



USAID/Tanzania Country Strategic Plan FY 2005-2014

"IMPROVING THE QUALITY OF LIFE IN TANZANIA"

May 2004



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Acronyms

ABC	- Abstain, Be faithful or use a Condom consistently
ACI	- Anti-Corruption Initiative
ADS	- Automated Directives System
AfDB	- African Development Bank
AFR	- Africa Bureau
AFR/SD	- Africa Bureau's Sustainable Development Office
AGOA	- African Growth and Opportunities Act
AIDS	- Acquired Immune Deficiency Syndrome
AMMP	- Adult Morbidity and Mortality Project
ANC	- Ante-natal Care
ANGAZA	- Hope or Light (in Swahili)
APHIS	- Animal and Plant Health Inspection Service
APS	- Annual Program Statement
ART	- Antiretroviral Therapy
ARV	- Anti-Retroviral
ASARECA	- Association for Strengthening Agricultural Research in East/Central Africa
ASDP	- Agricultural Sector Development Program
ASDS	- Agricultural Sector Development Strategy
ASSP	- Agricultural Services Support Programme
ATAP	- Agricultural Transport Assistance Program
BCC	- Behavior Change Communication
BDS	- Business Development Services
BEST	- Business Environment Strengthening in Tanzania
BT	- Biologically Transformed
CAs	- Cooperating Agencies
CAG	- Controller and Auditor General
CBD	- Community-Based Distribution
CBNRM	- Community-Based Natural Resource Management
CBO	- Community-Based Organization
CCM	- Chama Cha Mapinduzi
CCM	- Country Coordinating Mechanism
CDC	- Centers for Disease Control
CHW	- Child Health Weeks
CIPE	- Center for International Private Enterprise
CPR	- Contraceptive Prevalence Rate
CS	- Child Survival
CSP	- Country Strategic Plan
CSO	- Civil Society Organization
CSH	- Child Survival and Health
CVA	- Conflict Vulnerability Assessment
CYP	- Couples Years of Protection
DA	- Development Assistance funds
DANIDA	- Danish International Development Agency
DCA	- Development Credit Authority
DCHA	- Democracy, Conflict and Humanitarian Assistance
DG	- Democracy and Governance

DFID	- Department for International Development
DHMT	- District Health Management Team
DHS	- Demographic and Health Survey
DOD	- Department of Defense
DPG	- Development Partner Group
EAC	- East African Community
ECA	- Eastern and Central Africa
EG	- Economic Growth
EGAT	- Economic Growth, Agriculture and Trade
ENR	- Environment and Natural Resources
E/NRM	- Environment/Natural Resource Management
ESF	- Economic Support Funds
ETOA	- Environmental Threats and Opportunities Assessment
EU	- European Union
FAA	- Foreign Assistance Act
FANC	- Focused Ante-natal Care
FBO	- Faith Based Organization
FEWSNET	- Famine Early Warning System Network
FGC	- Female Genital Cutting
FGM	- Female Genital Mutilation
FMRP	- Financial Management Reform Program
FOI	- Freedom of Information
FP	- Family Planning
FSN	- Foreign Service National
FTA	- Free Trade Area
FY	- Fiscal Year
GDA	- Global Development Alliance
GDP	- Gross Domestic Product
GFATM	- Global Fund for AIDS, Tuberculosis and Malaria
GFCCM	- Global Fund Country Coordinating Mechanism
GGCU	- Good Governance Coordination Unit
GMO	- Genetically Modified Organism
GOT	- Government of Tanzania
HAART	- Highly Active Antiretroviral Therapy
HIPC	- Heavily Indebted Poor Country
HIV	- Human Immunodeficiency Virus
HTA	- High Transmission Area
IAA	- Interagency Agreements
IARC	- International Agricultural Research Center
ICNL	- International Center for Non-for-Profit Law
ICT	- Information and Communications Technologies
ID	- Infectious Disease
IDI	- International Development Intern
IDU	- Infectious Disease Unit
IEC	- Information, Education, and Communications
IEHA	- Initiative to End Hunger in Africa
IFAD	- International Fund for Agricultural Development
IFI	- International Finance Institution

IMF	- International Monetary Fund
IPT	- Intermittent Presumptive Treatment
IQC	- Indefinite Quantity Contract
IR	- Intermediate Result
ISHI	- Live (in Swahili)
ISP	- Integrated Strategic Plan
ITN	- Insecticide-Treated Net
IUD	- Inter-Uterine Device
JICA	- Japanese International Cooperation Agency
LGPR	- Local Government Reform Program
LSRP	- Legal Sector Reform Program
LTM	- Long-term Methods
MCA	- Millennium Challenge Account
MCH	- Maternal and Child Health
MDA	- Ministries, Departments and Agencies
M&E	- Monitoring and Evaluation
MIS	- Management Information System
MOF	- Ministry of Finance
MOH	- Ministry of Health
MOJCA	- Ministry of Justice and Constitutional Affairs
MPs	- Members of Parliament
MPP	- Mission Performance Plan
MSD	- Medical Store Department
MSE	- Micro and Small Enterprises
MTEF	- Medium-Term Expenditure Framework
NACP	- National AIDS Control Program
NACSAP	- National Anti-Corruption Strategy and Action Plan
NEP	- New Entry Professional
NEPAD	- New Partnership for Africa's Development
NGO	- Non Governmental Organization
NMSF	- National Multisectoral Strategic Framework
NRM	- Natural Resource Management
NWP	- Nature, Wealth, and Power
ODA	- Official Development Assistance
OE	- Operating Expenses
OFDA	- Office of Foreign Development Assistance
OI	- Opportunistic Infection
ORS	- Oral Rehydration Salts
OVC	- Orphans and Vulnerable Children
OYB	- Operating Year Budget
PAC	- Post-Abortion Care
PCB	- Prevention of Corruption Bureau
PEDP	- Primary Education Development Plan
PER	- Public Expenditure Review
PESA	- Private Enterprise Support Activities
PETS	- Public Enterprise Tracking Surveys
PHN	- Population, Health and Nutrition
PIA	- Performance Improvement Approach

PLHA	- People Living with HIV/AIDS
PMTCT	- Prevention of Mother-to-Child Transmission
PORALG	- President's Office, Regional Administration and Local Government
PRBS	- Poverty Reduction Budget Support
PRSP	- Poverty Reduction Strategy Paper
PSRP	- Public Sector Reform Program
PSC	- Personal Services Contractor
PSO	- Program Support Objective
PVO	- Private Voluntary Organization
R&D	- Research and Development
RATES	- Regional Agricultural Trade Expansion and Support Program
RATIN	- Regional Trade Intelligence Network
RCH	- Reproductive Child Health
RCHS	- Reproductive and Child Health Survey
RCSA	- Regional Center for Southern Africa
RCO	- Regional Contracting Officer
REDSO	- Regional Economic Development Services Office
RF	- Results Framework
RFE	- Rapid Funding Envelope
RFMC	- Regional Financial Management Center
RLA	- Regional Legal Advisor
RATIN	- Regional Trade Intelligence Network
SAA	- Strategic Assistance Area
SACA	- Savings and Credit Association
SACCO	- Savings and Credit Cooperative
SADC	- Southern Africa Development Community
SAFEX	- South African Commodities Exchange
SAKSS	- Strategic Analysis and Knowledge Support System
SATF	- Social Action Trust Fund
SIDA	- Swedish International Development Agency
SO	- Strategic Objective
SOT	- Strategic Objective Team
SPS	- Sanitary and Phytosanitary
STI	- Sexually Transmitted Infection
SWAp	- Sector Wide Approach
TAACS	- Technical Advisors in AIDS and Child Survival
TACAIDS	- Tanzania Commission for AIDS
TACARE	- Lake Tanganyika Catchment Reforestation and Education Project
TAS	- Tanzania Assistance Strategy
TB	- Tuberculosis
TBD	- To Be Determined
TCMP	- Tanzania Coastal Management Partnership
TDGI	- Tanzania Democratic Governance Initiatives Project
TFR	- Total Fertility Rate
THIS	- Tanzania HIV Indicator Survey
TI	- Transparency International
T-MAP	- Tanzania Multisectoral AIDS Program
TNBC	- Tanzania National Business Council

TPSF	- Tanzania Private Sector Foundation
TRADE	- Trade for African Development and Enterprise
UK	- United Kingdom
UN	- United Nations
UNDP	- United National Development Program
UNFP	- United Nations Population Fund
UNGASS	- United Nations General Assembly Special Session
UNICEF	- United Nations Children's Fund
USAID	- United States Agency for International Development
USDH	- United States Direct Hire
USG	- United States Government
USPSC	- United States Personal Services Contractor
VCT	- Voluntary Counseling and Testing
VSHP	- Voluntary Sector Health Program
WBI	- World Bank Institute
ZACP	- Zanzibar AIDS Control Program
ZANGOC	- Zanzibar NGO Cluster

Executive Summary

Following decades of one-party socialism and economic stagnation, Tanzania embarked on a fundamental political and economic transformation in the early 1990s. The nation's first multi-party elections were held in 1995. Tanzania has made major strides in converting to a market economy, institutionalizing reforms that are controlling inflation and deficit spending, attracting increased investment, privatizing public enterprises, and sustaining annual economic growth rates among the best in sub-Saharan Africa. However, Tanzania still faces formidable impediments to its democratization and development goals. Challenges include structural obstacles to economic growth, institutional and human capacity limitations, HIV/AIDS and high rates of other infectious diseases and of population growth, corruption, the government's uneasy relationship with civil society organizations, and unsustainable natural resource exploitation.

USAID/Tanzania's response to Tanzania's development challenges and to the Government of Tanzania's (GOT) Development Vision 2025 is to help accelerate the country's progress towards sustainable development. The Mission's goal is to "Improve the Quality of Life in Tanzania". In this strategy, USAID will help institutionalize the positive changes that have already occurred in Tanzania. USAID's strategy is tightly aligned with Tanzania's goals for good governance and poverty reduction through sustainable income generation and access to quality services. We have made major contributions to the progress that Tanzania has made over the last ten years, and we have played a leadership role in many areas, making us uniquely positioned to continue making significant contributions to future development. USAID/Tanzania has developed a sound, innovative strategic plan with cutting-edge models of program management that will make optimal use of our limited human and financial resources.

A discussion of some key issues and our five Strategic Objectives (SOs) follows:

- **Planning Parameters and Program Focus.** The major parameters were laid out in a parameters cable on August 11, 2003. In that cable, the Mission was authorized to prepare a ten-year strategy for the period FY 2005 – 2014 with a focus in five areas: HIV/AIDS, health, economic growth with an emphasis in agriculture, environment and natural resources, and democracy and governance. The cable also authorized the development of our Program Support Objective (PSO). Our new strategy flows directly from the current strategy FY 1997 – 2004. The strategic program focus represents the results of lessons learned, analytical agenda, and feedback from USAID's partners and counterparts regarding what is most needed in Tanzania.
- **Consultative Process.** USAID/Tanzania holds to the guiding principle of consultation and collaboration with partners and stakeholders both in developing and implementing the strategy. In addition to consulting with the GOT, the Embassy, non-governmental organizations (NGOs), USAID/Washington, other donors, and the private sector, we also undertook an analytical agenda that informed the strategy's development. As a result, USAID/Tanzania believes that its strategy responds to Tanzania's key development challenges by leveraging our comparative advantages and capitalizing on our past achievements.

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- **Timeframe.** USAID proposed a ten-year timeframe for the following reasons. First, Tanzania has been a stable country and we expect this stability to continue over the next decade. Second, we expect Tanzania to continue pursuing its reform agenda and believe that the institutionalization of these reforms will take at least a decade. Third, we believe that our program reflects a balanced strategic approach which adequately responds to the realities of the development environment that will exist in Tanzania for at least the next ten years. The program areas of concentration are ones in which USAID has a clear comparative advantage and is expected to continue to have. Fourth, we expect that the donor community will continue to provide the support that Tanzania requires to ensure that the development agenda is addressed. Finally, Tanzania is at a crossroads. The country has unloaded much of its socialist baggage and has embraced more political, economic, and social openness – and over the next decade more and more leaders will be drawn from a population that did not grow up under socialism. This represents a real opportunity for the US to contribute to and make an impact on Tanzania’s sustainable development path.

 - **Integrated Nature of Tanzania Program.** Based on our experience in Tanzania, our comparative advantages, and the acknowledged leadership roles we have played in HIV/AIDS, Family Planning, Reproductive and Child Health, the environment, and democracy and governance, and what we can bring to the table in the economic growth sector, we will continue working in these five technical sectors since they respond directly to Tanzania’s major challenges. In all five areas, we are in a position to provide important and unique assistance to address the development challenges. Our SOs are focused on achieving maximum results in each technical area, and they have been designed to maximize synergies across the SOs. Moreover, at this time, we see no other donors who could or would take our place in these sectors. Our five SOs are integrated and contribute to our goal of improving the quality of life in Tanzania.

 - **Program Support Objective (PSO).** Our strategy includes an innovative PSO that will act as the Mission’s mechanism to coordinate and integrate linkages, themes, and tools (LTT) across the Mission’s five SOs. The goal of the PSO is to deepen the impact of the Mission’s development program. Over the strategy period, the PSO will add value and will enable customer SOs to achieve larger reductions in the transmission and impact of HIV/AIDS, generate more improvements in family health status, raise incomes among more producer association members, conserve biodiversity over larger areas, and engender greater public accountability. The PSO will also add value by extending the reach of our programs through the adoption of tools such as public-private alliances. Specifically, the PSO will achieve its objective of adding value by informing programming decisions at all levels with an understanding of the potential and opportunities offered by the Mission’s selected themes (e.g., gender, HIV/AIDS, and governance) and tools (public-private alliances, capacity building, and information and communications technologies or ICT), as well through capitalizing on linkages between SOs. For example, our PSO will be used to help mainstream gender across our portfolio.

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- **Millennium Challenge Account (MCA).** USAID/Tanzania analyzed Tanzania's potential eligibility for MCA funds. Currently, it appears that Tanzania will not qualify for MCA for two reasons: 1) it scores poorly on the control of corruption indicator and 2) it does not pass a sufficient number of indicators in the investing in people area. Tanzania also fails the trade policy indicator, but is expected to simplify its tariff structure later this year. USAID/Tanzania's strategic approach involves focusing investments in areas where it has a comparative advantage and can make an impact on Tanzania's progress toward sustainable development and reduced poverty. The Mission will focus its efforts in areas that will help to improve the control of corruption indicator, as well as some of the investing in people indicators and the trade policy indicator.

 - **Resource Management.** Currently, the Mission manages substantial funds that it has leveraged in addition to its operating year budget (OYB).¹ The Mission expects this trend to continue. In this strategy, we expect that our management burden will be significantly greater than implied by the OYB-funded program. For example, the Mission will manage funding from other sources (e.g., ESF, initiatives, and other donors, etc). In addition, there is also a Mission management burden for expected public-private alliance activities and for assisting the expected activity from organizations like the Global Fund. Some of these "below the line" resources are labor-intensive and will require USAID resources to manage. With the projected substantial increase in HIV/AIDS funds in 2005 and 2006, we almost certainly will need to add a USDH, two professional FSNs, and possibly an administrative assistant to our HIV/AIDS SO Team.

All of the aforementioned strategic considerations have resulted in a program that best responds to Tanzania's development challenges and makes the best use of scarce USG resources for Tanzania. Our program consists of a development assistance portfolio in five technical areas. In each of these five areas, we are in a position to provide important and unique assistance to address Tanzania's development challenges.

HIV/AIDS Strategic Objective – Enhanced Multisectoral Response to HIV/AIDS

The purpose of this SO is to reduce the transmission and impact of HIV/AIDS in Tanzania.

The Intermediate Results are:

- Improved preventive behavior and social norms;
- Increased use of prevention-to-care products and services;
- Improved enabling environment from community to national levels; and
- Enhanced multisectoral response to HIV/AIDS.

USAID brings particular strengths to HIV/AIDS, deriving its comparative advantage from twenty years of experience in supporting the development and implementation of national

¹ From FY 03 to FY 04, the value of the additional funds that USAID/Tanzania's has leveraged in addition to its OYB funds has more than doubled – increasing from \$4.3 million to \$10.3 million. Sources include: initiatives (excluding the HIV/AIDS initiatives), other donor gift donations, and ESF. All of these require USAID resources to manage.

responses both globally and in Tanzania. USAID has been the largest donor in Tanzania for HIV and has set in place strong foundations for partnerships between the public and voluntary sectors for systems strengthening and service delivery. The Mission is widely identified with quality and achievement in its programs including voluntary counseling and testing (VCT), social marketing of condoms and positive, unbranded behavior change messages.

Tanzania is one of 14 countries targeted in the President's Emergency Plan for AIDS Relief. The Emergency Plan offers USAID and its partner USG agencies (e.g., Centers for Disease Control, US Peace Corps, Department of Defense, the US Embassy, etc.) the opportunity to rapidly expand the scope of HIV/AIDS activities in Tanzania to encompass care and treatment, including the provision of anti-retroviral therapy. USAID/Tanzania's HIV/AIDS SO² will significantly contribute to the accomplishment of the USG's larger program in Tanzania, thereby helping to realize the Emergency Plan goals. Further, the HIV/AIDS strategy, as elaborated here will inform the overall USG strategy for Tanzania which will be formalized later this year. The Emergency Plan emphasis on rapid results also compels USAID to find new ways of doing business in HIV/AIDS in Tanzania, with new partners, using rapid financing mechanisms, and reorienting programs to target activities more carefully at specific populations. USAID/Tanzania has been formulating its new, ten-year strategy for combating AIDS in Tanzania just as the Emergency Plan has been starting up, thereby allowing the Mission to incorporate the intent and requirements of the Emergency Plan into the new strategy.

Health SO: Health Status of Tanzanian Families Improved

The purpose of this SO is to strengthen family planning and maternal and child health services.

The Intermediate Results are:

- Communities empowered to practice healthy behaviors and use services for targeted health problems;
- Family level access to targeted health services increased; and
- Sustainability reinforced for targeted health programs.

The Health SO will be measured by improved nationwide indicators for total fertility rate and the under-five mortality rate. The Outcome Intermediate Result that contributes to the Health SO goal is "target health practices improved and use of health services increased". USAID's program will build on three positive features of Tanzania's health systems: a) the availability and reach of existing health facilities, b) an institutional process of health sector reform that has potential for major improvements in health service delivery, and c) the strong long-standing multi-donor presence.

² As of May 2004, the US government remains the largest single donor supporting Tanzania's response to AIDS. Global fund awards, which would place the GFATM in the leadership position, have yet to translate into funding on the ground.

USAID is recognized as Tanzania's major donor in family planning and as the leading donor for maternal and child health. The Mission has continuously achieved or exceeded its targets, particularly in couple's years of protection (CYP), Vitamin A supplementation and intermittent presumptive treatment (IPT) of malaria in pregnancy. USAID has a comparative advantage in partnering with NGOs and has played a strategic role in providing resources to fund non-governmental activities and to flexibly respond to emergency needs in the sector.

Economic Growth: Incomes of Small Farmers Increased in Selected Agricultural Commodity Sub-sectors

The purpose of the Economic Growth (EG) SO is to increase incomes of rural families by increasing their productivity, market access, and trade opportunities for selected agricultural commodities.

The Intermediate Results are:

- Increased productivity of selected agricultural commodities; and
- Increased trade of selected agricultural commodities.

The EG SO will achieve its results through the strengthening of farmers' productive and business capacities and by improving the policy and regulatory environment to increase market efficiencies and competitiveness of Tanzanian commodities. A centerpiece of this SO will be the development of financially viable and democratically managed producer organizations. This will allow the SO to reach a large number of beneficiaries with a set of integrated services. The ability of these organizations to provide assistance and support to their member farmers and to serve as effective advocates for continued improvements in the competitiveness of the agricultural sector will be keys to the sustainability of the interventions under the SO.

The EG SO is well positioned to play a strategic role in the overall effort to expand market-driven agricultural growth in Tanzania to support the GOT in its strategic approaches and policy positions via the Poverty Reduction Strategy Plan (PRSP) and Agricultural Sector Development Strategy (ASDS). The EG SO will help create an enabling and conducive policy environment for improving production and productivity of the agricultural sector, to serve as a basis for increasing farm incomes and reducing poverty.

Environment/Natural Resources SO: Biodiversity Conserved in Targeted Landscapes through a Livelihood Driven Approach

The purpose of the Environment and Natural Resources (ENR) SO is to improve rural livelihoods while conserving biodiversity.

The Intermediate Results are:

- Policies and laws that integrate conservation and development applied;
- Participatory, landscape-scale conservation practiced; and

- Conservation enterprises generate increased and equitable benefits from sustainable use of natural resources.

The ENR program rationale rests on the linkage between environment and economic growth and poverty alleviation, and the challenge of sustainable management of Tanzania's biodiversity assets. Through a livelihood driven approach that emphasizes improved governance of natural resources, the SO will generate results relevant to both USG and GOT priorities in areas of conservation, economic growth, and governance.

The ENR SO builds on the foundation and opportunities established during the previous program that has performed at a high level, consistently meeting or exceeding expectations and achieving target results. USAID is regarded as a leader in the natural resources sector by both the donor community and the GOT. By continuing to lead, USAID would, with a modest investment, be able to leverage significant resources, as well as host country commitment, to attain the proposed objectives.

Democracy and Governance: Public Accountability Strengthened in Selected Policy Areas

The purpose of the Democracy and Governance (DG) SO is to increase the role of civil society in governance thereby enhancing governmental accountability.

The Intermediate Results are:

- Intra-governmental accountability strengthened;
- Civil society advocacy improved; and
- Provision of public budget and expenditure data at district level expanded.

The theme of enhancing accountability resonates throughout the Mission strategy and reflects the prioritization of the GOT and the Mission. Holding the government accountable for policy directions, budgetary allocations, expenditure, and service delivery will enhance Tanzania's efforts at poverty reduction, and therefore, improve socio-economic development. It will help ensure that resources are being used for service delivery and are having a greater impact.

USAID Tanzania has been involved in the democracy and governance sector since 1994 in aiding Tanzania in its transition from single party socialism to a multiparty democracy. USAID activities have included policy dialogue with the GOT, support for civic education and association building, turning government functions over to the private sector, and working with the GOT to improve fiscal accountability. USAID/Tanzania's DG SO has built important relationships and has a track record of working with civil society and parliament.

Program Support Objective (PSO): Program Impact Deepened

The purpose of the PSO is to deepen the impact of the Mission's development program by promoting, coordinating, and institutionalizing the integration of linkages, themes, and tools (LTT) into and across the Mission's five SOs.

The Intermediate Results are:

- Continuous learning/change facilitated; and
- LTT integrated across/into Mission programs.

The Mission's innovative objective of deepening program impact through LTT draws its inspiration and structure from a tested approach. Over the past few years, USAID/Tanzania has used a PSO and other mechanisms as vehicles to promote synergies within the Mission's development program. And indeed, despite the fact that these efforts took place within the flexibility-limiting context of an already mature strategy and program, Mission teams witnessed value added to their development results. The value added serves as the rationale for "doing business differently" by encouraging synergistic behaviors within the Mission and among its development partners. The new strategy provides a vehicle to build this approach in from the start, so as to maximize the potential benefits of LTT to strengthen our development program. The Mission will use the PSO as the principal mechanism to achieve this objective.

Summary

The next ten years are critical for Tanzania. The country is at a crossroads. Much of the socialist baggage has been unloaded and new leadership is emerging. Furthermore, reforms that have been instituted in the last decade can now be institutionalized. This represents a real opportunity for USAID. We can play an important role; we can contribute to and make a substantive impact on accelerating Tanzania's progress towards sustainable development. USAID's program reflects a balanced strategic approach that can respond to the realities of the development environment that will exist in Tanzania for at least the next decade. The program areas of concentration are ones in which USAID has a clear comparative advantage. In developing the strategy, the Mission designed SOs that are focused to achieve maximum results in each sector and to encourage synergistic behavior across the portfolio. We believe that the USAID/Tanzania strategy makes the best use of scarce USG resources for Tanzania.

1. Overall Assistance Environment in Tanzania

A. Country Setting

Since independence in 1961, Tanzania has stood out as one of the few stable countries in Eastern and Southern Africa. Tanzania plays a constructive role among its neighbors by hosting more than half a million refugees and leading efforts to resolve regional conflicts peacefully. Tanzania adopted a socialist agenda after independence but is now on a path of democratic governance and market-based economic reform. However, its political and economic development is impeded by several harsh realities: high rates of infectious disease such as HIV/AIDS; unsustainable natural resource exploitation; structural obstacles to higher economic growth; institutional and human capacity limitations; corruption; a fragile democracy on Tanzania's mainland; and a struggling democracy in Zanzibar.



Figure 1

Tanzania's increasing importance to the US is demonstrated by the doubling of the US Mission's Direct Hire staff, planned doubling of the Peace Corps program, and the inauguration in March 2003 of the new, \$70 million US Mission complex in Dar es Salaam, including a separate USAID office building.³ With a large Muslim population in both Zanzibar and on the Mainland, Tanzania is in an important geographic position in East Africa to work with the United States in combating global terrorism. It is in the United States' interest for Tanzania to remain politically stable, and to assist and accelerate economic and political development.

Tanzania lies near the bottom of various development indicators. It is ranked 160 out of 175 countries in the 2003 United Nations Development Program (UNDP) Human Development Index. The World Bank estimates Tanzania's 2004 per capita income at \$280. Women's income levels are 50% of men. About half the population of 35 million subsists on less than \$0.65 per day, and 40% of Tanzanians are unable to meet their basic daily needs. About 60% of the women in Tanzania are estimated to live in poverty. Only 76% of adults are literate.⁴ Life expectancy is 44 years⁵ and falling while the infant mortality rate is

³ The number US Direct Hire (USDH) employees in the US Mission has grown from 34 prior to the August 1998 bombing attacks in Kenya and Tanzania to 65 authorized USDH positions today, with likely additions in the near future to exceed 70 USDHs. In addition to the State Department, USAID, and Peace Corps, the US Mission includes a Defense Attache's Office (DOD), and an office of the Centers for Disease Control (CDC/HHS). The number of Peace Corps Volunteers has increased from 84 in 2002 to 110 in 2003 and is expected to reach 240 in 2005.

⁴ The men's literacy rate is higher (83%) than the women's literacy rate (64%).

⁵ Human Development Report 2003, UNDP.

