector, the other donors support its continued leadership of the dialogue with the authorities about integration and prioritisation of environmental considerations in the implementation of the National Strategy for Growth and Reduction of Poverty and the underlying sector strategies. Denmark has also contributed actively to the drafting of the new Environment Management Act, which came into force in 2005, and it has considerable experience and professional capacity within this area.

PHOTO: MIKKEL ØSTERGAARD



The Environment Sector Programme, which comes into force in 2007 and runs until the end of the strategy period, will provide support within three areas: Environment legislation, urban environment and forestry. With regard to environmental legislation, Denmark will support the creation of a coherent system for implementation of the country's Environmental Management Act of 2005 and the development of the capacity of various authorities in order to achieve an overall improvement of the environment in Tanzania.

With regard to the urban environment, Denmark will support the establishment of a national framework for urban development and the development of the local town councils' ability to include the environment in their planning. In addition, Denmark will contribute to a healthier urban environment through better infrastructure and services.

With regard to forestry, the national implementation of village-based forestry management will be strengthened. As a result, more Tanzanian forests will be managed in a sustainable way and the living conditions in the villages will be improved.

CROSSCUTTING REFORM PROGRAMMES

To support the other efforts – especially the budget assistance – Denmark will contribute to three crosscutting programmes to reform the public service, the management of public finances, and the legal system, through joint donor baskets.

The purpose of the support towards the reform of the management of public finances is to ensure more effective use of the state finances and reduce misuse and corruption. The purpose of the support towards the reform of the central administration is to increase the efficiency of the public sector. The purpose of the support towards the reform of the judicial system is to ensure equal access to justice for all.

The intention is to phase out the direct Danish support towards the three reform programmes during 2009, as they are expected to be adequately funded through the national budget after that. However, if that proves not to be the case, continued earmarked support will be considered.

In addition to the efforts to improve the public administration, Denmark will support the promotion of democracy and good governance, with focus on strengthening the role of the Parliament, combating corruption, promoting a critical press, undertaking research and education in relation to democracy and strengthening the civil society's involvement in the public debate.

The proportion of the total Danish assistance to Tanzania used to promote democracy and good governance is expected to increase during the strategy period.

REFUGEE HOST AREAS PROGRAMME

The Refugee Host Areas Programme supports Burundian and Congolese refugees living in camps in North West Tanzania, as well as the local communities hosting the refugee camps.

Among other things, Denmark supports vocational training, improvement of access to water and sanitation, improved management of the natural resources and the handling of conflicts between the refugees and the local communities. In addition, the authorities' capacity to protect the refugees is strengthened, thus enabling Tanzania to meet its international obligations in this respect.

The programme is expected to be renewed when the current phase expires towards the end of 2008.

BUSINESS-TO-BUSINESS PROGRAMME

Throughout the strategy period, the Business-to-Business Programme will support the establishment of partnerships between Danish and Tanzanian companies. The activity level has been growing slowly since the programme was established in 2000 and this trend is expected to continue.

THE STRATEGY – A LIVING PROCESS

The Joint Assistance Strategy for Tanzania is a living process. Tanzania and the donors have started a new kind of cooperation, which will be further developed during the strategy period. Thus only the overall framework has been fixed at the start of the strategy period in 2007.

Within this framework, work continues on the implementation of the strategy. An action plan and monitoring system to follow up on the extent to which the parties live up to the obligations and objectives of the strategy are being formulated.

PHOTO: JØRGEN SCHYTTE



In addition, Tanzania is, among other things, committed to formulating a national policy for capacity building and technical assistance.

The work on developing the division of labour between the donors and making it more clear-cut will also continue.

THE THREE ASSISTANCE STRATEGY DOCUMENTS

The three documents which together constitute the Joint Assistance Strategy for Tanzania for the period 2007-2011 – Principles Document, National Analysis and Programme Document – are written in English.

They are available at the Danish Ministry of Foreign Affairs' website www.um.dk and at the website of the Tanzanian Development Partners Group; www.tzdp.org.tz.