99 per 1,000⁶ and rising. Both of these phenomena are being exacerbated by a national HIV/AIDS infection rate of 9.6%.⁷

To cope with its development challenges, the Government of Tanzania (GOT) has focused on a long-term social and economic development plan for the first quarter of the 21st century that is articulated in two key development strategies: Tanzania's Development Vision 2025, and the Poverty Reduction Strategy Paper (PRSP). The GOT development framework as outlined in the Development Vision 2025 includes: improving the Tanzanian quality of life; maintaining a peaceful, stable and unified country; and promoting good governance, an educated society, and a competitive economy with sustained growth. The PRSP supports these goals through poverty reduction and sustainable development, particularly in the countryside. The focus on agricultural growth and commercialization of all productive sectors is essential for the success of the PRSP.

Economic, Biophysical, Social, and Political Environment: Opportunities and Challenges

Economic Environment

Tanzania currently enjoys one of the fastest growing economies in sub-Saharan Africa due to GOT's commitment and success in pursuing an economic reform agenda. In 1986, the GOT began implementing policies to transform a centrally-directed and state-owned economy into a market-driven one. The GOT simultaneously moved to control inflation, curb deficit spending, engage in civil service streamlining, gain modest control over budgetary outlays, divest control of over 80% of the parastatals, and privatize water, electricity, railroads, and the telecommunications sectors. Tanzania has benefited from an estimated \$85 million in debt relief for 2002-3, which is being plowed back into education and health sectors. Many bilateral donors are simply forgiving Tanzania's debts outright.

Over the past five years, Tanzania's economy has grown at an accelerating rate, averaging 4.5% per annum, and climbing to 5.6% in 2001 and 6.2% in 2002.⁸ Inflation has fallen from 16% in 1997 to 4.5% in 2002. Overall exports have grown (in both value and volume) and diversified. Because of an improved macroeconomic environment and greater openness, foreign direct investment rose from \$50 million in 1994 to \$260 million in 2001. During 2001, the agriculture sector grew at a record 5.5%, up from 3.5% in 2000. In 2002, the sector registered a slight decline to 5%.⁹ Nearly 15 years of investment in rural roads has opened areas of high economic potential, including parts of the southern highlands, for easier market access and rural transport. Because the agricultural sector contributes over 50% of Tanzania's gross domestic product (GDP), employs 84% of the total labor force, and accounts for 60% of Tanzania's export earnings, it will lead the economy for years to come. It is estimated that 80% of women are employed full or part-time in agriculture and that

⁶ Tanzania's Ministry of Health's Reproductive and Child Health Section, 1999.

⁷ National AIDS Control Program (NACP) Syphilis and HIV antenatal survey (January – December 2002).

⁸ *Recent Macroeconomic Performance*, Public Expenditure Review Fiscal Year 2003, National Consultative Meeting, President's Office – Planning and Privatization, May 13, 2003, page 1. The International Monetary Fund gave a lower estimate of growth in 2002 of 5.5% because of the Iraq War and the present drought. Given these external shocks, a 5.5% growth figure for 2002 remains a robust figure.

⁹ *Ibid* page 7.

30% of rural enterprises are owned by women, so it follows that interventions in this sector will help to raise women's incomes.

The majority of Tanzania's formal economic activity is in major cities; however, 88% of the country's estimated 17 million poor live in rural areas. Most of Tanzania's rural poor still largely depend on subsistence agriculture and are unable to participate in broader markets because poor roads, exorbitantly expensive utilities and legal, institutional, and regulatory barriers still impede their involvement. This has led to a rapid urbanization of Tanzania's population which has increased from 19% to nearly 30% between 1988 and 2003. A major challenge over the next decade will be to reach beyond the capital and major cities to smaller market towns and villages, where most Tanzanians reside.

Biophysical Environment

Tanzania, with an area of 942,784 km², is endowed with a diverse natural resources base upon which its population relies for survival and livelihood. These resources include forests, agricultural lands, rangelands, wildlife, fisheries, minerals and aquatic resources. Tanzania's wildlife resources are among the richest in the world. Ranking among the African countries with the highest number of bio-geographic divisions (phytochoria)¹⁰ and exhibiting broad ecological differentiation,¹¹ Tanzania is a "mega-biodiverse" country. High diversity and degree of threat to biodiversity make Tanzania especially important to the United States sustainable development agenda.

The 2004 Environmental Threats and Opportunities Assessment (ETOA) notes the high degree of degradation to which these resources are subject (see Annex 3). With 88% of the country's poor being rural and the agricultural sector contributing over 50% of GDP, land degradation, in its various forms (e.g., soil erosion, deforestation, bush fires and overgrazing) is understandably one of Tanzania's most pressing problems. Furthermore, poverty, unproductive agriculture, high population growth, inappropriate national policies, and weak governance also threaten Tanzania's natural resource base in a number of ways. These include encouraging slash and burn agriculture, deforestation, unsustainable forest management, and habitat loss. This, in turn, leads to not only watershed degradation, erosion, and soil fertility loss but also vulnerability to conflict and disaster, and loss of biodiversity.

USAID/Tanzania fully recognizes the importance of the environmental analysis and its role in supporting and informing the strategic interventions. The ETOA report takes stock of the natural resource base, analyzes the major environmental problems facing Tanzania today, and summarizes among its key findings (see Annex 1) the actions necessary to achieve conservation and sustainable management of tropical forests and biodiversity in Tanzania; and the extent to which these actions meet the needs thus identified.

¹⁰ Only Zaire and South Africa have more regions, while Angola, Cameroon, Nigeria, and Sudan, (like Tanzania), have five phytochoria each. As a result of this variety, Tanzania (like Zaire and Madagascar) has the highest number (11,000) of plant species in Africa, except South Africa (20,000).

¹¹ Tanzania can be divided into six ecological zones.

Social Environment

With poverty reduction as the Government's primary policy objective, the social condition of Tanzanians is expected to gradually improve over the course of the strategy period. However, Tanzania currently ranks near the bottom of social indicators as most of the population struggles to meet the daily needs of food, clothing, and shelter. The World Bank estimates that 30% of Tanzanian children under the age of five suffer from malnutrition. Tanzania's population of 35 million has doubled over the past 25 years. With a growth rate of 2.9%¹² per year the population is projected to reach 52 million by 2025. Currently, over half of Tanzania's population is under the age of 25 and life expectancy continues to fall in large part due to the HIV/AIDS epidemic.

Tanzania continues to face serious health challenges. Movement from a centralized, public-sector system to a decentralized district-based approach mixing public, voluntary, and private sector providers¹³ has been slow and service provisions have suffered. For every 1,000 babies born today, 147 do not survive to see their fifth year¹⁴ due to malnutrition and preventable diseases such as tuberculosis and malaria which remains the primary killer of children in Tanzania. Positive trends in family planning, child survival, and malaria have leveled off or even reversed in recent years, in large part due to the impact of HIV/AIDS. With a national HIV/AIDS infection rate of 9.6%¹⁵ (based on antenatal sentinel surveillance), the epidemic is the largest cause of adult mortality. Tanzania's orphan population is currently estimated at over 1.1 million (with 50-60,000 new orphans each year). With 50% of hospital bed-use now attributed to AIDS, the epidemic overshadows every aspect of Tanzania's development. Furthermore, HIV/AIDS transmission, testing, and care tend to affect women and men differently. Young people (ages 15 – 24) exhibit 60% of new infections, particularly among young girls. Gender differences in mobility influences who shows up at voluntary counseling and testing (VCT) sites. Other influences that impact VCT attendance include knowledge about sexually transmitted diseases and reproductive health, as well as control over sexual behavior. These issues are being considered in the HIV/AIDS program.

Life expectancy, which was 65 years in 1990, is projected to drop to 37 years by 2010.

Tanzania is one of 14 countries to receive significant USG support under the President's Emergency Plan for AIDS Relief (also referred to as the Emergency Plan in the document). The Mission has positioned itself to strengthen local capacities to ensure that these funds result in reduction of new infections, increased number of AIDS patients receiving treatment, and greatly expanded access by HIV-infected mothers to anti-retroviral (ARV) prophylaxis.

With a 76% literacy rate, Tanzania ranks well above the average literacy rate of 62% in sub-Saharan Africa. However, the education system remains deeply flawed and suffers from poor quality, inefficiency, inadequate access, and low retention rates. Although primary school is

¹² Tanzania Population and Housing Census Report, 2002.

¹³ The private and voluntary sectors include private for profit, non-governmental, community based, civil society and faith based organizations.

¹⁴ Tanzania's Ministry of Health's Reproductive and Child Health Section, 1999.

¹⁵ National AIDS Control Program's (NACP) surveillance report Number 17 (January – December 2002).

free and mandatory, the enrollment rate is only 80.7%. The enrollment rate for females is slightly lower than for males in primary school. However, the gap widens considerably in secondary school. Of the 22% of primary students who transition to secondary school,¹⁶ 5% are females.¹⁷ The GOT has made progress towards improving the condition of education, initiating a series of reforms in primary education in the 1990's with the aim that all children have equitable access to quality education. Tanzania's Primary Education Development Plan (PEDP) articulates a vision of Universal Primary Education within a wider context of the GOT's development policy framework. Tanzania's Development Vision 2025 and Tanzania's PRSP further outline plans to create a well-educated society with a high quality of life.

Political Environment

The GOT embarked on a major political transition in the early 1990s to formally abandon a single-party socialist government in favor of a multi-party democracy. A special commission was appointed to recommend formal, legal, and constitutional changes congruent with a multi-party democratic system. Tanzania's first multi-party elections took place in 1995, with the Chama Cha Mapinduzi (CCM) party winning over 75% of the seats in Parliament. Despite the presence of a parliamentary opposition, dissent and contestation remain marginalized, with those outside the old party structure holding unequal access to the levers of power, authority, and information. Opposition parties remain fragmented and unable to articulate platforms that attract voters.

Tanzania's first multi-party elections in 1995 and subsequent elections in 2000 were judged by observers to have been generally free and fair on the mainland, but deeply flawed in Zanzibar where election irregularities led to violence and bloodshed in 2001. Unless remedied, failure of establishing a level political playing field in Zanzibar could have broader consequences for democracy and stability in Tanzania. The April 1999 Flash Points study discussed the potential for conflict in Zanzibar based on tensions between the two main political parties and recommended working with civil society to mitigate the political stalemate. Since then, the two parties have negotiated a political reconciliation accord and are implementing it with some positive results. Zanzibar's May 2003 by-elections were held in a peaceful, free, and fair environment, fulfilling a critical test of the accord.

Corruption in politics is one of Tanzania's chief development challenges. The government has drawn up a National Anti-Corruption Strategy Action Plan and created the Corruption Prevention Bureau with a mandate for investigation and prosecution of some types of cases. Little real action has been taken to actually control grand corruption, and it is unclear whether requisite political will can be generated. A recent study on the GOT's efforts to fight corruption reports that citizens do not agree the GOT is doing all it can to tackle high-level corruption. NGOs and Parliament, however, have shown signs that they are interested in taking on a greater role.

As in all post-socialist states, Tanzania's civil society remains weak and uncertain as to how to access the government on a wide variety of health, education, land use, and human rights issues. In November 2002 Parliament passed the NGO Act, which threatens the

¹⁶ The Economic Survey 2002 – The President's Office of Planning and Privatization. Dar es Salaam, Tanzania, June 2003. The primary school completion rate is 46%.

¹⁷ Human Development Report 2003, UNDP.

inherent voluntary, non-governmental nature of NGOs due to overly restrictive provisions which require registration, governmental coordination, and criminalizes operating an unregistered NGO. NGOs are continuing to lobby the GOT to address some of the Acts' more worrisome provisions. And, USAID will continue to determine how the government might be persuaded to further modify the NGO Act. The challenge facing Tanzanian society over the next decade will be how civil society and government will interact to compel further democratization, while preserving the country's stability.

While women are beginning to influence government policy from the NGO side, their gains within government have been less notable. Tanzania's Constitutional provision for 48 appointed "special seat" women members has ensured female representation, yet currently women occupy only 12 out of 231 seats in Parliament. Likewise, women only hold nine of 46 ministerial and deputy ministerial positions and only one of 20 Regional Commissioner positions.

Tanzania is approaching a critical period in its transition to democratic governance. In October 2005, general elections will test the durability of the electoral process and institutions of democratic governance. As in other states transitioning from a single party state to democracy, it is often the second and third elections, rather than the first, which determine a country's willingness to accept electoral uncertainty. Since the opposition has established a political beachhead in Zanzibar, the commitment of the ruling party to allow the democratic process to play out will indicate the current regime's commitment to a pluralistic democracy. Maintaining momentum for reform and keeping space for civil society will be essential to keeping Tanzania from moving on track toward democratic consolidation.

Critical Assumptions and Potential Country Risks

Unlike many of its East African neighbors, Tanzania has avoided major conflicts in the recent past, because of its strong tradition of policies and institutions that foster a socially harmonious, multicultural, multi-ethnic, and multi-religious society. Over the strategy period, the Mission assumes that Tanzania will continue to enjoy social and political stability. Tanzania has not been thrown off course in the last ten years during its transition from a socialist to a democratic state, and we do not expect it to do so in the next ten years. A younger generation in and outside government will gradually take the reins of power and quicken the pace of political, economic, and social reform. This represents an ideal opportunity for the US to allocate resources and substantively contribute to Tanzania's development.

The Tanzania Conflict Vulnerability Assessment (CVA) team identified the following risks or triggers: the 2005 elections, a rise in Islamic militancy, economic shocks, US policy, and Union matters. The CVA team concluded that "...none of these tensions were viewed as an immediate threat by anyone with whom we talked." One event the CVA recommended the Mission continue to monitor is the 2005 elections which were referred to as "...an upcoming watershed, even as a possible flash point, particularly on the Zanzibar islands." While the elections could trigger instability, the situation is not insurmountable. The CVA noted that "Tanzania finds itself in a dramatic transition, with high but not immediate or unmanageable risks." "The Government of Tanzania and its ruling party, the CCM, can run a free and fair presidential election in 2005 because the risks of not doing so are high, and because

Government and the CCM have the policies and institutions that count for Tanzanian inclusiveness very much within their control." USAID has examined the CVA and has taken these triggers into consideration. The Mission is closely following Zanzibar events, as instability there will affect the Mission's plans. The Mission has been allocated \$500,000 in Economic Support Funds (ESF) to support ongoing reforms in Zanzibar leading to the general elections in 2005.

Tanzania remains in a period of transition on the socio-economic front. At the macroeconomic level, we expect the GOT to continue the structural and policy reform programs that have led to the privatization of many of its parastatals. Economic growth rates will gradually increase however, the economy is still growing too slowly to have a positive impact on poverty. It is unlikely that poverty will decline substantially in rural areas, unless structural and policy reforms in the agricultural sector are implemented. The government's determination to proceed with decentralization will continue to be impeded by weaknesses in capacity, as regional and local offices strain to respond to new demands and responsibilities. Tax administration and revenue collection will remain as problems.

A majority of the population remains without adequate access to quality education or health services. Tanzania faces an ongoing struggle to reduce HIV/AIDS transmission rates, care for those affected, and reverse existing trends. Tanzania will continue to require large amounts of donor assistance to cope with the HIV/AIDS epidemic and the socio-economic impact it is having on children and adults of productive age.

B. USG Foreign Policy Interests in Tanzania

Link to the U.S. Department of State/USAID Strategic Plan

Since the Embassy bombing in 1998, Tanzania's importance to the US for security and strategic reasons has grown substantially. The Mission Performance Plan (MPP) states that efforts to counter the threat of terrorism constitute the MPP's primary goal. US national interests in Tanzania are the following: 1) Tanzania plays a constructive role among its East and Central African neighbors in leading efforts to resolve regional conflicts peacefully and hosting more than half a million refugees and 2) Tanzania is a key ally in combating terrorism. In a volatile region, it is a stable country on a path of democratic governance and market-based economic reform and growth, and offering avenues for outreach to Muslims that account for 35% of the population on the mainland and 99% in Zanzibar.¹⁸ It is in the United States' interest for Tanzania to remain politically stable, and for the United States to assist and accelerate economic and political development to support Tanzania's positive role in the region.

The USAID/Tanzania strategy is consistent with the mission of the US Department of State-USAID Strategic Plan: "To create a more secure, democratic, and prosperous world for the benefit of the American people and the international community."¹⁹ By helping to improve the quality of life for ordinary Tanzanians, USAID's efforts will address some of the root causes of crisis, conflict, and terrorism. In particular, the strategy will contribute directly to

¹⁸ The CIA World Factbook, 2003.

¹⁹ United States Department of State and the United States Agency for International Development, Strategic Plan: Fiscal Years 2004 – 2009, Aligning Diplomacy and Development Assistance, August 2003, page 1.

the US Department of State-USAID Strategic Plan goals of democracy and human rights; economic prosperity and security; and social and environmental issues. Over the strategy period, USAID will work with the U.S. Embassy and other USG agencies in Tanzania to help ensure that its development assistance program is fully aligned with the Embassy's foreign policy efforts.

Tanzania's increasing importance to the U.S. is demonstrated by the doubling of the Mission's US Direct Hire (USDH) staff, planned doubling of the Peace Corps program, and the inauguration in March 2003 of the new, \$70 million U.S. Mission complex in Dar es Salaam, including a separate USAID office building.²⁰

Link to Presidential and Agency Initiatives

The Tanzania strategy will directly support the Presidential and Agency Initiatives summarized below:

President's Emergency Plan: The \$15 billion, five-year program provides \$10 billion in new money, including up to \$1 billion for the Global Fund for AIDS, tuberculosis, and malaria. The Emergency Plan encompasses HIV/AIDS activities in more than 75 countries and focuses on 14 countries in Africa and the Caribbean to develop comprehensive and integrated prevention, care, and treatment. As one of the 14 priority countries, Tanzania will work to prevent the spread of HIV/AIDS through its activities at local and national levels.

Initiative to End Hunger in Africa (IEHA): As a significant step to meet the United Nations (UN) Millennium Development Goal of halving the number of severely impoverished and malnourished people by 2015, the United States will increase its financial commitments by over 25% to boost agricultural productivity and trade in Africa. These investments will focus on harnessing science and technology and unleashing the power of market forces to increase smallholder agricultural productivity. The Mission's Economic Growth SO contains a series of activities to increase rural incomes, and will serve as an effective initial step toward the Millennium Development goal of reducing hunger. In 2005, Tanzania will submit an IEHA Action Plan to USAID/Washington proposing how this program will be implemented.

Joint Regional Trade Proposal/REDSO TRADE Initiative Partner's Fund: These two initiatives bring additional resources to the Mission to improve trade links and the capacity of Tanzania to engage in export markets. The Joint Regional Trade Proposal (JRTP) is an effort by eight Southern Africa Missions to strengthen and broaden their regional trade efforts, and to build the capacity of all countries in the region to export, both within the region and beyond. The purpose of the Trade for African Development and Enterprise (TRADE) program is to strengthen and reinforce regional efforts to increase competitiveness in Central and East Africa. Key focus areas of focus will be trade capacity, market linkages, customs and trade facilitation, and transportation issues.

Anti-Corruption Initiative: The Africa Bureau's five-year Anti-Corruption Initiative supports President Bush's desire to focus on countries that have demonstrated political will and

²⁰ See related footnote on page 1.

progress towards democratic and open government principles. The goal is to reduce corruption in sub-Saharan Africa by addressing the enabling environment for corruption. In August 2003, Tanzania submitted a successful proposal to the Africa Bureau describing how it plans to support this initiative. The intent of the Mission's program is two-fold: 1) establish a model district-level public expenditure tracking system that can be replicated, and 2) support professional development of the media to report more effectively on use of public funds.

Water for the Poor Initiative: Announced at the August, 2002 World Summit on Sustainable Development, the USG's Water for the Poor Initiative will work towards UN Millennium Development Goals related to: access to clean water and sanitation services; improved watershed management; and increasing the productivity of water. USAID/Tanzania's ENR SO will contribute directly to achievement of Initiative objectives. The SO's landscape based, livelihood-driven approach to conservation will rely in part on watershed and/or marine resource management approaches, generating results in areas of both watershed management and water supply.

Leland Initiative: The Leland Initiative is a five-year USG Information and Communications Technology (ICT) effort aimed at helping African countries to cross the "digital divide." The initiative's overarching goal is to extend full Internet capacity to 20 or more African countries, through: improving connectivity; increasing access to information for sustainable development; enhancing local ICT capacity; and making African information available to the world. Tanzania is among the Leland Initiative's target countries. The new Mission strategy is relevant to the Initiative, as it will mainstream ICT into implementation as a development "tool." As such, the Mission anticipates supporting ICT activities both cutting across and embedded into its development programs.

Africa Education Initiative: The President's Africa Education Initiative will target improved access and quality of education through increased funding for scholarships, especially for girls, improved teacher training, enhanced use of new learning technologies, and increased community involvement in education. Finally, with the assistance of U.S. Historically Black Colleges and Universities, the initiative will provide textbooks in local languages. With initiative funds, USAID intends to implement a teacher training program for marginalized communities to improve the quality of teaching in needy districts. The Mission will draw upon its previous basic education support experience in the area of improving the quality of teaching and the environment for learning from primary through secondary school in Zanzibar.

The Tanzania strategy will give support to and draw support from regional strategies (e.g., the Regional Economic Development Services Office and the Regional Center for Southern Africa). Over the course of the strategy, the Mission will work with colleagues in the Africa Bureau and in the pillar bureaus to maximize the impact of its development activities. Since Tanzania is not a Low Income Food Deficit Country, it is not a priority for food aid. Though the Mission's strategy does not currently envision activities that fall under the realm of Food for Peace, Office of Foreign Disaster Assistance, or the Office of Private and Voluntary Cooperation, the Mission will work with these offices should the situation arise.

Tanzania's Eligibility for the Millennium Challenge Account

To assess Tanzania's potential eligibility for Millennium Challenge Account (MCA) funds, a Mission study analyzed the MCA performance indicators and reviewed the median scores on each of the indicators for sub-Saharan Africa.²¹ Currently, it appears that Tanzania will not qualify for MCA funds for two main reasons: (i) it scores poorly on the control of corruption indicator, and (ii) it does not pass a sufficient number of indicators in the investing in people area.

Encouraging Economic Freedom: Tanzania's strongest of the three MCA policy areas is encouraging economic freedom. It comfortably scores above median on three indicators – country credit rating, regulatory quality, and days to start a business – and its level of inflation of 4.5% is significantly less than 20%. Tanzania's three-year budget deficit indicator suggests that it performs well relative to sub-Saharan Africa, but not to the larger pool of low-income countries. Tanzania's challenge in the area of economic freedom is its trade policy score. It does poorly relative to sub-Saharan Africa and to low-income countries in general. While Tanzania fails the trade policy indicator, as part of the East African Community's protocol, Tanzania is expected to simplify its tariff structure by removing one tariff band by late 2004.

Ruling Justly: Tanzania scores above the median on four of the six ruling justly indicators, only failing to score above the median on the political rights and control of corruption indicators. Tanzania does well on the indicators of voice and accountability, government effectiveness, and rule of law. Regarding the corruption indicator, the fact that Tanzania scores poorly, even relative to sub-Saharan Africa, means it is unlikely that Tanzania will qualify for MCA funds in the near future. However, the Transparency International Corruption Perception Index for Tanzania has improved over recent years. Corruption is one of the issues which the Mission addresses in the new strategy. With Africa Bureau Anti-Corruption Initiative funds, for example, the Mission plans to work with districts on a public expenditure tracking system.

Investing in People: Based on some estimates,²² Tanzania may have difficulty qualifying for MCA funds as a result of the investing in people indicators. Tanzania falls well below the median, even by sub-Saharan African standards, on the two indicators measuring public expenditure on health and primary education.²³ Also, with a primary school completion rate of 60%, Tanzania does not score above the median.²⁴ It will be difficult for Tanzania to qualify in future years unless strong efforts are made to allocate more public resources to health and primary education, and the primary education completion rate improves. As part of its Development Vision 2025, the GOT aims to have a well-educated and learned society by 2025. Consequently, primary education is now free and mandatory. After roads, education is the most heavily donor-funded sector. Tanzania narrowly scores below the

²¹ See Annex 12 for details of the December 2003 study.

²² Radelet, Steve. (2003) "Which Countries Are Most Likely to Qualify for the MCA? An Update," Washington, DC: Center for Global Development (May 30). Radelet, Steve. (2004) "Which Countries Are Most Likely to Qualify for the MCA? An Update using MCC Data," Washington, DC: Center for Global Development (April 22).

²³ One way of improving the public expenditure indicators is to capture more of the aid provided in support of health and primary education sectors in the Government's budget. This is currently taking place in Tanzania.

²⁴ Only 20% of females passed the Primary School Leaving Examination (PSLE) in 2002 compared to 35% of males. See Annex 9: USAID Mini-Assessment: Basic Education in Tanzania, p. 11.

median on public expenditure on health. The only indicator on which Tanzania appears strong in this area is the immunization rate of 89%. Its score is very high relative to sub-Saharan Africa and low-income countries generally.

Implications for USAID/Tanzania: USAID/Tanzania's strategic approach involves focusing investments in areas where it has a comparative advantage and can make an impact on Tanzania's progress towards sustainable development and reduced poverty. The Mission will focus its efforts in areas that will improve Tanzania's control of corruption indicator, some of the investing in people indicators, and the trade policy indicator.

C. Donor and Host Country Relationships

The Government of Tanzania

Tanzania's national development programs are articulated in the Tanzania Development Vision 2025, the Poverty Reduction Strategy Paper (PRSP), and the Tanzania Assistance Strategy (TAS). The Tanzania Development Vision 2025 is the GOT's main policy initiative outlining its long-term economic goals of poverty reduction and sustainable economic growth. Tanzania aims to emerge to a middle income country with a high level of human development by the first quarter of the millennium by: improving the Tanzanian quality of life; maintaining a peaceful, stable and unified country; and promoting good governance, a competitive economy, and an educated society. These goals are further outlined in the PRSP which sets forth Tanzania's medium-term strategy goals. The PRSP was developed through broad consultations with national and international stakeholders in the context of debt relief through the Highly Indebted Poor Countries (HIPC) Initiative. The PRSP is viewed as an instrument for channeling national efforts toward broadly agreed-upon objectives and is an integral part of ongoing macro-economic and structural reforms. The PRSP supports the goals of poverty reduction, improving the social well-being of Tanzanians, and promoting sustainable development, particularly through strengthening the agricultural sector.

The Tanzania Assistance Strategy (TAS) provides a framework for improving aid coordination and enhancing national ownership of the development process in Tanzania. Finalized in June 2002, the TAS is designed to promote consultations and dialogue between the GOT and its development partners to evaluate progress on development activities. It seeks to ensure that external resources are transparently and effectively managed to attain the development strategies set forth in the Development Vision 2025 and the PRSP. Tanzania has demonstrated a commitment to the broader development agenda of the New Partnership for Africa's Development (NEPAD). In October 2003, the GOT participated in the Second Eastern Africa Region Heads of State and Government Summit to devise a regional plan to support NEPAD's key principles of poverty reduction and sustainable economic development through good governance and private sector participation.

Other Donors

Even as the GOT seeks to reduce its dependency on external support in the long term, technical assistance, budget support, new credit, and debt relief under the HIPC Initiative

will continue to be vital for Tanzania in the short term. By consulting with other donors in each sector, we ensure that we are not working at cross-purposes.

Japan (agriculture, transport) and the United Kingdom (public sector finance, agriculture) are Tanzania's first and second largest bilateral partners, together providing more than one-third of bilateral assistance. Other bilateral donors include Denmark (health); Sweden (information technology, wildlife); Germany (information technology, wildlife, health); Norway (energy); and the Netherlands (rural development, health). USAID has been the lead bilateral donor for HIV/AIDS²⁵ and for wildlife and coastal resource management. USAID activities in health, governance and civil society attract contributions from several bilateral donors. Multilateral donors include the World Bank and the International Monetary Fund (IMF), which provide over 50% of all multilateral financing; the United Nations agencies; the African Development Bank (rural micro enterprises) and the European Union (rural roads, basic education). The donors have created an Independent Monitoring Group in Tanzania which periodically assesses coordination and the donor relationship with government, and recommends improvements. This type of institutionalized "mutual review" process, conducted by an independent body, is unique to Tanzania.

Tanzania has seen a significant increase in the amount of official development assistance (ODA) it receives. From 1999 to 2001, net ODA rose from \$990 million to over \$1.2 billion, of which 58% is estimated to have accrued to the Government. In addition, donors have increasingly shifted their assistance away from financing individual projects toward other forms of assistance, particularly sector baskets and general budget support facility. In Tanzania's FY 2002, the share of assistance received by Government that was provided as budget (or program) support stood at 58%, up from 32% in FY 1999.²⁶ And, it appears this trend will continue. USAID does not contribute to any of the sector baskets or to general budget support. The Mission is in an increasingly unique position in this respect, and is better able than most donors to offer specialized technical assistance. We've been able to capitalize on this comparative advantage.²⁷ The GOT recognizes our assistance program so our "seat at the donor table" is well established. We also play leadership roles in the donors group and sub-sector working groups.

²⁵ Under the Emergency Plan, USAID's response to HIV/AIDS is part of the overall USG response. The US government remains the largest single donor supporting Tanzania's response to AIDS. Global fund awards, which would place the Global Fund for AIDS, Tuberculosis and Malaria (GFATM) in the leadership position, have yet to translate into funding on the ground.

²⁶ Tanzania's fiscal year begins on 1 July and ends on 30 June. FY 1999 refers to 1 July 1998 – 30 June 1999.

²⁷ For example, the British already use USAID's more targeted means for direct assistance to Parliament. Eight donors (including USAID) are contributors to the Rapid Funding Envelope account that USAID devised to rapidly mobilize assistance to NGOs active in HIV/AIDS.

2. USAID/Tanzania's Strategic Approach

Planning Parameters

USAID/Washington issued the Tanzania Parameters Guidance cable on August 11, 2003 (see section 11). The Mission's Concept Paper was deemed a sound and acceptable approach for the preparation of the Country Strategic Plan (CSP) reflecting a sustainable development strategy for the period FY 2005 – 2014.

The approved programmatic areas are HIV/AIDS, health, economic growth with emphasis on agriculture, environment/natural resources management, and democracy and governance for ten years starting at an annual base level of \$36 million. USAID/Washington also approved the Mission's innovative Program Support Objective (PSO) as a mechanism for deepening the impact of its development activities through coordination and integration efforts.

Staffing levels within USAID/Tanzania were set at seven positions, which include one HIV/AIDS officer; this is compared to the Mission request of eight U.S. Direct Hire (USDH) positions plus one HIV/AIDS Officer for a total of nine positions. The Mission was encouraged to not exceed \$3.8 million for the Operating Expense (OE) budget in 2005. The Africa Bureau concurred with the Mission's request for two international development interns if they are funded by USAID/Washington.

Comparative Advantages

Given the Agency's experience in Tanzania, as well as its overall strengths, USAID's areas of greatest comparative advantage lie in HIV/AIDS; health; private sector development through policy and institutional reform, improved market linkages, agriculture, and trade; environment/natural resources management (E/NRM), especially wildlife, coastal resources, and Community-based Natural Resource Management (CBNRM); and democratic governance. Prior assistance programs have given USAID a solid foundation on which to build a new program.

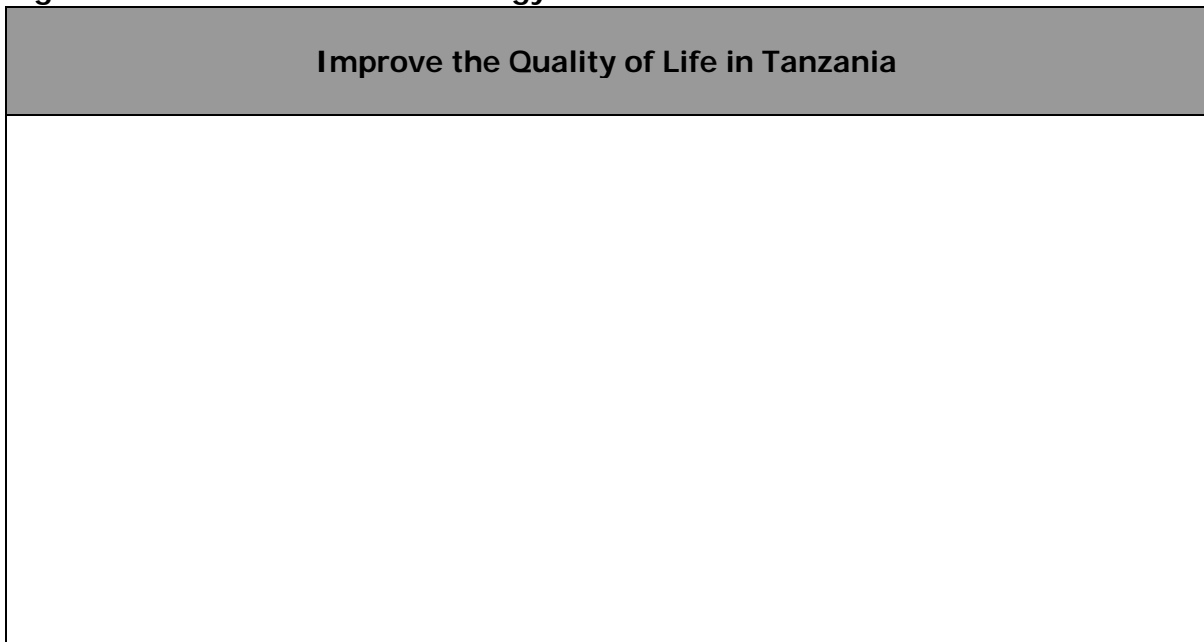
- **Health and HIV/AIDS.** In both health and HIV/AIDS, USAID remains the best staffed donor in Tanzania with the greatest access to international expertise in the HIV/AIDS area. This enables the Mission to provide targeted assistance and help solve problems on short notice to keep health programs moving forward. We also provide the most reliable and useful demographic and health statistics for planning and monitoring progress in health programs. Continued USAID involvement in HIV/AIDS is important, particularly if progress is to be realized in this sector.
- **Economic Growth.** USAID is uniquely poised to catalyze broad-based economic growth leading to poverty reduction based on progress in the agricultural sector. USAID has a far greater depth and analytical capacity in markets and trade, and in science and technology, than any other bilateral donor. Expanded domestic, regional, and international trade is essential to accelerate growth rates, and USAID's

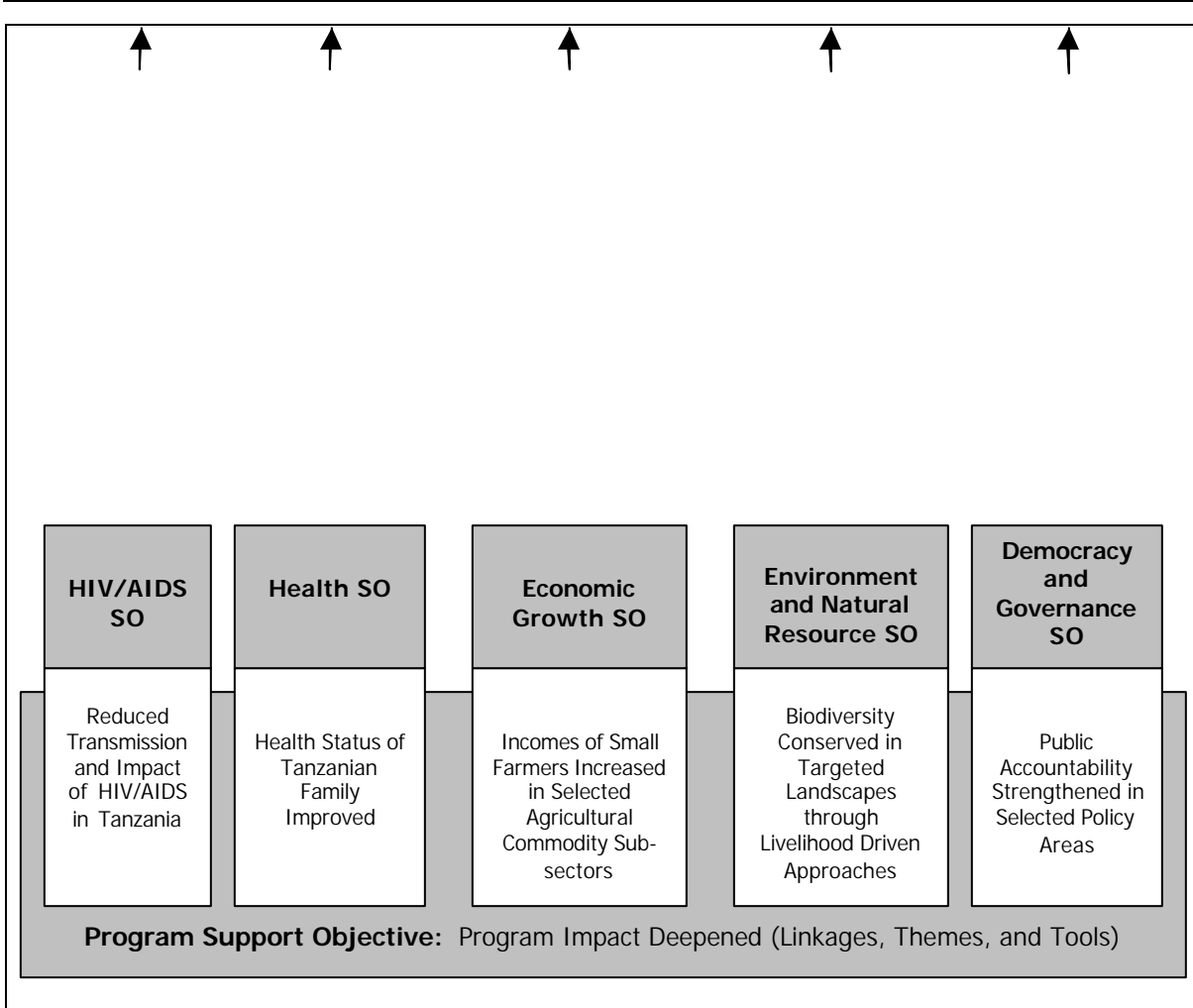
Regional Trade Hubs in East and Southern Africa can help provide expertise in designing interventions in economic growth.

- **Environment.** Over the past strategy period (1997-2004), a strong partnership between USAID, the GOT, the private sector, other donors, and NGO partners has led to a robust institutional and legal framework for sound environmental management. This framework offers additional opportunities for economic growth.
- **Democracy and Governance.** Finally, USAID’s ten years of experience in supporting the growth of civil society and the NGO community in health and HIV/AIDS, E/NRM, DG, and private sector development provides the institutional knowledge to continue to strengthen democratic institutions and improve government accountability. Past work in the judicial system (in establishing a nationwide system of alternative dispute resolution) and current work in strengthening Parliament broadens the foundation from which USAID can make further contributions in consolidating democracy in Tanzania.

USAID occupies an increasingly unique position in Tanzania, because, unlike many donors, USAID does not contribute to general budget support and sectoral basket funding for health and education. These funding modalities will soon operate in the roads and agricultural sectors. USAID is the lead donor in wildlife and coastal resource sub-sectors of environment, as well as in HIV/AIDS, and has taken the lead in establishing multi-donor funding mechanisms, such as a cooperative, rapid funding account for NGOs in health, to which eight donors contribute. By operating outside the basket and budget support mechanisms, the Mission is the best positioned donor to offer targeted technical assistance – including business development assistance to appropriately oriented private firms. Other donors, such as the British, are already using USAID’s more targeted mechanisms for direct assistance to Parliament and NGOs active in HIV/AIDS.

Figure 2: USAID/Tanzania Strategy 2005-2014





Mission Goal and Vision

The Mission's goal is: "Improve the Quality of Life in Tanzania". This goal supports the Africa Bureau's vision statement which identifies reducing poverty and improving the quality of life throughout the region. It is consistent with the mission of USAID and the Department of State under the US Department of State/USAID Joint Strategic Plan. With its focus on accelerated economic growth and improved welfare, assistance under the new strategy will also track closely with the GOT focus on agricultural development, market reforms, poverty reduction, and the fight against the HIV/AIDS epidemic under the PRSP, the TAS, and Tanzania's Development Vision 2025.

After the 1998 Embassy bombing, Tanzania's importance to the United States has grown for security and strategic reasons. With the substantial increase in USG presence in Tanzania since 1998, USAID expects to be involved in Tanzania's economic development for at least the next 20 years. It is one of the stable countries in Eastern and Southern Africa. Given Tanzania's continued social and political stability and its steady economic liberalization progress over the last decade, the new, ten-year strategy (2005-2014) will help Tanzania to address its key challenges. Tanzania is at a crossroads. The country has unloaded much of its socialist baggage and has embraced more political, economic, and social openness – and over the next decade more and more leaders will be drawn from a population that did not

grow up under socialism. This represents a real opportunity for the US to contribute substantively to Tanzania's sustainable development.

While progress has been made, most major reforms are not fully institutionalized. We believe that Tanzania will continue to pursue its reform agenda. However, the implementation of these reforms will take at least a decade. We expect the donor community will continue to provide the support Tanzania requires to ensure this happens.

The ten-year strategy reflects a bilateral foreign aid commitment to a country that is demonstrating its dedication to reducing poverty and achieving sustainable economic growth. USAID/Tanzania's program reflects a balanced strategic approach that responds to the realities of the development environment that will exist in Tanzania for at least the next decade. The program will help Tanzania continue on its path to democracy, and given its important geographic position in East Africa, the program can contribute to the USG goal of countering the threat of terrorism. Finally, the program areas of concentration are ones in which USAID has a clear comparative advantage. While it is reasonable to expect that some program adjustments will be made, the overall strategic focus is not expected to change. Triennial and Mission reviews, as well as annual reporting, will provide opportunities to examine progress on a regular basis and will serve as a platform for dialogue.

While the Tanzanian economy is growing, the World Bank and others have stated that its growth rates must be higher (at least 8% per annum) and sustained over a long period of time if the ordinary citizen is to have a better life. Despite possible internal and external shocks (drought, disease, and limited conflict), USAID can contribute substantially to this aim by remaining committed to a long-term development program.

The Mission will work towards "Improving the quality of life in Tanzania" by ensuring people-level improvements in Tanzanians' economic status through increased private sector-led economic growth and competitiveness in agriculture and by helping to halt the deterioration of the health status and helping to contain the HIV/AIDS epidemic. By 2014, there will be greater participation by average citizens in determining their own futures. A broad range of stakeholders – from central government to local communities – will be participating in both conservation and sustainable natural resource utilization efforts and sharing equitably in the benefits. Rural incomes in target regions will have risen due to increased agricultural productivity, burgeoning agribusinesses and producer organizations, improved market linkages, and expanded trade. Tanzanians' role in their own governance will have evolved so that they can work through a stronger civil society and more independent Parliament to demand a more accountable and responsive government. These changes will have made Tanzania an even more respected leader in the region.

Rationale for Programming Areas

While assistance under the new strategy will continue in the same broad assistance areas in which we currently work, SOs, targets, sub-sectors, and approaches will change markedly based on lessons learned, our analytical agenda, and new Agency objectives. The strategy builds on the successful health, environment/natural resource, and democracy programs already underway. In addition, the strategy includes an Economic Growth (EG) SO with an emphasis on agriculture and trade, as well as a new SO in HIV/AIDS. The proposed

programs are closely aligned with the GOT's priorities as set out in the PRSP. Each of these programming areas closely supports Agency and Africa Bureau goals, as well as Tanzania's development vision. USAID's assistance in these particular areas, especially taken together, strongly contributes to reducing poverty and improving quality of life in Tanzania.

Education is a major development constraint in Tanzania and the education sector depends heavily on donor support. It is estimated that approximately 13% of total donor funds in Tanzania went to the education sector in 2003. Although USAID was not previously involved in basic education in Tanzania in the last strategy, the Mission brought the issue into its strategic considerations. The Mission determined however, (and the Africa Bureau concurred) that because of the combination of the level of donor support for education, lack of available funding under the main education Development Assistance (DA) account, and the fact that additional staff would be required to launch a new education program in Tanzania, it would not propose education as a new SO. Rather, the Mission conducted a mini education assessment (see Annex 9) that identified potential opportunities in our SO sectors to include an aspect of education (e.g., girls' education, HIV/AIDS orphans' education) that complements the GOT and other donor efforts.

Though not slated as SOs in the strategy, the areas of gender, capacity building, Information and Communications Technology (ICT) and public-private alliances receive special attention as cross-cutting themes and tools under the new PSO.

Linkages, Themes, and Tools (LTT)

To move the Mission towards its goal of improving the quality of life in Tanzania, SO activities must complement each other and work together. Establishing guiding principles — values and beliefs that steer an organization's members as they pursue its purpose — will enhance this integration. The principles affect how the Mission works both internally as a team and externally with the GOT, partners, and other donors. The Mission identified guiding principles that will advance this integration:

- Promote linkages and synergies²⁸ across SOs;
- Incorporate cross-cutting themes and tools; and
- Maximize opportunities for consultation and collaboration with partners and stakeholders.

The SOs described in this strategy were designed with consideration given to linking with fellow SOs. The Mission is building on its previous experience and success with SO linkages, and incorporating this knowledge in the design of the strategy where it makes sense. While SO teams have primary responsibility for developing linkages with other SOs and for incorporating cross-cutting themes and tools, the Mission designed the Program Support Objective (PSO)²⁹ to support and oversee promotion of synergies across SOs and advance cross-cutting themes and tools to enhance program performance. The PSO team is comprised of "PSO champions" from all Mission teams.

²⁸ USAID/Tanzania defines synergy as an overall result that is achieved by multiple activities (across two or more SOs) that is greater than the sum of the specific activities.

²⁹ As per ADS 201.3.7.10, a PSO contains activities that are implemented exclusively to support the achievement of the SOs. For more detail, see PSO section 8 that follows the SO sections.

Program Support Objective

As a Mission, we developed an innovative approach to maximize our resources and deepen the impact of our development activities. We call it the Linkages, Themes, and Tools (LTT) approach. With this approach, all SO teams commit to the strategic integration of linkages, themes, and tools into and across SOs.

- **L: Linkage:** a shared result (as defined by a common indicator/s) between two or more SOs. The result appears in two or more results frameworks.
- **T: Cross-Cutting Theme:** a development problem that the Mission has determined requires integration into and across all SOs. The Mission's themes are gender, HIV/AIDS, and governance.
- **T: Tool:** an implementation approach (or a way of doing business) adopted by the Mission as an effective means to deepen development results. The Mission's tools are information and communications technology (ICT), capacity building, and public-private alliance building.

In developing the strategy, Mission teams collaborated to identify linkages, themes, and tools that offered opportunities for synergy and increased program effectiveness. The PSO will serve as a mechanism for institutionalizing the approach. We believe that the PSO will enhance our planning and coordination efforts across the portfolio in a structure and manner that did not formally exist within the Mission. The PSO promises to be particularly useful for mainstreaming gender and reflects a strong level of support from Mission leaders. Through the PSO, for example, the Mission will be able to mainstream gender both conceptually and practically.

By adopting a proactive and systematic approach to LTTs (e.g., gender) across our portfolio, the Mission expects that it can achieve greater results than would have been possible otherwise. For a more detailed description on the PSO and the LTT approach, please see the PSO Section 8 that describes our innovative approach in detail and the LTT Tables in Annex 18.

Participatory Planning Process

USAID/Tanzania holds to the guiding principle of consultation and collaboration with partners and stakeholders both in developing and implementing the strategy. Through field visits, meetings in Washington, and virtual involvement, USAID staffs in the Africa Bureau and in the Pillar Bureaus have participated actively in developing the strategy. In Tanzania, the Mission has involved the Embassy and other USG agencies,³⁰ GOT counterparts, NGOs, the private sector, and other donor partners in exploring new strategic directions. In doing so, we have ensured that we are complementing each other's programs and not working at cross purposes.

In addition to the consultations, the Mission undertook an extensive analytical agenda that informed the strategy's development. The analytical agenda included the mandated

³⁰ Other USG agencies include the Peace Corps, Department of Defense, Internal Revenue Service, U.S. Forest Service, Centers for Disease Control (CDC), and the Department of the Interior.

automated directives system (ADS) assessments (gender, CVA, and environment) as well as many others that are summarized in the annexes.

Post-Strategy Approval

USAID/Tanzania hopes for approval of the new strategy by August 2004. The full Performance Monitoring Plan will be ready by fourth quarter FY 2005. Each SO describes its implementation plans in its respective section.

3. HIV/AIDS Strategic Objective

A. Strategic Objective Statement

USAID/Tanzania's HIV/AIDS strategic objective (SO) statement is "Reduced Transmission and Impact of HIV/AIDS in Tanzania".³¹ Four intermediate results will support achievement of the SO:

- Improved preventive behaviors and social norms;
- Increased use of prevention-to-care products and services;
- Improved enabling environment from community to national levels; and
- Enhanced multisectoral response to HIV/AIDS.

Tanzania is one of 14 countries targeted in President Bush's Emergency Plan for AIDS Relief (Emergency Plan or Plan). The Emergency Plan offers USAID and its partner USG agencies an opportunity to rapidly expand the scope of HIV/AIDS activities in Tanzania to encompass care and treatment, including the provision of anti-retroviral therapy. USAID/Tanzania is formulating its new, ten-year strategy for combating AIDS in Tanzania just as the Emergency Plan is starting up, thereby allowing the Mission to incorporate the intent and requirements of the Plan into this new strategy. USAID/Tanzania's HIV/AIDS SO will significantly contribute to the accomplishment of the USG's larger program in Tanzania, thereby helping to realize the Emergency Plan goals. Further, the HIV/AIDS strategy, as elaborated here will inform the overall USG strategy for Tanzania which will be formalized later this year. USAID's strategy has been designed to complement inputs from other US government entities, such as the Centers for Disease Control and Prevention, the Department of Defense, and the Peace Corps. Together, these different branches of the US government have designed a range of interventions and activities which are mutually complementary to each other and in support of the Emergency Plan.

The vision for USAID/Tanzania's HIV/AIDS objective for 2005-2014 is improved quality of life in Tanzania through a multisectoral approach to HIV/AIDS that mitigates its impact, and improves prevention, and care and support services. By 2014, the number of new HIV infections will have been reduced by at least 50%; over 220,000 Tanzanian Persons Living with HIV/AIDS (PLHA) will have access to quality antiretroviral treatment as well as home and community care. At least 190,000 children orphaned or made vulnerable by AIDS will have received support, through family and community programs that protect their right to shelter, food, health services and education. USAID/Tanzania will benefit from implementing the President's Emergency Plan for the first five years of the ten-year strategy period. This implementation period will set the tone and pace for the implementation of the HIV/AIDS SO, which will be continued over the ensuing five years to achieve the overall impact envisioned in the strategy.

³¹ Under the President's Emergency Plan for AIDS Relief, USAID/Tanzania's response is incorporated as part of the overall USG response which includes the Centers for Disease Control, US Peace Corps, Department of Defense and the Embassy.

B. Situation Analysis

Tanzania's Mainland faces a generalized HIV/AIDS epidemic: among antenatal clinic attendees, the infection rate is calculated at 9.6%³², and 2.2 million individuals (with approximately even numbers of males and females infected) above the age of fifteen were estimated to be living with HIV in 2001, of which 440,000 meet medical criteria for anti-retroviral therapy (ART). Eleven percent of blood donors are infected³³. Up to 50% of hospital beds are occupied by patients with HIV/AIDS-related illnesses. Because of HIV/AIDS, tuberculosis (TB) cases are on the increase. HIV/AIDS is considered at least partially responsible for the reversal of the country's child mortality gains of the 1980s, and has become the leading cause of death among adults. HIV is firmly established in Tanzania's urban and rural areas, particularly in high transmission trading centers, border towns, and along transport routes. Data from a 2003 cohort survey of female barmaids and other bar workers between the ages of 18 and 35 in the Mbeya Region identifies an HIV seroprevalence rate of approximately 68%.

The epidemic in Zanzibar³⁴ is very different: HIV prevalence on Unguja and Pemba is estimated at 0.6% for the general population³⁵. The cumulative number of reported HIV/AIDS cases in Zanzibar totaled 2,011 in 2001 (ZACP 2002). HIV prevalence among pregnant women on the islands doubled from 0.3% in 1987 to 0.6% in 1997, with subsequent prevalence holding steady at less than one percent in 2000. Among blood donors, the rate increased from 0.5% in 1987 to 1.5% in 1998. However, the islands remain at risk: health indicators in Zanzibar show a high proportion of sexually-transmitted infections (STIs). Furthermore, 60% of sexually transmitted diseases occur among married couples, representing evidence of sexual relationships outside marriage.