The website of the Danish Embassy in Dar es Salaam www.ambdaressalaam.um.dk has a section on the Joint Assistance Strategy with regular updates on the development and implementation of the strategy.

KEY ISSUES IN THE DANISH DEVELOPMENT ASSISTANCE POLICY

Crosscutting issues – gender equality, environment, human rights, democracy and good governance – are reflected in the Danish-Tanzanian bilateral activities, both through direct efforts and through incorporation in the individual sector programmes. In addition, they play an often very central part in the annual review of the progress of the National Strategy for Growth and Reduction of Poverty, which takes place as part of the annual budget support review.

As a result of the focusing and division of labour between the donors, the extent of independent, direct efforts within each crosscutting area varies. Denmark thus plays an important part in the environment area. Targeted efforts have for instance contributed to improving the quality of the Environmental Management Act, which came into force in 2005, and ensured that environmental considerations were effectively incorporated in the National Strategy for Growth and Reduction of Poverty and the Joint Assistance Strategy.

With regard to gender equality, a number of UN organisations and two or three bilateral donors have been at the forefront of the dialogue with the Tanzanian authorities and funded a few direct interventions. The area will receive increased Danish attention during the strategy period 2007-2011.

All crosscutting issues are incorporated in the Joint Assistance Strategy and the division of labour agreed between the donors ensures that there is adequate funding for the individual areas. In situations where the funding is not crucial to ensuring progress, greater importance will be attached to the dialogue with the Tanzanian authorities, possibly supplemented with technical assistance in the form of short-term or long-term advisers.

Promotion of private sector development is an area of particular Danish interest. Tanzania's Strategy for Growth and Reduction of Poverty attaches importance to strengthening the framework conditions of the private sector as a way of achieving continued high growth. This is entirely in keeping with the objectives of the Business Sector Programme as well as an area where the Business-to-Business Programme contributes specific experiences in relation to the effect of the efforts to strengthen the framework conditions.

Support towards refugees is another area of particular Danish interest. The effort is characterised by being geographically focused and limited in time to the refugees' return home. The support is therefore provided as traditional project assistance. A number of UN organisations, but very few bilateral donors, are active in this area. The Danish effort is closely coordinated with the UN High Commissioner for Refugees (UNHCR), which is the lead development partner in refugee matters.

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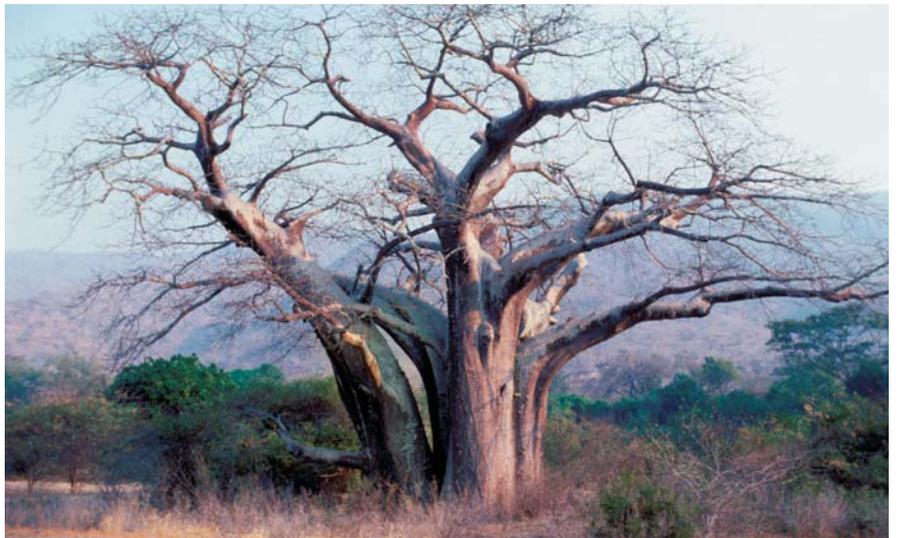
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