Close to 80% of HIV transmission in Tanzania occurs through heterosexual contact, less than 5% through mother-to-child transmission and less than 1% through blood transfusion. Although most Tanzanians have heard about AIDS and know how HIV is transmitted, widespread gaps and uncertainties continue to exist regarding transmission. As a result, and despite well coordinated prevention campaigns in the last 16 years, there is only modest evidence of sexual behavioral change, and risk perception remains low, in particular, among youth.

Determinants of the epidemic in Tanzania include sexual behaviors and underlying economic, social, and cultural issues. Inter-generational sex is an important factor in the spread of HIV/AIDS, particularly for girls: those aged 15-24 years are at five to six times higher risk than boys of the same age. Traditional male-dominated gender relations and poor economic opportunities impact negatively on the capacities of girls and women to determine their sexual relations, thus making them more vulnerable to HIV infection. Cultural practices in some ethnic groups, such as female genital mutilation (FGM) and wife inheritance compound risks.

³² National AIDS Control Program's (NACP) Syphilis and HIV antenatal Survey (January-December 2002).

³³ National AIDS Control Program's (NACP) surveillance report Number 17 (January-December 2002).

³⁴ Zanzibar comprises the islands of Unguja and Pemba.

³⁵ June 2003 Zanzibar Ministry of Health HIV/AIDS survey.

The rate of infection among young Tanzanians will directly impact Tanzania's productivity and ability to combat poverty in coming years. In 2000, youth made up 30% of the Tanzania population but accounted for 60% of the new HIV infections. Out-of-school youth represent a serious problem (only 22% of those who complete primary education³⁶ proceed to the secondary level). They are difficult to reach in prevention programs. Because of pervasive poverty and limited economic opportunities, they are also at high risk of infection. Equally devastating is the AIDS orphan crisis: in Tanzania it is estimated that over 800,000 children have lost at least one parent to AIDS, and family and community coping mechanisms are stretched to capacity.

The HIV/AIDS epidemic is a serious threat to Tanzania's successful development, and could undermine all USAID development investments. Indeed, the World Bank estimates a reduction of average real gross domestic product (GDP) growth rate in the period 1985–2010 from 3.9% without AIDS to between 2.8 and 3.3% because of AIDS. Inclusion of an HIV/AIDS SO in a ten-year Mission strategy illustrates the USG's long-term commitment to reduce transmission and to reduce the health, economic, and social impacts of HIV/AIDS.

The National AIDS Control Program (NACP) which led Tanzania's response to AIDS until 2000 through implementation of three medium-term five-year plans, achieved much: overall awareness of HIV/AIDS is high, condom use has increased steadily, and there is good regional coverage for the control and management of STIs. Additional achievements include blood safety and a national surveillance system. In late 2000, President Mkapa established the Tanzania Commission for AIDS (TACAIDS), with responsibility for strategic leadership and multisectoral coordination of the national response to HIV/AIDS. One year later the country adopted a National AIDS Policy. In 2003, Tanzania's cabinet endorsed the national care and treatment plan which provides a framework for coordinated support for treatment. The shift in leadership for the response from the health sector to a multisectoral commission occurs against the backdrop of national health sector decentralization, and civil service reforms that redefine roles of and relationships between central and local government for delivery of AIDS and other essential services.

Like the NACP, the Zanzibar AIDS Control Program (ZACP) managed its response to AIDS through a series of medium-term plans; the final one being a strategic framework for a multisectoral response against the epidemic in the islands. However, the ZACP has been poorly resourced since 1995³⁷ and consequently its activities are limited. As in the case of the mainland, Zanzibar recently created a Zanzibar AIDS Commission to oversee the multisectoral response.

Both bi- and multi-lateral donors (e.g., Germany, Switzerland, Netherlands, World Health Organization, UNAIDS, etc.) continue to provide strong support and funding for HIV/AIDS programming. Tanzania has also benefited from the Global Fund to Fight AIDS, Tuberculosis and Malaria with two approved grants to date. Additional support is provided through the World Bank – Multisectoral AIDS Program (MAP). The Clinton Foundation has

³⁶ The primary school completion rate is 46%.

³⁷ Most donors stopped supporting Zanzibar following the 1995 elections. USAID has supported AIDS prevention activities on the islands through support to the Zanzibar NGO Cluster (ZANGOC).

also served as a valuable resource for generating donor interest to invest in the HIV/AIDS sector.

C. Prior USAID/Tanzania Experience in HIV/AIDS

After over two decades of AIDS programs in Tanzania, the Mission has set in place strong foundations for partnership between the public and voluntary sectors for systems strengthening (logistics, infectious disease surveillance) and service delivery. The Mission is widely identified with quality and achievement in its programs, including: voluntary counseling and testing (VCT); social marketing of condoms and positive, unbranded behavior change messages; behavior change communications (BCC), including mass media promoting delay of first sex; and, through grants to community groups and nongovernmental organizations (NGOs), home-based and community care and orphan support. USAID/Tanzania has spearheaded creation of several innovative, multi-donor funding mechanisms to support public-voluntary partnerships in AIDS, and has maintained a high profile as an engaged donor partner committed to harmonization and coordination. In the last year and a half of its strategy, USAID initiated prevention of mother-to-child transmission (PMTCT) programs as part of President Bush's International Mother and Child HIV Prevention Initiative. Mission programs are in line with Government of Tanzania (GOT) plans and national priorities set out in the TACAIDS, National Multisectoral Framework (NMSF), and the HIV/AIDS strategies of key sectoral ministries.

USAID brings particular strengths to HIV/AIDS, deriving its comparative advantage from: 1) over twenty years of experience in supporting the development and implementation of national responses, both globally and in Tanzania; 2) high funding levels made available for prevention, care and support, and impact mitigation programs (USAID is the largest single donor in Tanzania for HIV³⁸); 3) its ability to offer tested, proven and replicable best practices; and 4) its access to technical assistance from the world's leading experts on prevention, care and support, treatment, impact mitigation, and multisectoral responses.

D. Consultative Process

USAID adopted a three-part consultative process in designing its new 2005-2014 HIV/AIDS strategy including communications through Annual Partner meetings in February 2003 and January 2004; group discussions with over 150 customers and stakeholders in Mwanza, Arusha, Zanzibar, and Dar es Salaam; and stakeholder participation in results framework development and review. The Emergency Plan figured prominently throughout the consultative process: USAID has kept its partners up to date on the status of this initiative, seeking input and ideas at critical points during the strategy formulation year.

The Mission also commissioned a number of assessments in preparing its HIV/AIDS strategy (see Annex 5, Summary of Key Assessments for details.)

³⁸ Currently, the US government remains the largest single donor supporting Tanzania's response to AIDS. Global fund awards, which would place the GFATM in the leadership position, have yet to translate into funding on the ground.

Recommendations of the analytical and consultative processes are reflected in the HIV/AIDS results framework. In summary, the priorities include building management and institutional capacity, creating an enabling and empowering environment, delivering a continuum of prevention-to-care and treatment products and services, increasing competence through education and training, mitigating impact of HIV/AIDS at household and individual levels, and focusing on prevention. Other recommendations include increasing USG support for AIDS prevention and control in Zanzibar; focusing on cross-generation sex; involving traditional healers in the planning of interventions in order to tap their experience and knowledge and facilitate their important role and contribution to the fight against AIDS; and increasing availability of post-testing support and services in the context of VCT, through strengthened referral and linkages between VCT sites and service providers (ANC, community care).

Figure 3: Results Framework for HIV/AIDS Strategic Objective

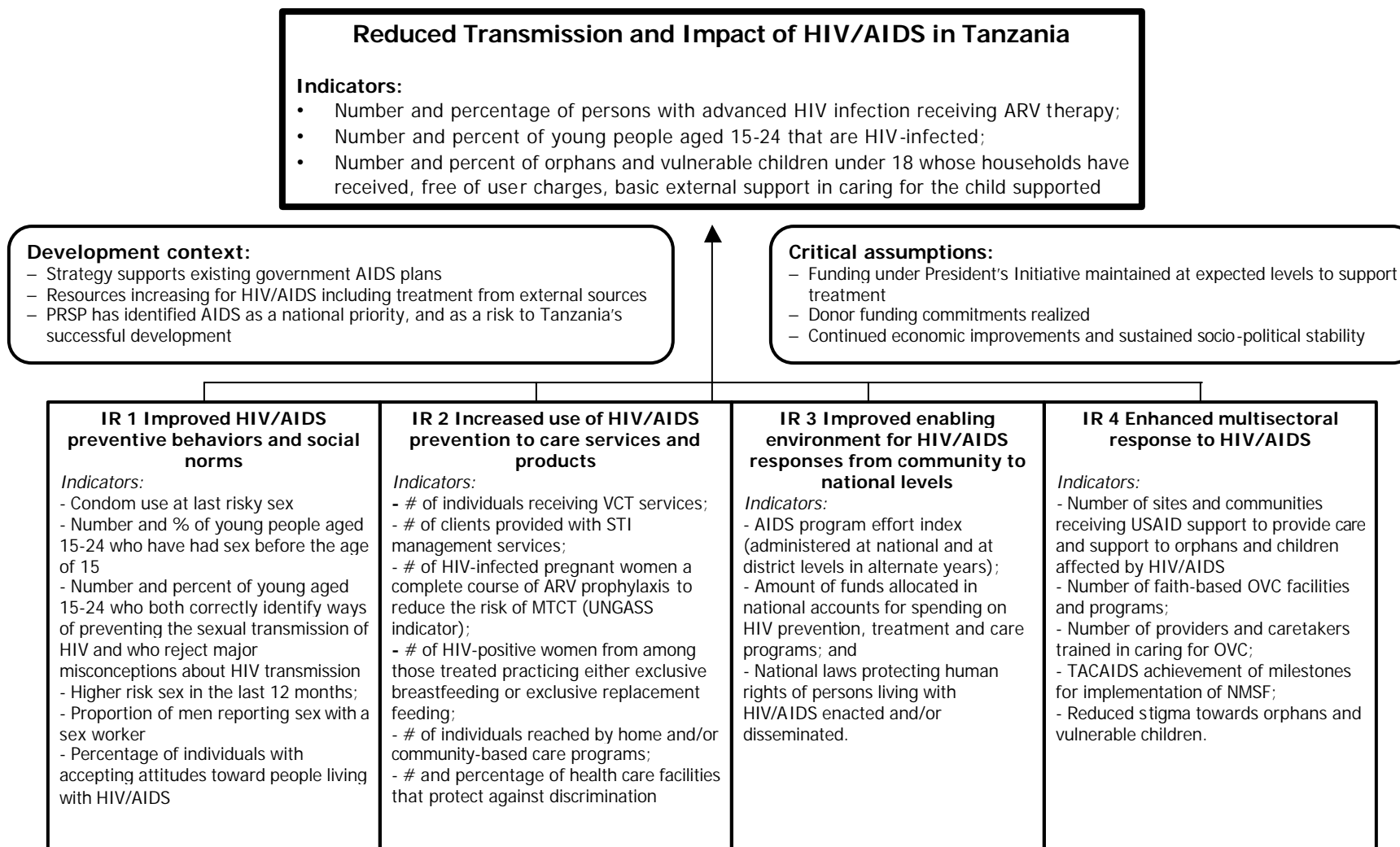


Figure 3: Results Framework for HIV/AIDS Strategic Objective (Cont'd)

<i>IR 1 Illustrative Activities</i>	<i>IR 2 Illustrative Activities</i>	<i>IR 3 Illustrative Activities</i>	<i>IR 4 Illustrative Activities</i>
<ol style="list-style-type: none"> 1. Stigma: mainstream stigma-reduction Mission programs; 2. Changing social norms through youth-friendly programs and communication skill building at household level among youth, their parents, and other gate keepers; 3. Behavior change communication focusing on youth: linking household, facility and community-based interventions with communication and media activities; and 4. Behavior change communication focusing on bridging and high-risk populations. 	<ol style="list-style-type: none"> 1. Stigma-reduction activities targeting health workers, clients, and relatives; 2. Creating Demand for Services: communication and social-marketing promoting health-seeking behaviors and supportive norms; 3. Service delivery, prevention-to-care services and products; 4. Service delivery, continuum of care 5. Development and implementation of integration “packages” by FP and AIDS partners in targeted sites with focus on focused antenatal care (FANC), PMTCT, VCT and ABC; and 6. Systems strengthening: in-service and pre-service training program to support expansion of counseling, VCT, PMTCT, care, and treatment, logistics management system; human resource management, information, and capacities of partner organizations. 	<ol style="list-style-type: none"> 1. Stigma Reduction: monitor stigma-reduction efforts and enforce rights of PLHA; 2. Policy and Legislative Review: Support ongoing Ministry of Justice and Constitutional Affairs review and amendments to legislation as a result of AIDS policy; 3. Leadership: Strategic leadership and team building training for TACAIDS, National AIDS Control Program (NACP) and “champion” public and private organizations and institutions; and 4. Strategic Information and Knowledge: Support collection, analysis and dissemination of knowledge, best practices and support materials. 	<ol style="list-style-type: none"> 1. Stigma reduction: Implement a stigma-reduction package in all sectors assisted by USAID; 2. Strengthening Community and Family Capacity: strengthen systems that foster greater community care for OVCs including support nutrition; 3. Supporting Service Delivery for OVCs: expand existing OVC and palliative care programs supported by FBOs and NGOs; 4. Technical assistance to TACAIDS directorates with direct responsibility for Emergency Plan activities and for TACAIDS Global Fund Country Coordinating Mechanism functions; and 5. Build community service organizations and associations of PLHAs to advocate for HIV/AIDS resources, and monitor and analyze the AIDS budget.

E. Development Hypothesis and Results Framework

The underlying development hypothesis is that improved preventive behaviors and social norms, increased use of a continuum of services (from prevention to care and treatment), an improved enabling environment and an enhanced multisectoral response to HIV/AIDS all will result in reduced transmission and impact of HIV/AIDS on Tanzania.

The proposed strategy is built on the following inter-related critical assumptions:

- Funding for USAID/Tanzania will be maintained at expected levels ;
- Current donor funding levels for HIV/AIDS will be maintained, as well as the current financial support for decentralization, health sector reform, and poverty alleviation; and
- Socio-political stability and improvement of the economic situation will continue and not deteriorate.

The HIV/AIDS SO for the period 2005-2014 is "Reduced Transmission and Impact of HIV/AIDS on Tanzania". Transmission and impact are included in the SO statement to reflect the dual focus of the strategy on prevention and mitigation. As an initiative country, USAID/Tanzania expects to have impact at the national level in reducing the numbers of new infections, in particular among youth; in increasing the numbers of PLHA accessing community and/or facility care and treatment services; and increasing the numbers of children orphaned or made vulnerable by AIDS who have access to social and economic support. The Mission's results framework for HIV/AIDS therefore incorporates in its four intermediate results the range of activities considered essential for achieving Emergency Plan targets. Finally, in planning for a ten-year period, USAID has defined flexible approaches that will allow us to meet intermediate results as circumstances change.

The recommendations of the Mission's assessments identify four central themes for a ten-year USAID strategy for Tanzania to bridge the gap between plans and implementation that has characterized Tanzania's response to date. These are embedded in the Mission's four IRs.

- Knowledge and Leadership;
- Institutional Capacity;
- Policy Environment; and
- Products and Services.

Emergency Plan outcome and impact level indicators are USAID/Tanzania's strategic objective indicators for HIV/AIDS. They are listed below, with baseline and targets³⁹:

- Number and percentage of persons with advanced HIV infection receiving ARV therapy: baseline 0; Emergency Plan target for 2008: 150,000,⁴⁰

³⁹ The National Bureau of Statistics and TACAIDS are implementing the Tanzania HIV Indicator Survey which will give accurate seroprevalence estimates. Results should be available June 2004.

⁴⁰ Targets as presently defined under the Emergency Plan have not yet been disaggregated by gender or age to reflect numbers of men, women, and children targeted.

- Number and percentage of young people aged 15-24 that are HIV-infected: baseline 7.6% (among female antenatal clinic attendees aged 15-24) in 2002; target 3.8% in 2008; and
- Number and percentage of orphans and vulnerable children under 18 whose households have received, free of user charges, basic external support in caring for the child: baseline 4,941; targets for 2008: 190,000.

USAID/Tanzania's strategy will dramatically increase the number of individuals targeted through prevention, treatment and support activities against a backdrop of pervasive stigma and discrimination towards individuals seeking any form of AIDS support. In Tanzania, stigma surrounding HIV is alive and thriving and might, like in neighboring countries, be a significant factor in discouraging HIV-infected persons from seeking services, including treatment. Reflecting its commitment to supporting changes in social norms that will enhance acceptance and tolerance of people living with HIV/AIDS (PLHA), USAID/Tanzania addresses social stigma across its four intermediate results, through development of a mechanism to help partners mainstream stigma reduction activities in their programs and through inclusion of IR-level stigma indicators.

IR 1: Improved preventive behaviors and social norms.

Illustrative Indicators:

- Condom use at last risky sex (percent of respondents who say they used a condom the last time they had sex with a non-marital, non-cohabiting partner);
- Number and percentage of young people aged 15-24 who have had sex before the age of 15;
- Number and percent of young aged 15-24 who both correctly identify ways of preventing the sexual transmission of HIV and who reject major misconceptions about HIV transmission;
- Higher risk sex in the last 12 months;
- Proportion of men reporting sex with a sex worker; and
- Percentage of individuals with accepting attitudes toward people living with HIV/AIDS (indicator to be refined).

IR 1 addresses behaviors and norms, reflecting their synergistic role as determinants of successful prevention programs. Both aspects of the IR are measured in the indicators used. The IR focuses on creating the necessary supportive societal environment for supporting changes in behavior, while providing relevant HIV/AIDS prevention information to individuals through national and community activities. The intended result is a reduction in sexual transmission of HIV/AIDS by individuals who opt to change behaviors and find, within their community of family, faith group, professional association and/or social icons, the social support needed to effect and sustain change. Primary target populations for prevention and social norm activities include in-school and out-of-school youths aged 10–24, populations with high-risk behaviors, including “bridging” populations engaging in regular casual sex,⁴¹ as well as prostitutes and truck drivers. The IR also places emphasis on

⁴¹ The THIS and the next DHS, scheduled to start in late 2004, will give the Mission information needed to define which groups are included among bridging populations. The Mission is concerned that high-risk/multiple partner

improving household communications among children, youth, and parents and other adult gatekeepers, reflecting the strong focus of the results framework on reducing new infections among youth. In these activities, USAID will address gender issues that place girls and women at greater risk of HIV infection than men. The HIV/AIDS epidemic in Tanzania is characterized as generalized (i.e., over 5% of the population is estimated to be infected with HIV): as a result, the Mission proposes to balance activities within an abstain, be faithful or use a condom (ABC) strategy. To achieve this, USAID will implement focused communication programs, bringing national messages to the community through relevant, acceptable community-focused BCC/IEC programs. The Mission will seek to integrate health and AIDS communication approaches and messages as appropriate, including through sharing of implementation mechanisms between the two SOs. Indeed, the ABC approach is conducive to family planning (FP)/HIV integration or linkages through its potential for reducing HIV/STI transmission and helping prevent unintended pregnancies.

Contribution to Emergency Plan Goals: IR 1 strongly supports the Plan's goals to reduce new infections, through careful targeting of prevention communication to address the needs of defined population groups. For youth, IR 1 mirrors initiative goals of incorporating delay of sexual debut (abstinence) and fidelity into prevention campaigns. IR 1 further incorporates initiative goals to reduce transmission through targeting bridging and high-risk populations, for whom fidelity and condom use remain essential components of prevention.

Illustrative Activities:

- Stigma: mainstream stigma-reduction Mission programs;
- Changing social norms through youth-friendly programs and communication skill building at household level among youth, their parents, and other gate keepers;
- Behavior change communication focusing on youth: linking household, facility and community-based interventions with communication and media activities; and
- Behavior change communication focusing on bridging and high-risk populations.

IR 2: Increased use of prevention-to-care services and products.

Illustrative Indicators:

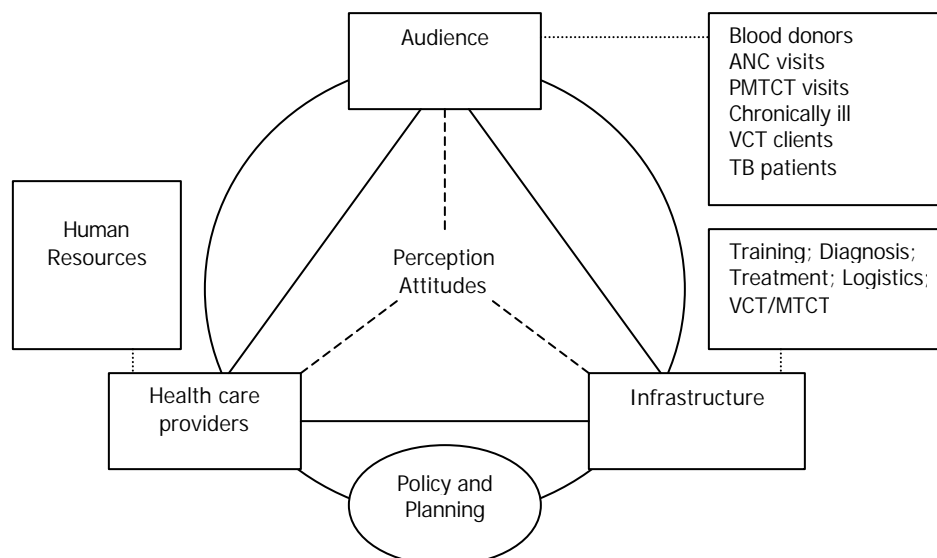
- Number of individuals receiving services (disaggregated by type of service including VCT; STI management; for HIV-infected pregnant women a complete course of ARV prophylaxis; and home and/or community-based care);
- Number of HIV-positive women from among those treated at PMTCT sites practicing either exclusive breastfeeding or exclusive replacement feeding; and
- Number and percentage of health care facilities that protect against discrimination (indicator to be refined).

The provision of prevention and care and treatment (VCT, PMTCT, STI control, condoms, opportunistic infections (OIs) and ARVs including PMTCT+) products and services

behavior remains widespread in the Tanzanian general population, especially among married and non-married men. The "B" and "C" of the Mission's "ABC" strategy will need to target these groups *in the general population*, to protect those who are sexually active and their spouses.

contributes to reducing transmission of HIV/AIDS, as well as reducing the impact of the epidemic on Tanzanian society. Counseling of HIV-positive women receiving PMTCT services for adoption of exclusive breastfeeding or exclusive replacement feeding further deepens prevention results. Access to care and treatment improves quality of life and productivity among PLHA in addition to making it more likely that individuals will seek knowledge of their HIV status. This is especially true of ARV therapy, which reduces the incidence of opportunistic infections and greatly improves quality of life of patients. IR 2 bridges service delivery gaps by increasing access to key products and services for prevention, care, and treatment (VCT, STI control, condoms, drugs for treatment of opportunistic infections, ARVs, commodities needed for home and community-based care). While prevention and care results are disaggregated, USAID/Tanzania has deliberately linked prevention and care in IR 2 to reinforce the linkages and synergies between the two. IR 2 incorporates a complex set of activities, to ensure that services of high quality can be delivered to individuals in their communities: they encompass systems strengthening, procurement, service delivery, and creating a continuum of services that easily links individuals to the services they seek and need through streamlined, customer-focused referral systems. Many of the services addressed in IR 2 are based in health facilities, hence the importance of maximizing opportunities for integration between the Mission's health and AIDS SOs for service delivery: family planning and child survival are "bread and butter" programs. Technologies for service delivery are well developed and stable. These stable programs can provide an invaluable platform for the rapidly evolving HIV/AIDS programs and technology.

IR 2 will focus at the national level on strengthening government, private and NGO/FBO sector capacities to promote and sustain a continuum of care (prevention-to-care) approach (see Figure 4). It will also support implementation in targeted sites of a continuum of services linking the household to community support and to health facility for prevention, care and treatment, or to prevention-related services (including through multisectoral activities targeting orphans and vulnerable children in IR 4). In the context of a continuum of care, counseling plays a greater role than as a straight-forward complement to testing. Proposed services include expansion of STI, VCT, PMTCT, home and community care and ART treatment and social marketing of condoms and other products. IR 2 also proposes to strengthen health sector systems, targeting selected national and district systems for which USAID has a comparative advantage (logistics, human resources, planning and management and information systems) to support the National Multisectoral Framework (NMSF), the Health sector AIDS strategy and the national care and treatment plan. Strengthening the logistics system will incorporate a focus on preventing corruption and building transparency and accountability for ARV drugs. Finally, the IR recognizes that with introduction of treatment within USAID's mandate, there is increased need to ensure complementarity and integration between health and AIDS SOs. The framework below illustrates the Mission's approach for integration between its Health and AIDS activities.

Figure 4: HIV Strategic Approach to Support Continuum of Care

Contribution to Emergency Plan goals: IR 2 supports the plans goals of reducing transmission and increasing numbers of individuals receiving treatment through a focused approach that increases the range, quality and geographic distribution of critical prevention, care and support and treatment products and services across Tanzania. This requires attention on the products and services themselves, on the ability of individuals to access a continuum of services from a community base, and on the capacity of Tanzania's health and social support systems to support provision of products and services.

Illustrative Activities:

- Stigma-reduction activities targeting health workers, clients, and relatives;
- Creating Demand for Services: communication and social-marketing promoting health-seeking behaviors and supportive norms;
- Service delivery, prevention-to-care services and products: Improve performance of existing and introduce new VCT, PMTCT and ART sites; develop/strengthen national HIV/AIDS/STI service-delivery norms, standards and procedures; and support national certification of VCT, PMTCT and ART sites;
- Service delivery, continuum of care: Strengthen referral systems to link VCT, PMTCT, FP/MCH, STI, home-based care services, nutrition and outreach activities;
- Development and implementation of integration "packages" by FP and AIDS partners in targeted sites with focus on focused antenatal care (FANC), PMTCT, VCT and ABC; and
- Systems strengthening: in-service and pre-service training program to support expansion of counseling, VCT, PMTCT, care, and treatment, logistics management system; human resource management, information, and organizational capacities of partner organizations.

IR 3: Improved enabling environment from community to national levels.
Illustrative Indicators:

- AIDS program effort index⁴² (administered at national and at district levels in alternate years);
- National laws protecting human rights of persons living with HIV/AIDS enacted and/or disseminated; and
- Amount of funds allocated in national accounts for spending on HIV prevention, treatment and care programs.

GOT policy initiatives in 2000-2001 to strengthen the response to HIV/AIDS and the establishment of TACAIDS have created opportunities for expanding effective prevention, treatment, care, and support programs. Over the next ten years, existing policies need to translate into action that first positions, and then maintains AIDS as a national priority, clarifies and reinforces roles and responsibilities in the fight against HIV/AIDS, stimulates and sustains local and national leadership in the response, and reduces stigma through increasing acceptance and tolerance. Tanzania needs effective organizations of PLHA. HIV/AIDS advocates and “champions”, whether individuals or organizations, need greater capacity to wield increased influence in determining the magnitude and effectiveness of the response. Government needs continued leadership for its multisectoral response through TACAIDS. IR 3 focuses on consolidating gains in the enabling environment through ensuring that local and national leaders have the skills and knowledge to implement and enforce policies and assess needs for legislative change and have access to the data needed to manage HIV/AIDS policy processes effectively.

Tanzania invested significantly in the past in formulating new policies; the challenge of implementation will require further review and refining of policies, leadership to ensure their implementation, and an increase in data to assess their impact and reorient efforts where needed. Strengthened policy, leadership, and accountability will help minimize misuse and corruption in the sector.

Contribution to Emergency Plan Goals: IR 3 contributes directly to the Plan’s cross-cutting objectives. In particular, the Mission places emphasis on engendering bold and engaged leadership to spur action in far reaching areas including stigma, social norms, resource allocation and national mobilization.

Illustrative Activities:

- Stigma Reduction: monitor stigma-reduction efforts and enforce rights of PLHA;
- Policy and Legislative Review: Support ongoing Ministry of Justice and Constitutional Affairs review and amendments to legislation as a result of AIDS policy;
- Leadership: Strategic leadership and team building training for TACAIDS, National AIDS Control Program (NACP) and “champion” public and private organizations and institutions; and

⁴² The AIDS Program Effort Index (API) measures program effort in the response to the HIV/AIDS epidemic. The index is designed to provide a current profile of national effort and a measure of change over time.

- Strategic Information and Knowledge: Support collection, analysis and dissemination of knowledge, best practices and support materials.

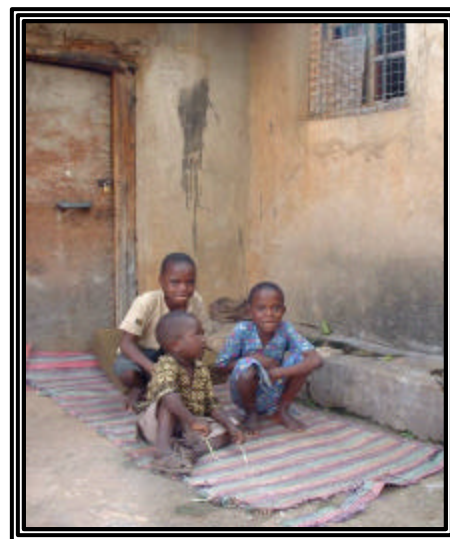
IR 4: Enhanced multisectoral response to HIV/AIDS.

Illustrative Indicators:

- Number of sites and communities providing care and support to orphans and children affected by HIV/AIDS;
- Number of faith-based OVC facilities and programs;
- TACAIDS progress in implementation of NMSF ;
- Stigma indicator (to be defined).

In articulating a multisectoral response to HIV/AIDS, USAID/Tanzania intends as a first step to ensure that strategic prevention, care and support, and impact mitigation services are offered across sectors. However, the Mission is also committed to promoting innovation in responding to AIDS across sectors as long as interventions very directly support the Emergency Plan goals on reducing numbers of new infections, care, support, and treatment. For example, care, support, and treatment services require close linkages to nutrition and food security activities, both to enhance the health of people living with HIV/AIDS and to help feed the families and communities affected by AIDS.

Impact mitigation remains the emphasis of this IR: it will incorporate economic opportunity activities for communities and orphans, particularly those heading households, affected by AIDS. It will also work with the health SO to ensure that orphans and vulnerable children receive a balanced package of support including vital health services. It will place particular emphasis on ensuring a “child survival package” for vulnerable children who were formula/replacement fed. Working across SOs, and through the Program Support Objective (PSO), the program will ensure a truly multisectoral approach to HIV/AIDS, engaging the democracy and governance, environment and natural resources, and economic growth teams in programs and results. The IR will also support strengthening of Tanzania’s capacity to coordinate a multisectoral response, through providing technical assistance to TACAIDS for mainstreaming HIV/AIDS and for leading the country’s response to



Children orphaned by AIDS in Iringa

Photo: John Dunlop
USAID/Tanzania

Global Fund and other global initiatives. Finally, the IR will work across sectors to improve accountability in Tanzania’s response and to reduce the risk of corruption, through a collaboration with the Mission’s DG SO in increasing community accountability for HIV/AIDS resources.

Contribution to Emergency Plan: Through a multisectoral response, USAID/Tanzania will aggressively implement the Plan’s initiatives to target increasing numbers of children

orphaned and made vulnerable by AIDS through direct support, and through strengthening community and family coping mechanisms. This IR also supports Emergency Plan cross-cutting goals.

Illustrative Activities:

- Stigma reduction: Implement a stigma-reduction package in all sectors assisted by USAID;
- Strengthening Community and Family Capacity: strengthen systems that foster greater community care for orphans and vulnerable children (OVC) including nutritional support nutrition;
- Supporting Service Delivery for OVCs: expand existing OVC and palliative care programs supported by FBOs and NGOs;
- Technical assistance to TACAIDS directorates with direct responsibility for Emergency Plan activities and for TACAIDS Global Fund Country Coordinating Mechanism functions; and
- Build community service organizations and associations of PLHAs to advocate for HIV/AIDS resources, and monitor and analyze the AIDS budget.

Beneficiaries

In its ten-year HIV/AIDS strategy, USAID/Tanzania will focus on the following primary target populations:

- Pregnant women attending antenatal clinics (ANC);
- People living with HIV/AIDS (PLHAs);
- 10-24 year-old in-school and out-school youth in urban and rural areas;
- Bridging and high-risk populations (sexually-active individuals who practice casual sex with multiple partners, prostitutes, truck drivers, and the military); and
- Orphans and vulnerable children.

USAID/Tanzania will support secondary populations in developing the supportive societal, policy, and institutional environment necessary to achieve the proposed results:

- Health workers/service providers;
- Opinion and political leaders;
- Management teams of selected public and private institutions/organizations;
- Parents and other youth gatekeepers (religious leaders, teachers, youth role models); and
- Traditional healers.

Geographic Focus

National activities include strengthening systems and institutions, behavior change, social marketing, and donor collaboration. At district levels, USAID will support service delivery in prevention, care and treatment and community support including orphans and vulnerable children. In most cases, the Mission will provide a core package of services, integrating where possible with the Mission's Health SO, complementing what is available through other

USG Emergency Plan partners, the Tanzanian government, other donors, and faith and nongovernmental organizations. In selected districts, the USAID Mission will support a full continuum of prevention, treatment, and support activities. USAID/Tanzania will also support district-based public-private partnerships in selected geographic areas. In addition, USAID will focus its district-level resources to address the needs of populations in high transmission areas, along migratory routes, in trading centers, and in border towns that are currently underserved.

USAID/Tanzania will maintain its current presence in three of the five regions most heavily impacted by HIV/AIDS and where it currently has district AIDS programs (Coast, Dodoma, and Iringa) and expand to Mwanza and Arusha as a means of clustering district-based prevention and care programs around health facilities that will be offering ART. USAID/Tanzania will expand its programs in Zanzibar in collaboration with the Zanzibar Commission for AIDS and the Zanzibar AIDS Control Program. Dar es Salaam, as a trend-setter and the region with the highest population density and AIDS case rate, as well as a region with an established network of NGOs, will also be considered in the final USAID decision.

- The selection of the districts in which USAID will work will be made in close consultation with the GOT, Emergency Plan partners, other donors, and other USAID SO teams, based on defined criteria. (Criteria will include, but not be limited to the following: Impact of the epidemic; eligible facilities for clinical care; other donors/partners current activities; linkage to other HIV care and support services)

F. Synergies

i. With US Department of State/USAID Joint Strategic Plan

In support of the US Department of State/USAID Joint Strategic Plan, the HIV SO will “emphasize a balanced and integrated approach including prevention, treatment and care” under the Social and Environmental Issues Objective. USAID/Tanzania’s HIV/AIDS SO contributes to increased accountability and transparency of government with regard to HIV/AIDS resources. USAID/Tanzania will continue its focus on building the capacity of TACAIDS to participate in Tanzania’s budgeting process effectively as a means of ensuring that Tanzania allocates funds from its own revenues to HIV/AIDS. In particular, USAID will continue to support the public expenditure review and medium term expenditure framework processes in TACAIDS.

ii. With Relevant USAID Pillars

The HIV SO falls under the Agency Global Health Pillar Bureau and supports the Agency SO of “HIV transmission and the impact of HIV/AIDS pandemic reduced”. The SO will be proactive in promoting sound environmental management and linking the HIV/AIDS programs to those of the ENR SO. In particular, the Mission will ensure that activities that generate medical waste and those that use blood and blood products meet required US and GOT environmental compliance standards.

G. Linkages, Themes and Tools (LTT) Approach

As a Mission, we have developed an innovative approach to maximize our resources and deepen the impact of our development activities. We call it the Linkage, Themes and Tools (LTT) approach. With this approach, all of our Mission SO teams commit to the strategic integration of LTT into and across SOs.

- **L: Linkage:** a shared result (as defined by a common indicator/s) between two or more SOs. The result appears in two or more results frameworks.
- **T: Cross-Cutting Theme:** a development problem that the Mission has determined requires integration into and across all SOs. The Mission's themes are gender, HIV/AIDS, and governance.
- **T: Tool:** an implementation approach (or a way of doing business) adopted by the Mission as an effective means to deepen development results. The Mission's tools are information and communications technology (ICT), capacity building, and public-private alliance building.

Previous Mission experience with cross-fertilization of SOs resulted in improved performance in our current strategy. Therefore, in developing the new strategy, the Mission decided to conceptualize and institutionalize the approach. Mission teams collaborated to identify linkages, themes, and tools that offered opportunities for synergy and increased program effectiveness. The Mission will use a Program Support Objective (PSO)⁴³ as the principal mechanism to coordinate and integrate LTTs into and across the five SOs. Given that our PSO supports all of the Mission's SOs, it is described in more detail in a PSO section (section 8) that follows the SO sections. In it, we describe how individual SOs contribute to the achievement of shared results and how cross-cutting themes and tools are integrated into the program. This is our "anti-stovepiping" approach to development.

Health is perhaps the most obvious sector for which HIV/AIDS will share linkages, themes, and tools. At the community level, the HIV/AIDS SO will work to increase awareness of HIV/AIDS and the range (or continuum) of both preventive and clinical services available for people. These messages, provided at the local level, will also include general health improvement and behavior change messages which will impact on the success of the Health SO.

The HIV/AIDS SO plans to procure significant amounts of high-value commodities (including antiretrovirals). The value of these commodities could be an incentive for corruption. The HIV/AIDS SO and the DG SO work together to help foster greater accountability at the local level and ensure a greater level of understanding and oversight for these commodities. Additionally, HIV/AIDS continues to impact the productive sectors of Tanzanian society, decreasing household incomes and earning potential. These impacts at the household level have the potential to limit the success of the EG and ENV SO. The linkage of activities to

⁴³ ADS 201.3.7.10 Defines the Program Support Objective (PSO) as an activity implemented to support the achievement of other existing SOs. The results of PSO activities are visible through and attributable to other SOs. This is distinct from Program Development and Learning (see ADS 201.3.3.5), which is intended to support activities and learning efforts that do not fit with the scope of an existing SO.

increase awareness of HIV across the SOs, thereby preventing future infections, however, will serve to support the success of not only the HIV/AIDS SO, but the entire Mission portfolio.

For a more detailed examination of the Mission's PSO and the LTT approach, please see the PSO section 8 as well as the LTT Tables in Annex 18.

H. Implementation Modalities

USAID will use a mix of central and bilateral mechanisms to support activities in the new strategy (collaborating agencies, field support, contracts, Indefinite Quantity Contracts (IQCs), leader with associate awards, cooperative agreements with international and Tanzanian organizations, grants to GOT). Two other factors will influence the selection: first, the need to minimize management burden by limiting the number of mechanisms; and secondly, where appropriate, the Mission will seek to have single procurements (for example, covering both AIDS and health activities, or AIDS and other sectors, however with clear distinctions between funding sources).

With the Emergency Plan emphasis on bringing new partners on board, USAID/Tanzania will devote particular attention to identifying and engaging with local institutions for service delivery. USAID/Tanzania will also ensure that its contractors and grantees include in their scopes of work the mandate of creating substantive linkages with other Mission SO teams. As well, USAID/Tanzania will rely on technical support available through the Office of HIV/AIDS and through the HIV/AIDS team at REDSO.

4. Health Strategic Objective

A. Strategic Objective Statement

The Health strategic objective (SO) for the period 2005-2014 is "Health Status of Tanzanian Families Improved". It will be measured by improved nationwide indicators for total fertility rate and the under-five mortality rate. The Outcome Intermediate Result (IR) that contributes to the Health SO goal is "Target Health Practices Improved and Use of Health Services Increased". Three IRs contribute to the Outcome IR: 1) Communities empowered to practice healthy behaviors and use services for targeted health problems; 2) Family level access to target health services increased; and 3) Sustainability reinforced for target health programs.

By 2014 our vision is one of greatly improved reproductive health services, including long term contraceptive methods, widely available and used by couples in Tanzania who wish to limit or space their children. It also includes continued high use of Vitamin A through routine services, and a reduced impact of malaria on the population, especially pregnant women and their young children. Close collaboration with the HIV/AIDS SO will lead to strengthened health services, especially perinatal care and services for young children. Services for people-level impact will be improved thanks to work at the district and regional levels, including public private cooperation, greater community mobilization through new marketing and communications efforts, and collaboration with the Democracy and Governance (DG), Economic Growth (EG), and Environment and Natural Resources (ENR) SOs within the framework of the PSO.

B. Situation Analysis

Tanzania continues to face serious health challenges. Positive trends in family planning, child survival, and malaria may have leveled off or even reversed in recent years, in part due to the effect of HIV/AIDS⁴⁴ and to institutional transformations in the health care system. Tanzania's population is very youthful with about 60% of the 35 million Tanzanians under age 25. The annual population growth (1988-2002) is about 2.9%, with infants and under-five children constituting about 5% and 20% of the total population respectively. Due to past high levels of fertility, large and growing cohorts are entering their reproductive ages each year, meaning that reproductive health services need to expand just to keep pace.

During the 1990s, the total fertility rate (TFR) decreased from 6.3 to 4.6 children per woman, yet births are often poorly timed and contribute to maternal and child deaths. More than one-quarter of women have their first birth before age 18; 20% of births are spaced less than two years apart. Life expectancy has declined considerably in the country due to rising mortality rates. Communicable, yet preventable diseases are the main cause of morbidity and infant mortality. Among older children and adults, tuberculosis (TB), anemia, and HIV/AIDS have become more frequent causes of death; for women, many deaths are due to complications related to pregnancy.

⁴⁴ See Tanzania Conflict Vulnerability Assessment, 2003, p. 13.



A nurse consults with a new mother at a maternal Child Health Clinic.

Photo by: John Dunlop
USAID/Tanzania

Family Planning: The modern contraceptive prevalence rate (CPR) among married women has more than doubled since the early 1990s, reaching 17% by 1999. Still, over one-quarter of women currently not using family planning either want no more children or want to space their next birth by two or more years. Forty percent of this unmet need is represented by women who want no more children, for which long-term methods (i.e., injectables, inter-uterine devices (IUDs), implants and sterilization) would be appropriate options. While the contraceptive prevalence rate for modern methods is higher among urban

women (29% compared to 11% among rural women), unmet need for modern methods is higher among rural women (26% compared to 18% among urban women). The number of couple years of protection (CYP) generated as a result of

USAID interventions has grown modestly in the last few years. Except for injectables, long-term method rates did not increase appreciably in the 1990s.

Child Health: Infant (99/1000) and under-five (147/1000) mortality rates reported in the 1999 Reproductive and Child Health Survey (RCHS) are increasing due to worsening poverty and the HIV/AIDS epidemic. About one quarter of all under-five deaths occur within the first month and two-thirds within the first year after birth. Tanzania is not on track to meet its Millennium 2015 targets of reducing under-five mortality by two thirds unless urgent actions are taken. The leading causes of infant and child deaths in Tanzania are preventable illnesses such as malaria, pneumonia, diarrhea, malnutrition, HIV/AIDS, and complications of low birth weight. Eight out of ten children die at home and six of them without any contact with formal health services. There are large rural-urban and income disparities with the rural poor being the most disadvantaged.

Malnutrition: Malnutrition rates are unacceptably high among children. Sixteen percent of Tanzanian children are born with low birth weight (below 2500 grams). Low birth weight is also a proxy indicator of maternal deprivation, thus perpetuating the inter-generational cycle of deprivation and malnutrition. Anemia contributes to low birth weight. The onset of malnutrition starts soon after birth and peaks by 12-18 months of age. Significant chronic malnutrition is indicated by the 44% of children who are stunted and the 30% who are underweight. Food insecurity, inadequacies in frequency of feeding, micronutrient deficiencies (iron, iodine, zinc, and Vitamin A) and frequent illness predispose children to malnutrition. Micronutrient malnutrition is prevalent among women, about 14% in the highlands and nearly 80% in coastal areas are anemic during pregnancy -- and nearly 70% are Vitamin A deficient. About 25% of maternal deaths are associated with anemia.

Maternal Mortality: Tanzania has very high maternal mortality with a ratio of 529 maternal deaths per 100,000 births, translating to nearly 9,000 maternal deaths annually due to pregnancy-related causes. Another 250,000 women become disabled due to the same causes, seriously compromising their reproductive health. Births to mothers under age 18

and births that are closely-spaced pose additional risks to maternal illness and deaths. The proportion of women receiving antenatal care and delivering with skilled attendants varies considerably across income levels and urban/rural residence.

Malaria and Infectious Diseases: Malaria is endemic in almost all parts of Tanzania, with over 90% of the population considered at-risk. There are an estimated 14-19 million malaria cases leading to 100,000 -125,000 estimated deaths per year of which about 80,000 are children under age five. Malaria is the major cause of under-five mortality, particularly among children under age two. It also contributes to anemia, maternal mortality and low birth weights. Malaria drug resistance is a problem throughout Tanzania. Polio has not been reported in Tanzania since 1999 and so National Immunization Day programs are phasing out. TB has increased five-fold since 1983, mainly due to the HIV/AIDS epidemic. HIV was present in 44% of tuberculosis cases at last report. The annual increase is between 5-10% and the majority of cases appear among the 15-45 age group.

HIV/AIDS: As discussed in the preceding section on the HIV/AIDS strategy, HIV/AIDS is a major health problem in Tanzania which requires multisectoral responses. The epidemic is having an important impact of the health care system, putting great pressures on staff, supplies, logistics and management, thereby weakening the ability to deal with many important health needs. The Mission is committed to support a broad range of activities to mitigate the impact of the epidemic and many linkages are being developed between the Health and HIV/AIDS SOs, notably in the areas of focused antenatal care (FANC), family planning, logistics support, community based activities, and strengthening the district and regional health care systems.

Context: Tanzania has a fairly well distributed health care system. About 80% of the population has access to health services and about 90% of the population lives within ten kilometers of a health care facility. There are nearly 5,000 registered health care facilities in Tanzania of which 59% are operated by government, 18% by voluntary faith based organizations (FBOs), 12% by other private entities and 5.6% by parastatals. Parastatal and private facilities are mostly urban-based. FBOs are believed to provide health care services to over 40% of all Tanzanians and are mostly serving rural areas. Although significant efforts have been made to establish standards of care, improve the supply of drugs and train health care staff, the quality of health services delivery is still considered to be low with few exceptions.

The Government of Tanzania's (GOT) Response: The Ministry of Health (MOH) is in the second phase of a major donor-supported health sector reform program, with most planning, budgeting, management, and program implementation responsibilities decentralized to district health management teams (DHMTs). Most districts have shown only limited capacity to take on their new responsibilities. The speed and effectiveness of the reform is affected by a significant reduction of government cadre through a major civil service reform program. The majority of skilled health workers work in the large towns leaving facilities in rural areas understaffed. There are just 39 nurses and 2.5 physicians per 100,000 population, a low ratio even by African standards. Government budget allocations to health increased by 9% over the period 1999-2002 – below its target of 15%. Staff compensations comprise about 80% of the government financial allocation to health expenditure. In the last five years, with additional HIV-AIDS program requirements, dependency on donor funds to finance health has increased considerably. Donor funds,

especially sector support or “basket funds”, have supplemented the government's budget allocations for health.

C. Prior USAID/Tanzania Experience in Health

Under the previous two health strategies, USAID has focused on family planning and maternal and child health (FP/MCH) interventions and supported an escalating program addressing HIV/AIDS prevention and mitigation. Key achievements for the FP/MCH component of the program include meeting benchmarks for CYP which increased from 1.2 million in 2002 to 1.5 million in 2003. USAID has repeatedly met its target of 80% of children receiving Vitamin A supplementation and tetanus inoculation. The Mission-supported pilot introduction of intermittent presumptive treatment (IPT) of malaria in pregnancy went nationwide in under two years, with coverage up from 29% in 2001 to 65% in 2003.

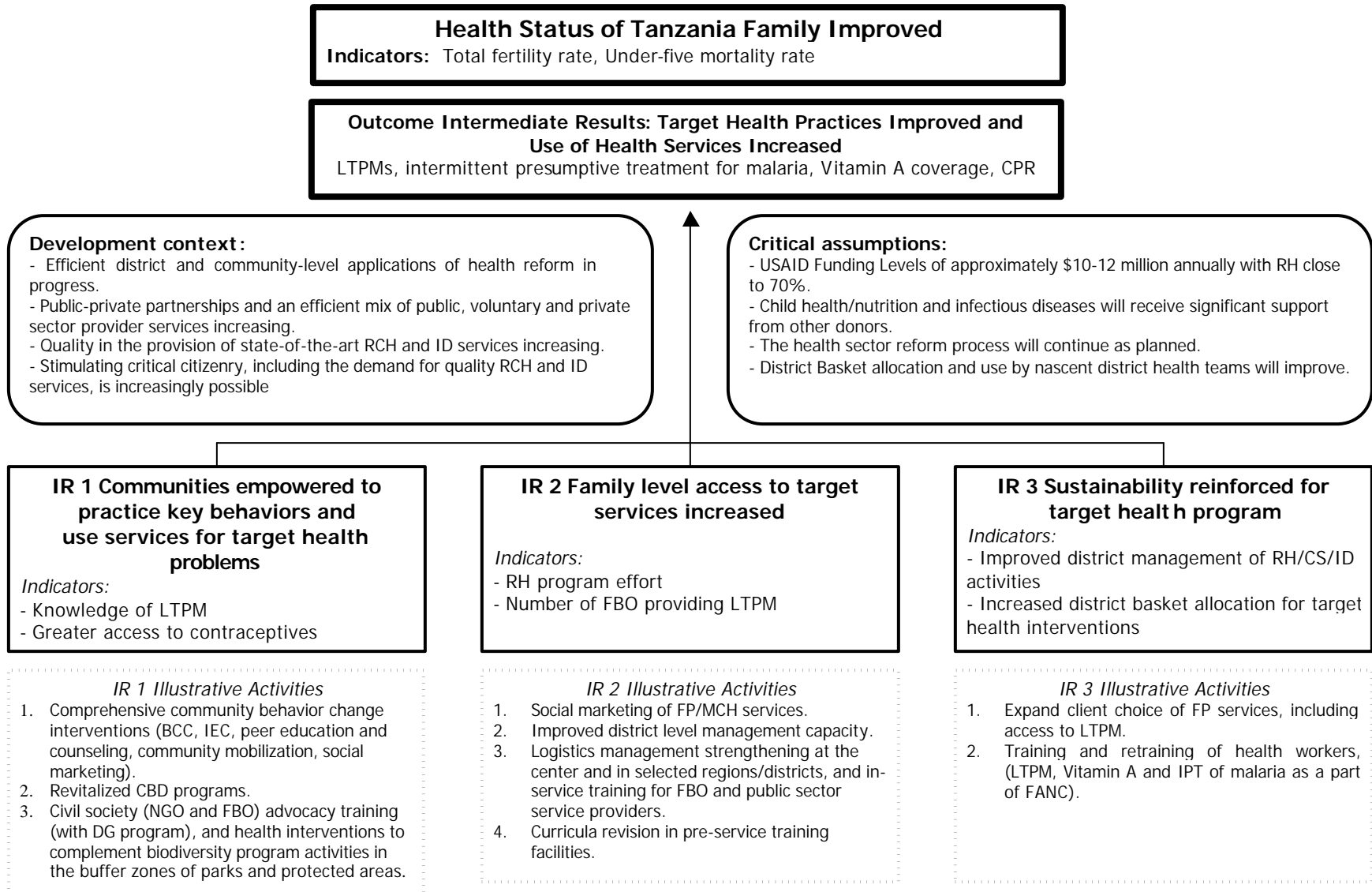
USAID is recognized as Tanzania's major donor for family planning and a leading donor for maternal and child health (where UNICEF, WHO, and a number of bilateral donors have played a more substantial funding role). USAID has a comparative advantage in: partnering with non-governmental organizations (NGOs); strategic planning with a “results” focus; state-of-the-art technical leadership with a quality focus; training and capacity-building; policy, leadership and management; behavior change; commodities, drugs, and logistics management; contraceptive security; survey, census, and operations research; and the ability to target assistance “outside the basket”.

Over the past five years, most bilateral and some multilateral donors have shifted their assistance to a “central basket” that is used by the MOH for both central activities and procurements as well as for district-level health activities managed by DHMTs. A combined government and donor working group develops annual plans and conducts annual assessments of fund use. USAID has played a strategic role in providing resources to fund non-government activities and to flexibly respond to emergency needs in the sector. USAID has also worked to try to ensure that “basket” funding ultimately increases available resources for FP/MCH activities, that it includes essential drugs and contraceptives, that allocations be results-focused, and that it incorporates support for non-government programs.

D. Consultative Process

USAID/Tanzania undertook an extensive and highly-consultative process to identify priorities and weigh them against potential impact, USAID comparative advantages, and cost. The GOT, implementing partners, other donors, other USAID/Tanzania SO teams, USAID/Washington and customers all participated in various aspects of this year-long strategic planning process. The process included the review of relevant analyses and evaluations of the Tanzania health sector reform process, donor projects and GOT documents. Several special studies were commissioned to gather detailed information on specific activities and issues, including an evaluation of the Voluntary Sector Health Program (VSHP), an assessment of the social marketing program, a review of constraints to long-term and permanent contraceptive methods, a study of constraints to logistics management of family planning and HIV/AIDS commodities, and a review of community-based contraceptive distribution programs.

Figure 5: Results Framework for Health Strategic Objective



E. Development Hypothesis and Results Framework

This health strategy follows a traditional USAID hypothesis that has proven successful in many countries in the past, namely that individuals that know and practice healthy behaviors and use health services will attain improved health status if those basic health services are accessible and of acceptable quality. USAID/Tanzania's Health SO of "Health Status of Tanzanian Families Improved", contributes to USAID/Tanzania's overarching goal to "help accelerate Tanzania's progress toward sustainable development and reduced poverty and to improve the quality of life in Tanzania". USAID's program will build on the positive features of Tanzania's health system: a) the availability and reach of existing health facilities, b) an institutionalized process of health sector reform that has the potential for major improvements in health service delivery, and c) the strong and long-standing multi-donor presence. USAID's program vision for the next ten years is to build on these features to strengthen FP/MCH programs that improve the health status of Tanzanian families. Key elements of this vision are to:

- Support efficient district and community-level application of health reform;
- Encourage public-private partnerships and an efficient mix of public, voluntary and private sector provider services;
- Foster quality in the provision of state-of-the-art FP/MCH services; and
- Stimulate critical citizenry, including the demand for quality FP/MCH services.

The Health program activities included in this SO are family planning, child health and nutrition, infectious diseases, and safe motherhood. In addition, this strategy has many important linkages and synergies with the Mission's HIV/AIDS SO. This SO aims to improve the health status of Tanzanians by reducing total fertility and under-five mortality rates, and the incidence of malaria. These results will be achieved together with USAID/Tanzania's main partners, including the GOT, and other donors and implementing agencies.

A number of critical assumptions underlie the Mission's ten-year health strategy and affect programming decisions. These assumptions will be reviewed periodically and the elements of the strategy may be revised to ensure strategic success. The most critical assumptions are:

Data: A Demographic and Health Survey will be conducted in 2004 or 2005 to verify previous health trends that have helped target this strategy. It will be repeated in 2009. The 2003-04 Tanzania HIV Indicators Survey (THIS) also includes questions which will allow estimates of QPR and contraceptive method mix. It will be repeated in 2006. These surveys will help solidify baseline data and provide the basis for more specific five- and ten-year strategic targets and inform policy and program decisions.

USAID Funding Levels: This strategy assumes a relatively stable USAID health (excluding HIV/AIDS) budget of approximately \$10 -12 million annually with the bulk of funding for family planning (close to 70%) and lesser amounts for child health/nutrition and infectious diseases (approximately 30%).

Other Donor Funding: Other donor funding will supplement USAID funding. Central Basket funding will be allocated for the Ministry's Reproductive and Child Health Section (RCHS)

and increasingly for contraceptives; other donors will take the lead on implementing a national quality assurance program being instituted by the MOH; other donors will continue support for social marketing and logistics management activities; and child health/nutrition and infectious diseases will continue to receive significant support from other donors.

Decentralization: The health sector reform process will continue as planned. The role of the Zonal Training Centers (ZTCs) will be officially broadened to encompass greater support responsibilities for district-level health sector reform (especially the coordination of health reform training for their zones). Meanwhile, it is assumed that the regional health teams will continue to focus attention and resources on FP/MCH and will include a dedicated reproductive and child health specialist on their teams.

SO Indicators and 2009 and 2014 Targets

Several causal relationships that lead to the Health SO outcome are illustrated in the results framework. When family level access to information and health services increases (IR 2) communities can be empowered to practice key behaviors and use services. The availability of quality services encourages greater use of those services, but also is responsive to community and individual demands for the health services which meet their needs at reasonable cost (in terms of access and financial cost). Given limited resources, the Mission has decided to focus carefully on a limited number of target health practices and services, to improve key behaviors, and to deal with target health problems.

USAID/Tanzania's Health SO will hold itself accountable for nationwide (impact level) reductions in total fertility and under-five mortality rates.

- **Total Fertility Rate Target:** Total fertility rate will decline from 5.6 children reported in the 1999 RCHS to 5 in 2009 and 4.5 in 2014.

The proposed target is similar to the actual decline in the total fertility rate (TFR) which occurred in neighboring southern African countries between 1985 and 1995 where the TFR declined from an average 5.8 to 4.9 (see USAID, Health and Family Planning Indicators: A Tool for Results Frameworks, vol. I, p. 15). These countries witnessed increases in contraceptive prevalence as family planning programs were strengthened, and improvements in socioeconomic conditions took place similar to those expected to occur in Tanzania in the next decade.

- **Under-five Mortality Rate Target:** The under-five mortality rate (U5MR) will decline from 147 per 1000 live births reported in the 1999 RCHS to 140 per 1000 live births in 2009 and 120 per 1000 in 2014.

An almost 18% drop in the U5MR over fifteen years is a realistic target since our strategy will focus on maintaining high levels of Vitamin A supplementation. This is a highly cost-effective core child survival intervention and has led to reductions of U5MR of 20-25% that have been documented in a number of countries, notably Zambia, Nepal, Vietnam and the Philippines thanks to high-coverage Vitamin A programs on a national basis. In addition, our HIV/AIDS SO will devote significant effort to PMTCT, which, along with other activities to protect orphans and vulnerable children, should reduce the impact of HIV on U5MR.

Outcome IR: Target health practices improved and use of health services increased

Achievement of the Outcome IR, as monitored by its indicators, is expected to lead directly to the achievement of the SO.

Illustrative Indicators:

- Percentage of women of reproductive age (15-49) who are currently using (or whose partner is currently using) a modern method of contraception (national). Target: current use of modern contraceptives for women aged 15-49 will increase from 15.6% in the 1999 RCHS to 30% in 2009 and 40% in 2014.

Generally, an annual increase of 1-2 percentage points in the CPR indicates a strong family planning program making significant progress. Many USAID missions have been able to report a doubling of the CPR with a five-year span, including Tanzania when it initiated its program in the early 1990's, as well as many of its neighbors (See USAID, Health and Family Planning Indicators: A Tool for Results Frameworks, vol. I, p. 21):

Tanzania: 6.7% in 1991 13.3% in 1996

Kenya: 9.7% in 1984 27.3% in 1998

Malawi: 7.4% in 1992 14.4% in 1996

The Mission's commitment to repositioning family planning in Tanzania, and helping the MOH, FBOs and the private sector accelerate progress to increase the access and use of quality reproductive health services, given an already high demand, should produce significant results in the next decade.

- Presumptive treatment of malaria will increase from 65% in target areas to 70% nationally in 2009 and 90% in 2014.

Significant progress in initial phases of malaria prevention activities and strong donor, government, FBO, and private sector support for continuing activities should assure that the nationally-recommended course of prophylaxis/intermittent therapy for prevention of malaria during pregnancy, which USAID has promoted through its program of focused antenatal care (FANC), will expand.

Vitamin A coverage (achieved through national immunization days in 2003) for children 6-59 months will be maintained at over 80% through routine services. Coverage in 2009 will be at this level, and will be maintained at this level in 2014, despite the expected growth in population.

Tanzania's success in achieving over 80% Vitamin A coverage for children 6-59 months indicates its strong commitment to this important intervention. The Mission's focus in child survival will be to work with key technical partners to find ways to strengthen supplementation through routine services and to use innovative approaches, such as child health weeks, to assure coverage in difficult to reach populations.

IR 1: Communities empowered to practice key behaviors and use services for target health problems.

Illustrative Indicators:

- increase in number of non-MOH (FBO, social marketing, private sector, CBD) sites providing contraceptive services;
- % increase in knowledge of long term contraceptive methods as measured in the DHS;
- increase in number of women receiving long term contraceptive methods in non-MOH facilities;
- % increase in knowledge of source of supply of long term methods as measured in the DHS; and
- % of under 5 children attending community health weeks.

In Tanzania, knowledge about family planning, child health, and infectious diseases varies widely. Even where health facilities are available, they are underutilized; low expectations of service quality often contribute to low use of services. (For example, only 44% of women delivered in health facilities in 1999 compared with 53% in 1991-92.) Despite Tanzania's socialist history, community health programs and community mobilization activities are not as effective as they should be. Behavior change communication (BCC) efforts are episodic and generally do not follow a deliberate multi-dimensional strategy where BCC messages are mutually reinforcing. Some family planning and child health information, education, and communications (IEC) materials are outdated and hard to find.

IR 1 will empower communities to practice key health-seeking behaviors in a number of ways. First, it will revitalize community outreach and mobilization programs (using clinics as focal points), by utilizing a variety of organizations (voluntary agencies/NGOs, FBOs, the public sector, social marketing programs) to help communities to diagnose their own healthcare needs and issues, and identify solutions to their problems. Community outreach efforts will provide information and motivate clients to seek services for a focused set of FP/MCH interventions, including family planning (with a focus on clinic-based methods); post abortion care (PAC); focused antenatal care (FANC) (including intermittent presumptive treatment (IPT) and syphilis in pregnancy interventions); timely obstetric care; and child health services, especially the need for Vitamin A. The need for HIV/AIDS testing and counseling, and FP/MCH integration within PMTCT programs will also be explored in conjunction with the AIDS SO. Health programs may complement other Mission programs, such as environmental programs focused in buffer zones of protected areas.

Second, clinic-based programs will be linked with community efforts to expand the service network available to clients and improve their knowledge and practice of preventive and positive behaviors. (Examples of unhealthy or dangerous practices include female genital cutting (FGC), multiple sexual partners, and late treatment of STIs or malaria.) This will be done through a broad range of carefully structured BCC interventions. BCC channels include mass media social marketing and generic IEC campaigns, peer education, counseling, community, folk and small media approaches. Messages on FP, HIV/AIDS and MCH will be both branded and generic. Finally, IR 1 will increase participation of communities and villages in Tanzania's health sector reform process. Health services are being decentralized

down to the district level and below. Accountability and transparency will be stressed, and training, policy, and advocacy work will be done in concert with the Mission's DG program (see Section G, Linkages, Themes and Tools (LTT) Approach) to enable better interaction between villages and decision-makers.

Certain approaches used in the Health SO are innovative and will need to be tested and evaluated in demonstration areas before going to scale throughout the country. Consequently, activities will often occur in two phases. The first will focus on implementation in a specific region, followed by an assessment and recommendations for modifications to improve activities. These will be incorporated in an improved and expanded approach in Phase II.

Illustrative Activities:

Phase I: In target regions:

- Clinic-based outreach, and community outreach programs, and focused community-based distribution (CBD);
- Comprehensive behavior change interventions (BCC, IEC, peer education and counseling, community mobilization, social marketing); and
- Civil society (NGO and FBO) advocacy training (with DG program), and health interventions to complement biodiversity program activities in the buffer zones of parks and protected areas.

Phase II: Replication of Successful Activity Models by NGO/FBOs in other NGO/FBO Sites Nationwide

IR 2: Family-level access to target services increased.

Illustrative Indicators:

- Reproductive Health (RH) program effort index;
- Number of NGOs and FBOs providing clinic-based methods;
- Number of stock outs for contraceptives and other commodities;
- Percent of health sites reporting regularly (every two months) on family planning use
- Number of health workers trained in providing long term methods; and
- Percent of focus district health facilities with Child Health Weeks (CHWs).

IR 2 seeks to improve the access of families to a selected package of essential FP/MCH services (linked to selected HIV/AIDS prevention, care and treatment services), especially in targeted geographic areas. Access to health care in Tanzania is through three primary avenues: the home/community; health facilities (dispensaries, health centers, and hospitals); and private sector sites, including social marketing outlets. IR 2 will work through all of these avenues to support a package of essential services and commodities.

NGOs and FBOs already play an important role in delivering more than 40% of Tanzania's health services. They are often hampered by poor management and lack of supplies. If these organizations are strengthened at the clinic and community level, they can provide an "essential package" of services, including FP services (with a focus on clinic-based

methods); post-abortion care (PAC); FANC (including IPT and syphilis in pregnancy interventions); referrals for obstetric care; child health weeks for Vitamin A supplementation and delivery of other FP/MCH products and services. Also key will be development of complementary HIV/AIDS-related services, ranging from post-Voluntary Counseling and Testing (VCT) counseling, treatment of STIs and opportunistic infections (OIs) to ARV treatment and clinical care, nutritional care and support and PMTCT and infant feeding.

Further, both public and private sector service delivery points suffer from a lack of contraceptives, drugs and other supplies which are essential to improving access to quality health services. Commodity and systems support to both the public and private sectors will be provided to ensure the supply of critical commodities. Social marketing avenues will be used to provide selected contraceptives, condoms (for FP and AIDS prevention among "high risk" groups), and selected MCH commodities (e.g., insecticide-treated nets (ITNs), point-of-use water treatment, oral rehydration salts). Assistance to the logistics management system will strengthen public sector forecasting, ordering and distribution of contraceptives, condoms and a variety of essential drugs from the central to the district level. Critical commodities, such as contraceptives for the social marketing program, and IUDs and other selected contraceptives (as needed) will be provided to the public sector program by the Health SO.

Finally, well-trained service providers at the community and clinic (or hospital) levels are essential for providing quality FP/MCH (and HIV/AIDS) services. They are often the same nurse or clinical officer. Both in-service and pre-service training needs for the public and private sector will be addressed. Approaches will utilize the Performance Improvement Approach (PIA) to strengthen the capacity of selected Zonal Training Centers (ZTCs) and DHMT/district-level trainers; and work with selected preservice training institutions, if funds permit. Curricula, standards and guidelines, job aids and supervisory systems will all improve performance of staff.

Illustrative Activities:

Phase I:

- Support to NGO/FBO service sites to enable them to deliver an essential package of services;
- Social marketing of selected FP/MCH services and messages (linked with the AIDS social marketing program);
- Provision of limited contraceptive commodities and work with key partners to develop a eight to ten year contraceptive security plan;
- Logistics management strengthening at the center and in selected regions/districts;
- Strengthening of ZTC and district level training capacity;
- In-service training for NGO/FBO and public sector service providers; and
- Strengthen NGO capacity and improve coordination with MOH and other government agencies through collaboration with DG program for greater civil society involvement at the community level.

Phase II: Curricula revision in pre-service training facilities (if funding is available)

IR 3: Sustainability reinforced for target health programs.

Targets are currently being developed for the following indicators:

- Indicators of improved district management and financial support for CS, RH and ID;
- Percent of district basket funding in target regions allocated for long-term methods community-based distribution, child health weeks.

IR 3 will work at both national and geographically-focused levels. A variety of ministries (including Health, Local Government, Finance, Office of the President) as well as district or local authorities, are key to improving target health programs. The IR will support activities that contribute to sustainability of health programs, and create a positive enabling environment for service delivery. The Tanzania health system has a pervasive lack of regular data at all levels for program design, monitoring of implementation progress, and impact evaluation. There is also a weakness in the analysis and use of data for planning and decision making, especially at the district level. District planners and managers require training, guidelines and tools to improve planning, management and budgeting. Further, management and leadership skills are often lacking and are critical to good project or program implementation. Finally, resources are often adequate, but not efficiently or effectively used. Many of these systems issues are also relevant to the AIDS SO (IRs 2 and 3). The AIDS IR 2, for example, has a health sector system strengthening component and the same needs for population-based surveys and data. IR 3 notes the need for strategic leadership for local, district, and national GOT officials and team building training.

To improve the quality of data and information and to foster utilization of data for decision making, resources will be provided to support national surveys and to pilot test health information systems at the district level. Because of the lack of data and information, and despite the availability of increasing "district basket" funding, many of the new district health teams are unable to plan, budget, and manage these resources in an efficient and effective manner. IR 3 will provide technical resources to assist districts to better assess and utilize their resources, through training and pilot testing new approaches. Many of the strong Tanzanian leaders in family planning and child survival of the past decades have retired, and there has been little emphasis on fostering a replacement corps of dynamic leaders who might serve in both government and NGO health systems. This IR will seek to develop the leadership essential to reinvigorating FP/MCH programs in Tanzania, and provide specialized training and professional development for young, dynamic professionals who might eventually assume high level positions.

Adequate levels of financing for health sector programs are not yet available in Tanzania despite modest gains in recent years. Key personnel are also lacking. IR 3 will leverage other donor funds to help districts and regions to better allocate their basket funding, including funds for the private sector. Finally, USAID Mission staff will, through sector-wide approach (SWAp) related policy and donor dialogue, continue to encourage the GOT to move closer to meeting its own target of 15% budget allocation to health. More effective use of these health funds can be facilitated if the SWAp program moves towards a "results" approach to program monitoring, and away from the present expenditure approach.

Illustrative Activities:

Phase I:

- Periodic national surveys, such as the DHS and the Tanzania HIV/AIDS indicators survey (THIS), in collaboration with the AIDS SO;
- Technical assistance and training in management and budgeting at the national level through the medium-term expenditure forecast (MTEF) and at the district level through cooperating agencies;
- Management and leadership training, such as supporting in-country MPH degree;
- Donor dialogue and fora, and activities to evaluate the impact of the SWAp and basket funding;
- Policy, advocacy and awareness for health professionals; and
- Development of innovative public/private partnerships.

Phase II: Scale up initial geographical focus**Geographic Focus**

In consonance with the present stage of Tanzania's health sector reform process, this strategy shifts the balance of USAID activities from the national-level to geographic-specific regions where much of the activities will be focused at the district level.

National Scope Activities: USAID will continue support for a number of key activities with national-level scope, including technical assistance to the Reproductive and Child Health Section (RCHS) and the Infectious Disease Unit (IDU) of the MOH in strategic planning, setting standards and central commodity procurement planning. USAID will continue to support the MOH Medical Stores Department (MSD) in national-level forecasting and logistics related to contraceptives and other key health commodities. Activities will also encompass both the collection of data through household surveys, censuses, and infectious disease surveillance and use of data for planning, programming, monitoring and evaluation. The social marketing program will continue to support national scope contraceptive and health commodity distribution and advertising, though it may focus special attention to specific regions. Additional national-level activities include support for national-level behavior change communication strategies and implementation and strengthening policy awareness and leadership related to FP/MCH issues. Both behavior change and policy will likely incorporate elements that have a geographic and community-level focus.

Geographic-specific Activities: The ongoing decentralization of the health sector reform responsibilities in Tanzania leads USAID to focus more of its resources in this strategy on geographic-specific activities in focus regions and districts. Final selection of focus regions and districts will be made in consultation with the MOH based on a number of criteria, including USAID program experience, co-location of activities of other SOs (see Section G, LTT Approach), need and socio-economic considerations, ethnic and geographic balance, capacity of ZTCs, strength of the community-based organization (CBO)/NGO sector, and leadership considerations, such as "readiness" to undertake changes and openness to public-private partnerships. Given the MOH's current position, USAID is likely to be asked to provide much of its field-level support to two adjoining regions which fit the selection criteria (Arusha and Manyara) in the north, Kigoma region in the West, and to Iringa region in the center of the country.

Geographic-specific activities will contribute directly to improving national indicators of FP/MCH and to numerical objectives in the IRs. More significantly, these activities will improve access to services at the community-level and support long-term capacity building and critical citizenry, in addition to people-level impact. An important cross-cutting theme of all geographic-specific activities will be the development of cost-effective approaches with a view towards long-term sustainability locally and the ability of Tanzania to “scale-up” proven interventions nationally. Efforts to scale-up nationally will be an emphasis especially during the second phase of this strategy period. For example, current facility-based PAC activities are likely to scale-up during the second phase.

Four categories of activities are particularly well-suited for geographic focus. They include: a) strengthening in-service training capacity of district health teams personnel at zonal training centers (ZTCs); b) strengthening access to quality FP/MCH services, c) improving supervision and coordination of activities; and d) improving services and community outreach through NGOs and FBOs and mobilization of communities.

Phasing: Near the end of the first phase of this strategy, the program activities will be carefully evaluated and revised as needed in concert with program results, and any significant changes in the program setting, e.g., GOT health priorities, donor programs. It is anticipated that many of the successful phase I field-level activities will be expanded within their regions and into other regions of Tanzania with both USAID and other donor support.

In spite of limited financial resources, the Health SO believes it can significantly impact key indicators in Tanzania over the next ten years through a policy of focused interventions and resources to support effective, high impact, proven interventions and activities. Child Survival interventions will include supplementation of Vitamin A and zinc through child health weeks, as well as building concurrent efforts to improve routine supplementation; leverage of PMTCT funds to support improved perinatal service delivery including treatment of malaria and syphilis in pregnancy; increasing linkages between the perinatal services and insecticide treated net programs and improving perinatal nutrition through promotion of exclusive breastfeeding, prenatal iron supplementation and postnatal Vitamin A supplementation. Family planning/reproductive health interventions will follow the same focused strategy and concentrate resources to improve clinical service delivery for interventions such as post abortion care and long term and permanent methods including IUDs and injectables. Working in concert with other partners such as United Nations Children’s Fund (UNICEF) and United Nations Population Fund (UNFPA), leveraging HIV and other donor funding, and providing high level, cutting edge technical assistance from our cooperating agencies and USAID’s specialized staff are highly effective approaches which will result in maximum impact and cost effectiveness.

Customers/Beneficiaries

One of the objectives of the consultative planning process was to ensure that Health SO activities address the needs of USAID/Tanzania’s customers. These include the people of Tanzania who are the ultimate beneficiaries of activities, intermediate beneficiaries (such as service providers), development partners and stakeholders. The primary beneficiaries or end-users of USAID/Tanzania’s health program are men and women of reproductive age

and children under five years of age. The vast majority of these Tanzanian beneficiaries are poor, given Tanzania's projected per capita income of \$280 as estimated by the World Bank in 2004. These Tanzanians rely on public sector, NGO and FBO health services for FP and MCH services, while more wealthy Tanzanians utilize private sector providers.

Development Impact

FP/MCH services contribute not only to good health and one of two key elements of human capital (along with education), but they also contribute to broader efforts to alleviate poverty. Limiting family size and birth spacing are recognized as elements of a family's strategy for ascending out of poverty enabling families to be healthier and to invest more in their children. Likewise, poor child health and nutrition, maternal mortality, and the effects of infectious diseases too often trigger a family's or an individual's descent into poverty or chronic poverty. Increases in contraceptive use and declines in fertility will also help slow population growth and help relieve pressures placed on the environment and natural resources, place lower demands on health and education systems, and lower dependency ratios that contribute to rising savings and investment.

F. Synergies

- i. With US Department of State/USAID Joint Strategic Plan

The SO is consistent with the US Department of State/USAID Joint Strategic Plan by working to reduce the threat of infectious disease, reduce infant and child mortality and support reproductive and maternal health care under the Social and Environmental Issues Objective.

- ii. With Relevant USAID Pillars

The Health SO falls under the Agency Global Health Pillar and supports multiple Agency strategic objectives of: unintended and mistimed pregnancies reduced, death and adverse health outcomes to women as a result of pregnancy and child birth reduced, infant and child health and nutrition improved and infant and child mortality reduced, HIV transmission and the impact of HIV/AIDS pandemic reduced, and the threat of infectious diseases of major public health importance reduced. The SO is also in concert with the objectives of the Global Health Bureau.

G. Linkages, Themes, and Tools (LTT) Approach

As a Mission, we have developed an innovative approach to maximize our resources and deepen the impact of our development activities. We call it the Linkages, Themes, and Tools (LTT) approach. With this approach, all of our Mission SO teams commit to the strategic integration of LTT into and across SOs.

- **L: Linkage:** a shared result (as defined by a common indicator/s) between two or more SOs. The result appears in two or more results frameworks.
- **T: Cross-Cutting Theme:** a development problem that the Mission has determined requires integration into and across all SOs. The Mission's themes are gender, HIV/AIDS, and governance.
- **T: Tool:** an implementation approach (or a way of doing business) adopted by the Mission as an effective means to deepen development results. The Mission's tools are information and communications technology (ICT), capacity building, and public-private alliance building.

Previous Mission experience with cross-fertilization of SOs resulted in improved performance in our current strategy. Therefore, in developing the new strategy, the Mission decided to conceptualize and institutionalize the approach. Mission teams collaborated to identify linkages, themes, and tools that offered opportunities for synergy and increased program effectiveness. The Mission will use a Program Support Objective (PSO)⁴⁵ as the principal mechanism to coordinate and integrate LTTs into and across the five SOs. Given that our PSO supports all of the Mission's SOs, it is described in more detail in a PSO section (section 8) that follows the SO sections. In it, we describe how individual SOs contribute to the achievement of shared results and how cross-cutting themes and tools are integrated into the program. This is our "anti-stovepiping" approach to development.

For example, NRM, Health, and the AIDS SOs have begun working with the Jane Goodall Institute in Kigoma to continue its pioneering efforts to maintain the integrity of the Greater Gombe Ecosystem through initiating and sustaining community involvement in improving the local environment as a means to contributing to long-term conservation goals as part of the Lake Tanganyika Catchment Reforestation and Education Project (TACARE) project. Health and AIDS SOs will build on successful, family planning community-based delivery activities by extending the range of long-term methods available to families in the project area, and in developing HIV activities including care and support.

The Health and HIV SOs will continue working closely together to strengthen access to services including mutually supported product logistics/delivery systems, and expanded, focused antenatal care for both HIV+ and HIV- women, who will be tested, counseled, and increasingly treated with ART, so that a broad range of services intended to save lives of women and their children will be available to all.

Efforts at community empowerment and behavior change communication will focus on women in the reproductive ages, especially those needing family planning services, those who are pregnant and need antenatal and postpartum care, adolescents beginning their reproductive careers and women who want to limit their fertility. We are also developing activities focusing on men as partners in reproductive health activities, with the goal of improving men's support for and acceptance of family planning efforts.

⁴⁵ ADS 201.3.7.10 Defines the Program Support Objective (PSO) as an activity implemented to support the achievement of other existing SOs. The results of PSO activities are visible through and attributable to other SOs. This is distinct from Program Development and Learning (see ADS 201.3.3.5), which is intended to support activities and learning efforts that do not fit with the scope of an existing SO.

For a more detailed examination of the Mission's PSO and the LTT approach, please see the PSO Section 8 as well as the LTT Tables in Annex 18.

H. Implementation Modalities

USAID will use a mix of mechanisms to support activities in the new health strategy which may include collaborating agencies, field support, contracts, leader with associate awards, cooperative agreements with international and Tanzanian organizations, and grants to government of Tanzania. In keeping with the Mission's targeted, focused, selective approach in this strategy, it will minimize its management burden by limiting the number of contracting mechanisms. USAID/Tanzania will also ensure that its contractors and grantees include in their scopes of work the mandate of creating substantive linkages with other Mission SO teams.

5. Economic Growth Strategic Objective

A. Strategic Objective Statement

USAID/Tanzania's Economic Growth (EG) strategic objective (SO) statement is "Incomes of Small Farmers Increased in Selected Agricultural Commodity Sub-sectors." Two intermediate results (IRs) support the achievement of the SO:

- IR 9.1 Increased Productivity of Selected Agricultural Commodities
- IR 9.2 Increased Trade of Selected Agricultural Commodities

The new EG SO will build on the positive growth and performance of Tanzania's agricultural sector in recent years. The EG SO seeks to increase incomes of small farmers by increasing agricultural productivity and farmer access to marketing and trade opportunities in domestic, regional, and international markets for selected agricultural commodities. This will be done through the strengthening of farmers' productive and business capacities, and by improving the policy and regulatory environment to increase market efficiencies and competitiveness of Tanzanian commodities. A centerpiece of the EG SO will be a large group of financially viable and democratically managed producer organizations. The program will link these organizations to the greater market network by facilitating commercial partnerships and alliances with agribusinesses and traders. The ability of these producer organizations to develop the capacity to be effective market participants and advocates for continued policy improvements will be keys to the sustainability of program interventions.

The EG SO is fully aligned with the Government of Tanzania's (GOT's) Poverty Reduction Strategy Paper (PRSP) and Agriculture Sector Development Strategy (ASDS), which calls for a "modernized, commercial, highly productive and profitable" agricultural sector. The ASDS also emphasizes the vital role of the private sector in leading the economic growth process. The EG SO program, through its private sector emphasis, will create synergies with development efforts undertaken as part of the new ASDS. The SO will create strong and credible rural producer organizations that can effectively partner with agribusinesses, traders, and GOT support institutions. Additionally, the SO will be positioned to benefit from assistance provided by USAID's recently established Africa Regional Global Competitiveness Trade Hubs and the Regional Agricultural Trade Expansion Support (RATES) program and contribute directly to the objectives of the Presidential Initiative to End Hunger in Africa (IEHA) and the Trade for African Development and Enterprise (TRADE) Initiative.

By the end of the strategic period, incomes of members of producer organizations will have increased. In turn, these increased agricultural incomes will further expand productive investments by producers and agribusinesses in agriculture and off-farm enterprises, including many Small and Medium Enterprises (SMEs). Stronger advocacy by producer organizations, agribusinesses, and trade associations will have resulted in a more stable policy environment that encourages investment in higher-value and increasingly competitive agricultural primary and processed products. The adoption of improved technologies will have increased agricultural productivity, improved the management of natural resource base, enhanced trade and market efficiency, and increased value-added throughout the marketing

chain. The primary customers and beneficiaries of program support are the small farmers that have the capacity to respond to market incentives and become more commercially-oriented to produce and market higher-value crops in response to growth opportunities. The strategy of working with these new, market-oriented producer organizations emerging in rural areas will enable the program to have impact on a substantial portion of Tanzania's rural population.

B. Situation Analysis

Targeting Poverty

Poverty is widespread in Tanzania, but it is particularly concentrated in the rural areas. Fully 88% of the estimated 17 million poor live in rural areas. While the food security situation has improved in recent years, and the percentage of the population classified as poor has declined in the last decade, most of these gains were seen in urban areas. Achievement of the GOT's long term development goals will require an acceleration of growth, and a greater emphasis on economic growth in the rural areas. Agriculture accounts for most of the economic activity in these areas, with the sale of agricultural commodities accounting for 70% of rural incomes.⁴⁶ It also accounts for two-thirds of Tanzania's total merchandise exports. The sale of crops is usually the main source of income for small farmers. Our program, through its focus on the production and sale of both traditional and non-traditional crops, seeks to raise household incomes and accelerate the economic growth rate in these poverty dominated areas. Through its trade component, it will also increase agricultural exports.

Increased productivity and incomes in smallholder agriculture and more efficient markets and trade are essential for economic development in Tanzania, as well as throughout sub-Saharan Africa. This is also emphasized in the Government's Millennium Development Goals and its Poverty Reduction and Agricultural Development Strategies. It is also the basis of the IEHA. In Tanzania, 84% of the population is engaged in agriculture, the sector contributes over 50% of GDP, and agricultural products account for over 60% of total export earnings. Increases in farmer incomes will stimulate economic growth with backward and forward linkages through input and product markets. Growth in the sector will improve both national and household food security, expand trade, create jobs, and reduce poverty. Over the 1990s, the agricultural sector has maintained an annual growth rate of 3.6%, only slightly above the population growth rate of 2.9 percent.⁴⁷ Although the rate of growth appears to have increased somewhat in this decade⁴⁸ it will need to substantially increase over the next decade to meet national development goals.

The Government, through its ASDS and the Agricultural Services Support Programme (ASSP), seeks to continue the reforms aimed at reducing its active role in the processing and marketing of crops, while at the same time strengthening efforts to help small farmers enhance productivity and competitiveness. GOT efforts focus primarily on strengthening the

⁴⁶ Tanzania Agricultural Development Program Concept Paper, 2003, p. 3.

⁴⁷ Ibid.

⁴⁸ In 2001 agriculture GDP increased to 5.5% and then dropped slightly to 5% in 2002. *Public Expenditure Review for the Agricultural Sector: FY 2002/03*.

provision of services through public institutions such as the extension services. The ASSP explicitly acknowledges the critical role of the newly emerging producer organizations, stating:

“Associations of small-scale farmers and entrepreneurs are emerging at both local and national levels. The successful development of these institutions is fundamental to the growth of the sector. If small-scale farmers, who represent the vast majority of Tanzanian farmers, can be supported to become better organized and better represented, this will lead to more effective channels for improved credit systems, input and technical service delivery, marketing, and a strong platform for the articulation of farmers’ needs.”⁴⁹

The ASSP further states that these organizations will be key participants in their Farmer Fora, which would guide all publicly funded interventions. Our strategy of working with these organizations will take advantage of both their effectiveness as farmer owned and controlled institutions and of the additional support to the sector offered under the ASDP.

Producer Organization Emphasis

The EG SO will focus on producer organizations in strategic commodity sub-sectors as key leverage points in the agricultural sector to stimulate increased productivity and increased access to markets and trade. Cooperation is vitally important if small farmers are to achieve economies of scale and access to markets. Most Tanzanian farms are small – over 50% are less than one hectare, and 93% of all farmers cultivate less than 2.0 hectares.⁵⁰ Between 70-75% of farmers depend on maize, cassava, and other basic food crops - both for subsistence and for cash income. There are many diverse production systems in this situation, almost all of which depend on uncertain rainfall, and yields fluctuate widely from season to season. Reforms in the late 1980's and early 1990's ended subsidies on inputs, and only a small proportion of farmers currently use improved seed, fertilizers, or pesticides. The system of mismanaged and inefficient cooperatives, marketing boards, parastatal firms, and other institutions from the socialist period have been dissolved or discredited. With the collapse of the cooperative structure, there are few functioning marketing organizations or services, and few farmers have access to credit or timely market information. The research and extension systems are in place, but their linkages with farmers are poorly funded and delivery of services is weak. Rural credit is scarce and many rural access roads are in poor repair. Multiple local taxes, onerous regulations, and corruption increase the costs and risks of accessing national, regional, and international markets.

In response to these problems, producers and traders have voluntarily formed commercially-oriented organizations over the past ten years. Many are focused on specific commodities, and are linking with new and rapidly changing market opportunities. It is estimated that there are at least 50 producer organizations in each district, or more than 6,200 nationwide. A number of them have received significant support from international donors and NGOs, but most have not. The majority of these organizations lack strong management and business skills, and almost none have access to a full range of production and marketing support services.

⁴⁹ GOT Agricultural Sector Development Programme Framework and Process Document, 2003, p. 11

⁵⁰ GOT and World Bank, Tanzanian Agriculture: Performance and Strategies for Sustainable Growth, 2000, p. 1.

Building on highly successful pilot experiences over the past ten years, the EG SO will partner with newly emerging producer organizations and will promote alliances with agribusinesses, processors, traders, NGOs, and GOT agencies. One goal is to increase productivity by making new, more productive technologies available, including improved seeds, inputs, small-scale irrigation pumps, and knowledge about proven management practices. Another is to promote a market chain approach, to help the partners work together to meet specific requirements of identified national, regional, and international markets in terms of variety, quality, reliable quantities, packaging standards, pesticide residues, and other specific issues. Post-harvest storage and processing technologies can add value at the farm and community levels. Experience has shown that direct interaction with regulatory agencies and policy-makers can overcome restrictions and bottlenecks. Capacity-building in business skills, management of credit, use of market information, and other skills will empower the associations to be flexible and to take advantage of new opportunities. Producer organizations can gain economies of scale and bargaining power through collective crop marketing and input purchasing, and they can facilitate access to financial services and reduce transaction costs and risks through group guarantees. In addition, producer organizations often take a leadership role in the community, advocating for resources for schools, clinics, and roads.

This approach is based on sound business principles, but carries some risk of concentrating benefits among the relatively privileged – relatively well-educated male farmers with access to good land, water, and other resources. Nevertheless, experience here and in other countries has shown that women bring competencies in tasks that require precision, reliability in credit repayment, and other efficiency benefits. In the organizations with which USAID/Tanzania partners have been working to date, women have been encouraged to play very important roles in production, marketing, and organizational development, building on the traditional importance of women in Tanzanian agriculture. Emphasis will be placed on finding effective ways of including women-headed households, households affected by HIV/AIDS, and other vulnerable groups. Ongoing programs have been very successful in including women farmers in their efforts. This will be continued and expanded under our new strategy. The producer organizations need to find mechanisms to influence policy, regulatory structures, taxation, corruption, and other bottlenecks. At the local level, associations will actively participate in Farmers' Fora at the ward, district, and zonal levels, where priorities and investment plans are discussed, which will influence how resources from the government and donor basket funding are spent. The SO team and its partners will foster working partnerships with Tanzanian agricultural research institutions, the Association for Support of Agricultural Research in East and Central Africa (ASARECA), networks and programs active in Tanzania, market information systems, and other national institutions and programs that provide knowledge and support to farmers. Unlike most donors, USAID supports projects outside of the general budget support and basket systems. This provides opportunities to continue to offer targeted technical assistance to broaden links with the private sector, and demonstrate the effectiveness of new approaches.

An effective strategy for replicating successes and scaling up is essential for the SO to have impact on agricultural productivity and market impact over the next ten years. In each local area where they are working, the partner private voluntary organizations (PVOs) and farmer organizations will be required to systematically package their approaches, methods, training

manuals, and other outputs, so that they can be taken up by other organizations that are not supported directly.

Geographic Focus

During the first phase of the new strategy, organizations will be targeted in the four regions of the Southern Highlands, plus Morogoro, and Tanga, where USAID has been investing. These regions were chosen because of their potential to grow high-value traditional and non-traditional crops, and because they have been the focus of several USAID sponsored activities, including our rural roads and infrastructure. These regions represent a population of over eight million, and contribute an estimated 30% of the country's overall GDP. For the first phase, the focus will be on selected high-value commodities such as citrus and other orchard crops, paprika, rice, and coffee, where the benefits of cooperation will be greatest and fastest.

As experience is consolidated and systematized, and as more funds become available from IEHA, the strategy will be expanded to include other regions that show potential for high-value crops and other agricultural products, including exports. Tentatively, we will examine the Kilimanjaro and Arusha regions because of the potential of these regions to achieve significant increases in the growth and export of agricultural commodities. In addition to new regions, we will examine other commodities, including maize, livestock, and others that are widely distributed in the country, and which improved production and marketing can increase incomes and improve the livelihoods and well-being of rural residents. The selection process will emphasize commodities which have greater potential for national markets and regional trade. These second-round investment decisions will be based on ongoing analysis of comparative advantage as the SO develops its IEHA Action Plan. New activities under a Tanzania IEHA program will broaden the scope of the program, lead to a closer harmonization of objectives and indicators with the other Missions in the initiative, and will provide a closer working link with the Strategic Analysis and Knowledge Support System (SAKSS), which is designed to measure the impact of IEHA activities.

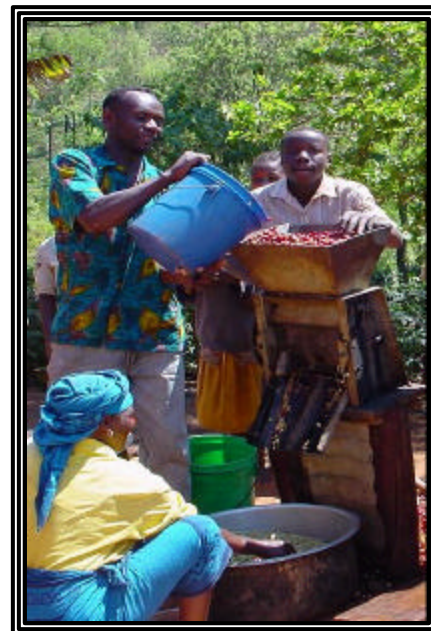
C. Prior USAID/Tanzania Experience in Economic Growth

The previous EG SO, revised in 2000, was "Increased Participation of Micro and Small Enterprises in the Economy". The program concentrated on facilitating the growth of the small business sector by improving the policy environment for private sector investment, promoting SME finance, building rural roads, and some initial work with strengthening producer organizations for the marketing of high-value commodities. All of the activities achieved, or are on track to achieve, their program goals.

Integrated Sub-Sector Development Approach

The Mission's current EG program has demonstrated the effectiveness of working with producer organizations to create expanded market opportunities through the ongoing Private Enterprise Support Activities (PESA) and TechnoServe projects. PESA uses an integrated sub-sector development approach which focuses on specific commodities that have value-added and/or export potential as determined by competitiveness analysis and

addresses the various constraints faced by producers, agribusinesses, and other market intermediaries throughout the production and marketing chain. Improved production and processing technologies are introduced, quality concerns are addressed, inhibiting policies identified, and alliances are formed with larger agribusinesses and service providers to better link the producer organizations to markets. To date, the main achievement at the level of producer organizations has been the collective marketing of oranges by several associations in the Tanga Region. Through the provision of market information on local and regional prices, these producers have been able to negotiate for higher prices with local traders. Measurable impacts in terms of increased sales are expected this season for paprika, onion, and rice farmers in the Morogoro region. The TechnoServe activity has worked with coffee producer associations to greatly increase the quality and price received for coffee. Marketing links with international buyers were created, and 14 producer-organization run central pulperies were created in the first phase of the activity, helping participating farmers to increase the percentage of their product that achieves specialty grades. Results so far have been impressive, with participating farmers receiving prices as much as 40% higher for their coffees than their neighbors.



Growers processing specialty coffee for export.

Photo by: Thomas McAndrews
USAID/Tanzania

The EG SO program is well positioned to play a strategic role in the overall effort to expand market-driven agricultural growth in Tanzania. The SO will build upon the Mission's experience working in the high-value crop sector. The focus on high-value commodities and market expansion emerged as priorities during the consultative process with stakeholders and is supported by sector analyses. This approach was chosen for its potential to have a dramatic and positive impact on rural incomes⁵¹ as the sale of crops constitutes over 70% of rural incomes in Tanzania. This focus will enable the Mission to be more directly supportive of the GOT's development objectives as articulated by the PRSP and ASDS and contribute more directly to expanded private sector involvement in the country's most important economic sector.

D. Consultative Process

The development of the new EG SO has been a collaborative effort with a series of consultative processes with our stakeholders. These included GOT representatives from Ministry of Finance, Ministry of Agriculture and Food Security, and the Ministry of Cooperatives and Marketing. Implementing partners consulted included among others:

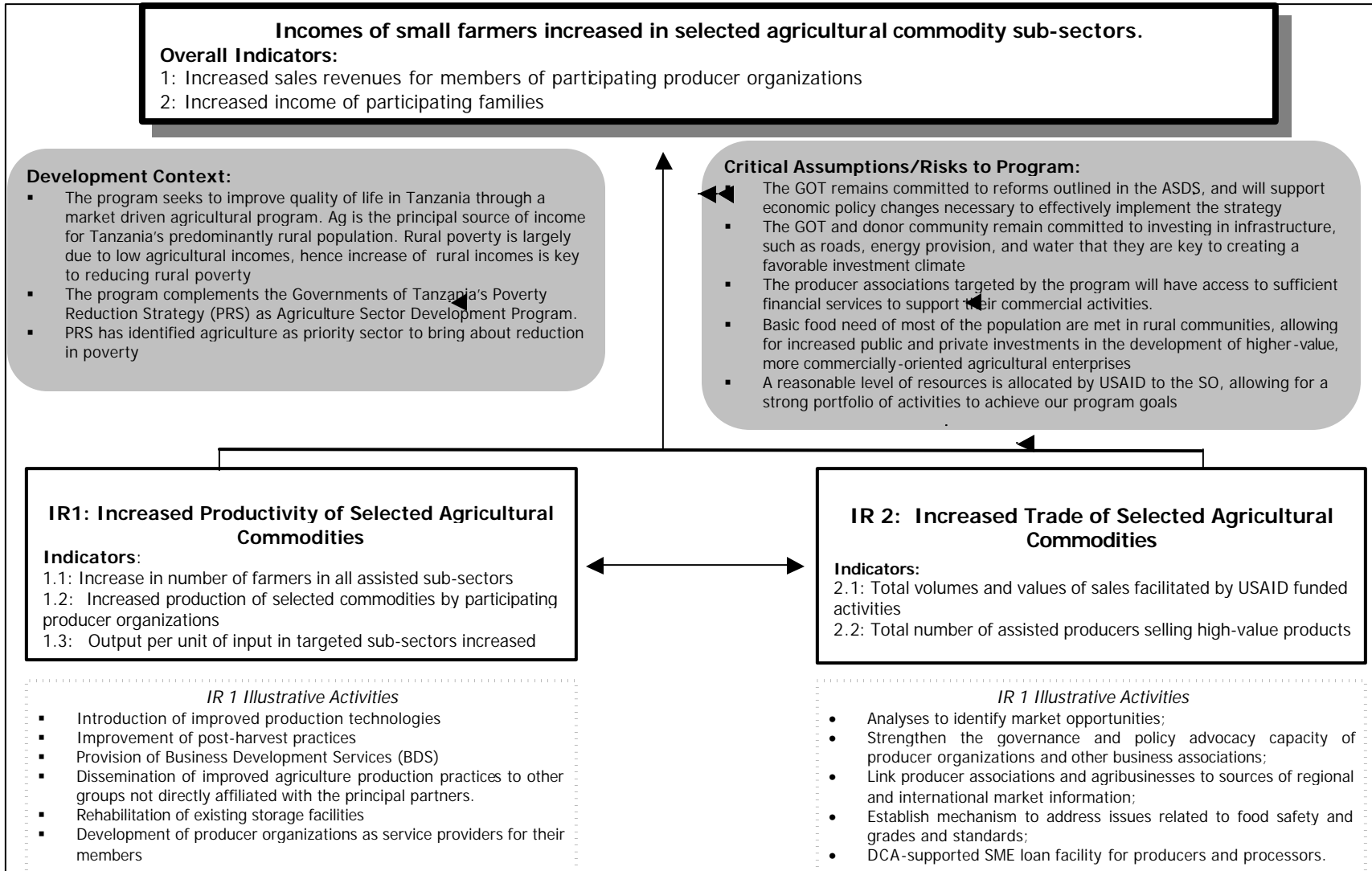
⁵¹ Empirical studies show that with a nominal investment, the export value of the non-traditional agricultural commodities (such as horticulture, floriculture, spices, oil seeds, lentils, pulses, palm oil, organic spices, paprika, vanilla, and green beans) could grow by over 20% per annum in the medium term. *United Republic of Tanzania Diagnostic Trade Integration Study, Mainstreaming Poverty Reduction and SME Development. Draft Report, December 2003.*

Technoserve, EnterpriseWorks, DAI PESA Project, IBI/Chemonics, Tuskegee University, and ACDI/VOCA. Consultations also included experts from the local agriculture and agribusiness sectors, REDSO, and USAID/Washington representatives.

During the first stage of the process, we informed our stakeholders on the Mission plan for the ten-year strategy with its focus on rural agriculture and trade. We presented the IEHA framework and discussed our preliminary strategy. Stakeholders were given the opportunity to study and comment on the preliminary draft of our results framework, and share their experiences and expertise on the subject. They gave valuable feedback, balancing the priorities closely with the GOT Strategy.

During the October 2003 results framework exercise, EG team members, selected implementing partners, representatives from the GOT, REDSO and USAID/Washington, worked together to develop the second version of the results framework. The SO level statement was agreed upon, intermediate results and sub-intermediate results were selected, and indicators for the SO level statement and intermediate results were proposed. At the third stage of the consultative process held on January 21st-22nd 2004, we presented the proposed framework to our stakeholders at an expanded SO Team Meeting for further review and feedback. The team, which consisted of stakeholders, grantees, and GOT representatives, discussed and tentatively reached agreement on the nature of the new EG strategy, the period covered and the impact that USAID will have on agriculture and trade in Tanzania.

Figure 6: Results Framework for Economic Growth Strategic Objective



E. Development Hypothesis and Results Framework

The EG SO is developed on the premise that increased agricultural income is key to reducing rural poverty. Through income growth and poverty reduction, the EG SO program will contribute directly to the Mission's strategic goal of *"Improved quality of life in Tanzania."* The underlying development hypothesis of the proposed strategy is:

"Improved productivity and competitiveness leading to expanded trade of selected agricultural commodities will result in increased incomes for the small farmer members of producer organizations."

To do this, market growth opportunities need to be identified, a supportive economic and commercial policy and regulatory environment must be established, and producer organizations must develop the productive and business capacity to effectively participate in agricultural markets, agribusiness, and trade.

The success of our program, and of the GOT's overall ASDS, relies on a series of critical assumptions:

- The GOT remains committed to reforms outlined in the ASDS, and will support economic policy changes necessary to effectively implement the strategy;
- The GOT and donor community remain committed to investing in infrastructure, such as roads, energy provision, and water that are key to creating a favorable investment climate;
- The producer organizations targeted by the program will have access to sufficient financial services to support their commercial activities;
- Basic food needs of most of the population are met in rural communities, allowing for increased public and private investments in the development of higher-value, more commercially-oriented agricultural enterprises; and
- A reasonable level of resources is allocated by USAID to the SO, allowing for a strong portfolio of activities to achieve our program goals.

We have also considered the possibility of other economic and social issues that could have an impact on economic growth in Tanzania. Conflicts over land and land tenure, and the tensions that result from the widespread poverty could lead to social unrest. This would have an important and negative impact on growth. Outside events, such as the price of oil and trade barriers and policies of countries that import Tanzanian products, could also negatively impact the productive sector. In developing this strategy we will assume that overall economic conditions remain relatively stable.

The Results Framework (RF) for the EG SO is presented in Figure 6 and shows the SO and its first-level IRs. A more detailed RF is included in Annex 16. The EG SO will focus on producer organizations as the key private sector partners to institutionalize and sustain the development interventions that are delivered to their member farmers. This choice of approach is based on the findings of studies⁵² recently conducted by the EG SO as part of

⁵² Two studies were carried out: the Agricultural Sector Assessment and an Assessment of Producer Association Experience in Tanzania. These studies are part of the analytical agenda for the strategy formulation process.

the analytical agenda to inform the strategy formulation process. This approach has also worked successfully under the current program⁵³ as demonstrated by the PESA and TechnoServe programs and has the potential to dramatically increase farmer participation in a more commercial and profitable agriculture. With the breakdown of the cooperative movement, many farmers face serious problems identifying the best crops to produce, accessing inputs, getting extension advice, and marketing their crops. In view of this, the new strategy will seek to develop financially viable, efficient, and democratically managed producer organizations.⁵⁴

Choosing Commodity Sectors

The SO will focus on promoting specific commodities, production and processing technologies that can increase rural incomes, and compete in specific and clearly identified markets. This approach has been termed the “integrated agricultural commodity sub-sector development” methodology. This systematic approach first identifies sub-sectors with clear market potential that can generate employment and value for people in a relatively short period of time. Initial sub-sectors are selected based on an agreed set of criteria, then a thorough analysis of the sub-sector is conducted, from producers and producer associations, through buyers, wholesalers, processors, and retailers. This effort identifies a commodity’s potential competitiveness in both internal and export markets, given production practices, prices, quality, and government policies. If a decision is made that the sub-sector can benefit from the assistance, a work plan is developed with key participants, including producer organizations, to begin the actual developmental work. Efforts could include a competitiveness analysis, developing partnerships between producer organizations and agribusinesses and the provision of training and business development services, timely information on markets and prices, and financial services as may be required. The Mission’s PESA activity has demonstrated the effectiveness of this approach, and the results of numerous studies suggest that Tanzanian farmers have responded aggressively to increased incentives and market opportunities. An example is the Kilongo Orange Farmers Association in Tanga, which managed to negotiate better prices for their oranges for the first time. Through collective bargaining the orange prices increased by 150% from between three to seven Tanzanian Shillings (Tsh) per unit to 13-18 Tshs (11.15 Tsh. = 0.01¢ USD) per fruit.⁵⁵

The selection of producer organizations will be based on organizations currently involved in high-value commodity marketing seeking to expand activities, and new organizations that have formed around promising commodities. Our partners will initially work to identify and take advantage of immediate and specific market opportunities, to show participants clear results and encourage greater participation. As the activities mature, support will shift to more long-term institution building, which will allow the organizations, and their members, to respond to future market opportunities. The long-term goal of our strategy is a large group of effective, sustainable producer associations, capable of responding to new opportunities and providing services to their members independently of USAID supported

⁵³ Under the PESA program, DAI is currently working with 22,000 members of producer in Mbeya, Iringa, Rukwa, Ruvuma, Morogoro and Tanga. DAI is using a sub-sector approach to assist producer organizations and business alliances. TechnoServe is active in Mbinga, Mbeya and northern Tanzania.

⁵⁴ This is an important finding of the Producer Organizations Assessment.

⁵⁵ DAI-PESA Sixth Quarterly Report, January-March 2004.

assistance. The strategy will also seek to work in sub-sectors where agribusiness, GOT, or other donor resources can be leveraged and where the potential for SME growth is large to ensure a wider impact.

Gender implications for employment and income generation will be a guiding criterion for the commodity and organization selection. The active participation of women in the agricultural sector is essential to its being developed to its full potential. The ongoing PESA program has been successful in ensuring the full participation of women in production activities supported under the program, through outreach and an emphasis on non-traditional crops. The Kilongo Orange Farmers Association, with over 50% women members, including its leaders, is a good example of this. The PESA activity now benefits over 8,000 women farmers. This commitment to seeking the active participation of all family members in economic activities will be continued and strengthened under the new strategy. As new crops are examined, the traditional roles of both sexes will be an important consideration in the decision to work with the product.

The HIV/AIDS pandemic has and will continue to have a negative effect on agricultural production, through a decline in productivity because of ill health, and the fact that family members will be diverted to help an ill relative. Participating producer organizations will be the focus of “workplace responses” to include worker education, better access to testing and counseling facilities, and readily available information points to educate rural families on appropriate and safe behavior. See Section 8, the Program Support Objective, for a more detailed discussion on these and other cross-cutting issues.

The strategy will begin in four focus regions, as noted earlier, because of their comparative advantages for high-value crop production, population, and potential contribution to the total GDP for the country. Adding the additional focus on the Kilimanjaro and Arusha regions will also strengthen our linkage to the Environment and Natural Resources (ENR) SO by promoting profitable and sustainable agriculture on existing farms, reducing pressure to utilize marginal land near protected areas.

SO Level Indicators:

Results at the SO level will be measured using the following indicators:

- Increased sales revenues for members of participating producer organizations.⁵⁶

2005 Baseline	\$8,000,000
2010 Target	\$20,000,000
2014 Proposed Target	\$30,000,000

- Increased incomes of participating families.

2005 Baseline	TBD
2010 Target	Increase of 5% per year

⁵⁶ The baseline and targets are based on our experience with the current program.

Discussion of each of the two IRs is presented below, including illustrative indicators and activities.

IR 1: Increased productivity of selected agricultural commodities.

The objective of this IR is to increase the productivity and quality of the selected commodities to make them more competitive in national, regional, and international markets. Members of the partner farmers' organizations will be supported to improve efficiency by increasing yields to lower average costs of production, and to produce in reliable quantity and quality in response to specific market opportunities. Increased agricultural productivity will be achieved through the introduction of new high-yielding crop varieties, the use of improved production and processing technologies, better access to and use of seed and other inputs, and provision of knowledge through extension and market support services. Additionally, strengthening the farmers' capacities in production technologies, business skills, and marketing is essential.

The SO team will utilize linkages with the private sector to provide research and extension to meet the standards in targeted markets, and will work with national private sector input suppliers and other agribusinesses. The program will also develop partnerships with key Tanzanian public research and extension institutions and NGOs to adapt appropriate technologies and to develop effective means for technology and information dissemination. Linkages will be developed with regional and international sources of technology through the ASARECA and Southern Africa Development Community (SADC) network and the International Agricultural Research Centers (IARCs). The lessons and training materials generated by the producer organizations will be provided to other groups and farmers, and the wider spill-over benefits will be systematically monitored. During the second and third years of the strategy, as activities begin to show clear and measurable results in increasing the incomes of members of the organizations, we will begin to focus on building the capacity and capability in the producer organizations to provide business services and assistance to their members, thus helping to ensure their relevance and sustainability.

The SO team will develop closer links with the USAID-funded regional activities in biotechnology. Tanzanian partners participate actively in ASARECA's regional biotechnology program, which is supporting a broad agenda that includes tissue culture for rapid seed multiplication, as well as steps towards the testing of genetically modified organisms (GMOs). Tanzanian institutions are receiving assistance from USAID regional programs to develop national biosafety regulations that protect national interests without creating new, unnecessary barriers to trade. Tanzania plans to field-test varieties of biologically transformed (BT) cotton soon, which may well lead to more active participation in regional research and development activities.

Illustrative Indicators⁵⁷:

Number of assisted producer associations (Baseline 2005: 250, 2010 target: 700, 2014 target 1,000)

⁵⁷ The illustrative indicators are based on the experience with our current program.

- 1.1 Increase in number of farmers in all assisted sub-sectors (Baseline 2005: 25,000, 2010 target: 15% increase per year = 70,000, 2014 target: 100,000).
- 1.2 Increased production of selected commodities by participating producer organizations (Baseline 7,800 MT, 2010 target 20,000 MT, 2014 target: 25,000 MT)
- 1.3 Output per unit of input in targeted sub-sectors increased (From a 2005 baseline, productivity will increase 150% over strategic period).⁵⁸

Illustrative Activities:

- Introduction of improved production technologies
- Improvement of post-harvest practices
- Provision of Business Development Services (BDS)
- Dissemination of improved agriculture production practices to other groups not directly affiliated with the principal partners
- Rehabilitation of existing storage facilities
- Development of producer organizations as service providers for their members

IR 2: Increased trade of selected agricultural commodities.

The objective of this IR is to increase the incomes of farmers' organizations and their members by facilitating access to diversified markets, catalyzing increased volume and value of trade. Starting from the farm gate, domestic markets are constrained by multiple factors. Most small farmers do not organize production in response to market demands, and so find it difficult to get good prices for small quantities of commodities of inconsistent quality. There is very little storage or processing for value-added at the farm or community level, and government storage systems from an earlier era have collapsed. Reliable information about market prices is not readily available, and no consistent standards for grades and packaging are applied. Traders' costs for transport over poor roads, multiple taxes at the local and district levels, product assembly and re-bagging, spoilage, and other factors are high, which translate into high margins for middlemen and low prices for farmers. The structure and demand characteristics of domestic markets are changing with the growth of supermarkets and restaurants in urban areas and increased demand for processed foods. Improvements along the market chain will benefit both domestic producers and consumers.

The level of agricultural trade with countries within the region is far below its potential. The GOT is liberalizing, but periodic bans on agricultural exports in the name of food security create disruptions and uncertainty. Both the East African Community and COMESA (of which Tanzania is not a member) are actively working to eliminate tariffs, simplify and standardize border procedures, and harmonize laws and regulations governing phytosanitary standards, moisture content, seed registration, and other barriers to trade, but the complexity of the process is still daunting for many. Cross-border exports of maize, beans, and other food crops to neighboring countries, much of it informal, is substantial but

⁵⁸ Baselines for Indicators 1.1, 1.2, and 1.3 are related to the results of our ongoing activities with producers. Indicator 1.3 is new, and a baseline and measurement criteria will be developed in the coming year.

is not yet well organized. In the medium term, Tanzania is strategically placed to become a major exporter of a wide range of agricultural commodities to African markets.⁵⁹

Exports to global markets of agricultural commodities— coffee, tea, cotton, cashew nuts, tobacco, and others on a smaller scale – have always been a major component of national income. Uncertain prices in highly competitive world markets for the traditional exports and unfavorable terms of trade affect Tanzania as they do other developing countries. Access to relatively small, but high-value markets in developed countries, the Middle East, and Asia for specialty coffee, seaweed, horticultural crops, vegetable seeds, chick peas and many other products depend on good organization and access to up-to-date information. Sanitary and phytosanitary (SPS) requirements need to be met to access new markets, both in the United States to take advantage of favorable African Growth and Opportunities Act (AGOA) provisions, and in the European Union.⁶⁰

The SO team and its partners are currently focused on selected, high-value commodities and have successfully set up improved market chains that reduce transactions costs and provide access to high-value final markets. Scaling up will require coordinated improvements in policies and regulations through research and advocacy, wider dissemination of credible market information, brokerage between buyers and sellers, technical support to producers to ensure reliable supplies of the right varieties of the commodities of adequate and consistent quality, and improvements in packaging, transport, communications, and advertising.

The program will build on activities implemented during the previous strategic period to strengthen producer organizations and link them to the market network. The IR, working through producer associations and regional activities to improve marketing links, will ensure that market information is readily available to small producers and agribusinesses and improve their capacities to strategically use this information. The program will provide technical assistance to producer organizations, agribusinesses, and GOT regulatory entities to develop consistent grades and standards that will respond to what markets require and meet SPS requirements. The SO team is collaborating actively with the Presidential Trade for African Development and Enterprise (TRADE) Initiative's regional hubs in Nairobi and Gaborone, and will be implementing activities under the Joint Regional Trade Proposal for Southern Africa, and through the REDSO TRADE Partners Fund. The team is also linked with the Regional Agricultural Trade Expansion Support (RATES) project, and Tanzania hosts a node of the Regional Trade Intelligence Network (RATIN), that provides information and services to associations of small traders involved cross-border sales. Our trade efforts will also serve to facilitate the country's eligibility for the MCA by promoting free trade and reducing trade barriers.

⁵⁹ World Bank, *Tanzanian Agricultural Exports, Challenges and Constraints in a Global Environment*, 2002, p. viii

⁶⁰ We have reviewed the relevant trade, investment and agricultural export policy determinations and sections of the Foreign Operations Appropriations Act. No investment promotion activities will be undertaken. Export products now supported include coffee and paprika, which do not compete with US products. We expect that our work with citrus will lead to exports within the region and will work with the Africa Bureau to ensure that the necessary determinations will be completed.

The IR will utilize national organizations⁶¹ as policy reform advocates at the national level and work with producer organizations and agribusinesses to also serve as advocates for reform. These efforts are closely aligned with the efforts of the Democracy and Governance (DG) SO to support effective advocacy and reduce corruption. The program will provide an array of business development services to producer associations and explore mechanisms for increasing farmers' access to rural finance. The establishment of a Loan Guarantee Portfolio Program implemented through the Development Credit Authority (DCA) mechanism will be considered. Additionally, the IR will work at the policy level to help create the services and systems that will allow for the better functioning of credit markets. More efficient methods to collateralize agricultural commodities and of taking security interests in equipment and real property will help to reduce the risks of lending for agricultural enterprises.

Illustrative Indicators:

- 2.1: Total volumes and values of sales facilitated by USAID funded activities (Baseline 2005 7,800 MT, \$8.0 million, 2011 target 20,000 MT, \$20 million, 2014 target 25,000 MT, \$25,000)
- 2.2: Total number of assisted producers selling high-value products (Baseline 2005 TBD, 2011 target increase of 10% per year, 2014 target 10% increase per year)⁶²

Illustrative Activities:

- Analyses to identify market opportunities;
- Strengthen the governance and policy advocacy capacity of producer organizations and other business associations;
- Link producer associations and agribusinesses to sources of regional and international market information;
- Establish mechanism to address issues related to food safety and grades and standards; and
- DCA-supported SME loan facility for producers and processors.

F. Synergies

- i. With US Department of State/USAID Joint Strategic Plan

The EG SO directly supports the US Department of State/USAID Joint Strategic Plan's Advanced Sustainable Development and Global Interest of "Economic Prosperity and Security". Under the Joint Strategic Plan, development assistance will advance economic security, growth, and open markets, and will help developing countries to participate more fully in global prosperity by increasing economic growth through expanded trade and investment. One of the Plan's strategies is "Promote Agricultural Development", and indicates that a productive agricultural sector is a critical engine for economic growth in many developing countries, particularly in Africa. The strategy supports working with partner countries to strengthen the operation of local, regional, and global markets in

⁶¹ For example, Tanzania Private Sector Foundation and the National Business Council.

⁶² These indicators also will utilize information collected under the existing program to set baseline figures.

agricultural products while assuring the maintenance of acceptable food safety standards. The program is also consistent with the Performance Goal II of the Embassy's Mission Performance Plan, and its Strategy to "Increase private sector participation in the economy by providing financial and technical assistance to businesses and business associations..."

ii. With Relevant USAID Pillars

The EG SO comes under the Agency Pillar Bureau for Economic Growth, Agriculture and Trade (EGAT), and addresses Program Goal 1: to encourage economic growth through improved business climate, strengthened markets, agricultural development, and micro-enterprise support, and SO 1.2: Enhance agricultural development and encourage food security. The EG SO is also highly consistent with the Agency's new Agricultural Strategy which focuses on four main themes: agriculture science and technology development and transfer, improving global agricultural market competitiveness, improving natural resource management, and enhancing human capacity.

G. Linkages, Themes, and Tools (LTT) Approach

As a Mission, we have developed an innovative approach to maximize our resources and deepen the impact of our development activities. We call it the Linkages, Themes, and Tools (LTT) approach. With this approach, all of our Mission SO teams commit to the strategic integration of LTT into and across SOs.

- **L: Linkage:** a shared result (as defined by a common indicator/s) between two or more SOs. The result appears in two or more results frameworks.
- **T: Cross-Cutting Theme:** a development problem that the Mission has determined requires integration into and across all SOs. The Mission's themes are gender, HIV/AIDS, and governance.
- **T: Tool:** an implementation approach (or a way of doing business) adopted by the Mission as an effective means to deepen development results. The Mission's tools are information and communications technology (ICT), capacity building, and public-private alliance building.

Previous Mission experience with cross-fertilization of SOs resulted in improved performance in our current strategy. Therefore, in developing the new strategy, the Mission decided to conceptualize and institutionalize the approach. Mission teams collaborated to identify linkages, themes, and tools that offered opportunities for synergy and increased program effectiveness. The Mission will use a Program Support Objective (PSO)⁶³ as the principal mechanism to coordinate and integrate LTTs into and across the five SOs.

The EG SO has worked closely with other Mission SOs since all are involved in activities that directly and indirectly support the development of the rural economy and increasing incomes. In particular, the DG SO is directly involved in strengthening several of the business associations that the EG SO also works with; these associations will serve as an

⁶³ ADS 201.3.7.10 Defines the Program Support Objective (PSO) as an activity implemented to support the achievement of other existing SOs. The results of PSO activities are visible through and attributable to other SOs. This is distinct from Program Development and Learning (see ADS 201.3.3.5), which is intended to support activities and learning efforts that do not fit with the scope of an existing SO.

important tool for the business sector to advocate for improved conditions to stimulate increased investment and economic growth. The EG SO will work closely with the ENR SO on activities to improve our natural resource base, while at the same time providing improved economic opportunities for coastal families. Our Seaweed Sector Development Activity is centered on developing the production of seaweed, which is dried and sold to processing companies. This is centered on valuable and fragile coastal areas, the focus of the Coastal Management Partnership, supported by the ENR SO. Both activities have worked closely with seaweed producers and wholesalers, government agencies and NGOs on the development of the Seaweed Strategic Development Plan, which calls for the continued development of the industry in a rational, sustainable manner. We will continue to coordinate our program interventions with those of other Mission SOs, to achieve the maximum program impact of all of the Mission and USAID support programs in Tanzania.

For a more detailed examination of the Mission's innovative PSO and LTT approach, please see the PSO section 8 as well as the LTT tables in Annex 18.

H. Implementation Modalities

The EG SO will be implemented through grants and contracts with firms, PVOs and NGOs identified through competitive solicitations. The EG SO plans to use an Annual Program Statement (APS) mechanism to implement the proposed strategy. An APS offers a unique advantage for incorporating creative ideas from potential bidders who will be expected to come up with competitive proposals for implementing the program. The EG program will also seek support and funding from relevant USAID/Washington and REDSO-based initiatives. These include IEHA and TRADE Initiatives. The EG SO will also consider implementing a Loan Guarantee Program under the DCA mechanism.

Finally, we will continue to consult with the GOT during the implementation of the strategy. The GOT has been engaged in all stages of the strategy formulation process. In particular, representatives from MOF, Ministry of Agriculture and Food Security and several other NGO's have attended meetings and focus group sessions where this strategy was discussed.

6. Environment and Natural Resources Strategic Objective

A. Strategic Objective Statement

USAID/Tanzania's Environment and Natural Resources (ENR) strategic objective (SO) is "Biodiversity Conserved in Targeted Landscapes through a Livelihood Driven Approach".⁶⁴ Three intermediate results underpin achievement of the SO:

- IR 1: Policies and laws that integrate conservation and development applied;
- IR 2: Participatory, landscape-scale conservation practiced;
- IR 3: Conservation enterprises generate increased and equitable benefits from sustainable use of natural resources.

The new ENR SO builds on the foundation and opportunities established during the previous program, increasing focus on the well-being of rural populations, while retaining biodiversity conservation as its core goal. The program rationale rests on the linkage between environment and economic growth and poverty alleviation, and the challenge of sustainable management of Tanzania's biodiversity assets. Through a livelihood driven approach that emphasizes improved governance of natural resources, the SO will generate results relevant to both US Government (USG) and Government of Tanzania (GOT) priorities in areas of conservation, economic growth, and governance.

By 2014, as a result of USAID investment in ENR, critical elements of Tanzania's biological diversity will be better conserved. A broad range of stakeholders, from central government to local communities, will participate in both conservation and sustainable utilization efforts, and share equitably in benefits. Livelihoods will be enhanced through increased investment in emerging biodiversity-based economic opportunities. Along the coast, mariculture, fisheries, and tourism will prosper. Inland, new approaches to wildlife management will diversify and expand opportunities in the wildlife sector. Locally, thriving rural settlements will rely on abundant natural resources and biodiversity for their food and livelihoods. Nationally, the contribution of biodiversity to Tanzania's gross domestic product (GDP) will grow, along with incentives and resources to conserve Tanzania's valuable natural resource base.

⁶⁴ The phrase "*Through a livelihood driven approach*" serves as an important modifier to the SO statement in the Tanzania context. The phrase underscores the SO's underlying premise - that human development (or "improved livelihood") is compatible with biodiversity conservation. While many would consider this premise as an axiom, Tanzania's historical approach to conservation has relied heavily on central government control and protection of key biological resources, largely excluding local government and communities from management responsibilities and benefit flows. Recent reform of Tanzania's ENR policy regime has signaled the country's intent to effect a paradigm shift towards a more decentralized model for natural resource management (NRM), where managers (most notably local communities) are empowered to utilize and benefit from NRM in exchange for good stewardship. It is recognized that technically speaking, the SO's "livelihood modifier" constitutes a breach of Results Framework protocol. However, extensive consultation with stakeholders (particularly Tanzanian stakeholders) revealed clear consensus on the value of explicit mention of "livelihood" in the SO statement. The core goal of the SO is biodiversity conservation. However, in striving towards its achievement, the SO will use economic and other livelihood incentives to encourage conservation behavior.

B. Situation Analysis

Biologically, Tanzania is one of the wealthiest nations on earth. Its diverse terrestrial, marine, and freshwater landscapes provide habitat for an array of plant and animal species: it is home to the fifth largest number of species and the third largest elephant population in Africa. Tanzania boasts many internationally recognized biologically rich areas, including several World Heritage Sites, Man and Biosphere Reserves, and Ramsar Wetlands. It is a "megadiversity" country – one of a few nations that together account for a disproportionately large percentage of global biodiversity. Over 25% of Tanzania's territory enjoys some level of protective status, including nearly 15% of which has been set aside for the express purpose of biodiversity conservation. The country's well-protected, spectacular wildlife estate places it among Africa's premiere tourism destinations, with the sector's average annual growth currently at 20%, and its contribution to GDP more than 12% in 2002. Eighty-five percent of Tanzanians depend entirely on the management of natural resources for their livelihood. Natural resource-based activities such as agriculture, livestock-raising, forestry, fisheries, mining, and nature-based tourism have promising futures as engines for Tanzania's long-term economic growth, but only if Tanzania invests in these sectors in a sustainable fashion.



Seaweed harvesting, Zanzibar.

Photo by: Daniel Moore
USAID/Tanzania

The importance of biodiversity and wildlife⁶⁵ to Tanzania's development is understood at a fundamental level by Tanzanian policy makers and farmers alike. This recognition – from topmost levels of government (see Nyerere's renowned 1961 Arusha Manifesto⁶⁶), to an appreciation and awareness by the citizenry on their interdependence with Tanzania's natural resources, has created a national pride by Tanzanians for their country's natural resource endowment – at a level that has few peers in Africa.

The GOT has made significant progress in strengthening its institutional and legal framework for environmental

⁶⁵ The terms "wildlife" and "biodiversity" are used interchangeably in Tanzania. Wildlife is defined as follows: "Wildlife means those species of wild and indigenous animals and plants, and their constituent habitats and ecosystems, to be found in Tanzania..." (Wildlife Policy of Tanzania, 1998)

⁶⁶ "The survival of our wildlife is a matter of grave concern to all of us in Africa. These wild creatures amid the wild places they inhabit are not only important as a source of wonder and inspiration but are an integral part of our natural resources and our future livelihood and well being."

"In accepting the trusteeship of our wildlife we solemnly declare that we will do everything in our power to make sure that our children's grand-children will be able to enjoy this rich and precious inheritance."

"The conservation of wildlife and wild places calls for specialist knowledge, trained manpower, and money, and we look to other nations to co-operate with us in this important task, the success or failure of which not only affects the continent of Africa but the rest of the world as well." (Mwalimu J. K. Nyerere, 1961)

management. Over the past six years, it has promulgated a number of progressive NRM policies, laws and devolution of authorities, and revised several key sector policies to better reflect environmental concerns, including biodiversity conservation. A National Environmental Action Plan and National Environmental Policy, key foundational pieces of the improved framework, were adopted in 1997. A new Institutional and Legal Framework for Environmental Management was adopted in 2002. Local government reform has increased responsibilities of local authorities, so that most services, including environmental management, are to be delivered at the district level or below. Over the past six years, key policies and laws pertaining to management and sustainable utilization of natural resources and devolution of authority have been promulgated, including: Wildlife Policy 1998; Land Act 1999; Village Land Act 1999; National Tourism Policy 1999; Forest and Bees Acts 2002; and the National Coastal Strategy 2002. An array of subsidiary legislation to implement these new policies is newly in place or under development.

Notwithstanding impressive progress on a sound and progressive legal framework, implementation on the ground has been uneven. While local authorities welcome an increased role in natural resource governance, their performance is severely hampered by limited human and financial capacity. In addition, given the highly lucrative nature of some natural resource sub sectors, not all stakeholders of the "old" paradigm are anxious to see a new status quo.

The Environmental Threats and Opportunities Assessment (ETOA)⁶⁷ conducted by the Mission to inform the CSP identified degradation of elements of Tanzania's natural resource and biodiversity assets as a critical problem jeopardizing Tanzania's development potential. Degradation is being caused by a range of unsustainable use practices driven by factors such as: poverty; lack of appropriate NRM technologies; poor natural resource governance; and population growth. A number of trends underscore the nature of this problem:

- Tanzania's forests, valuable reservoirs of biodiversity and an important watershed resource critical for both human health and agriculture, are being cleared at a rate of 400,000 hectares per year.
- Marine ecosystems are under severe stress, due to open access to coastal resources. Coral reefs at one to ten meter depths are generally degraded, particularly near urban areas. Mangrove vegetation has decreased slightly over the past ten years, eliminating valuable species habitat and causing beach erosion.
- Freshwater and marine fisheries are being exploited at high levels. For example, Zanzibar's marine catch has increased steadily since 1996, with little understanding of sustainability. Since the late 1990's, Tanzania's prawn fisheries yield has decreased by 50%, despite a near doubling of trawling efforts.
- Conversion of open lands to agriculture in marginal, arid areas is undermining productivity of traditional pastoralist systems and the viability of wildlife dispersal

⁶⁷ Environmental information, including data on environmental degradation is covered in extensively in the ETOA.

areas and migratory corridors. Deteriorating pasture and water resources are forcing pastoralists into less productive livelihood strategies which are incompatible with wildlife, undermining the integrity of Tanzania's wildlife-rich landscapes.

- Finally, Tanzania's growing population offers little respite to the mounting pressures, doubling over the past 25 years and projected to reach 52 million by 2025.

There is a pressing need to reconcile and integrate the requirements of natural resource conservation with opportunities for long-term economic growth and poverty alleviation. Achieving this balance also requires attention to natural resource governance issues as a means to integrate conservation and development agendas. By helping Tanzania to attain such a balance, significant results can be achieved in areas of biodiversity conservation, improved livelihoods, and good governance.

C. Prior USAID/Tanzania Experience in Environment and Natural Resources

USAID/Tanzania began to invest in ENR under the previous Country Strategic Plan (CSP) through the SO: *"Foundation established for sustainable natural resource management."* In July 2000, the Mission revised the SO to better address the needs of the evolving Tanzanian situation to: *"Improved conservation of coastal and wildlife resources in targeted areas."* This revised SO serves as the basis for the current SO, which aims to stem the loss of biodiversity by advancing environmental policies, legislation, and improved NRM practices. Key activities promote policy and legislative reform; community-based natural resource management (CBNRM); integrated coastal management; and protected area management. Geographic focus was determined using a threats-based approach.

The current ENR SO has performed at a high level, consistently meeting or exceeding expectations and achieving targeted results. This sustained period of success has benefited from excellent support and participation from the GOT and other sector stakeholders. As a result, large tracts of the program's targeted ecosystems are now under "conservation management." However, the overall pace of policy reform – particularly policies focused on decentralizing authority and creating local-level economic opportunities - has been slow, as stakeholders have wrestled with the reforms' implications. However, with new policies now in place, supported by a growing commitment and capacity to implement, the stage has been set for (1) focusing on biodiversity conservation at the community level and (2) scaling up the more significant economic uses of the resources targeted for conservation.

The USAID/Tanzania Mission is well placed to help Tanzania achieve an appropriate balance between conservation and livelihoods. USAID is regarded as a leader in the natural resources sector by both the donor community and the GOT. By continuing to lead, USAID would, with a modest investment, be able to leverage⁶⁸ significant resources, as well as host country commitment, to attain the proposed objectives.

⁶⁸ Leverage potential includes both private funds (see footnote 76) and donor funds. USAID leadership in both the coastal and wildlife sectors has succeeded in bringing other donor resources into those sectors. For example, following approval of the National Coastal Strategy, the World Bank, Global Environment Facility, and Japan initiated design of over \$40 million in strategy implementation activities, expected to come on line by 2005.

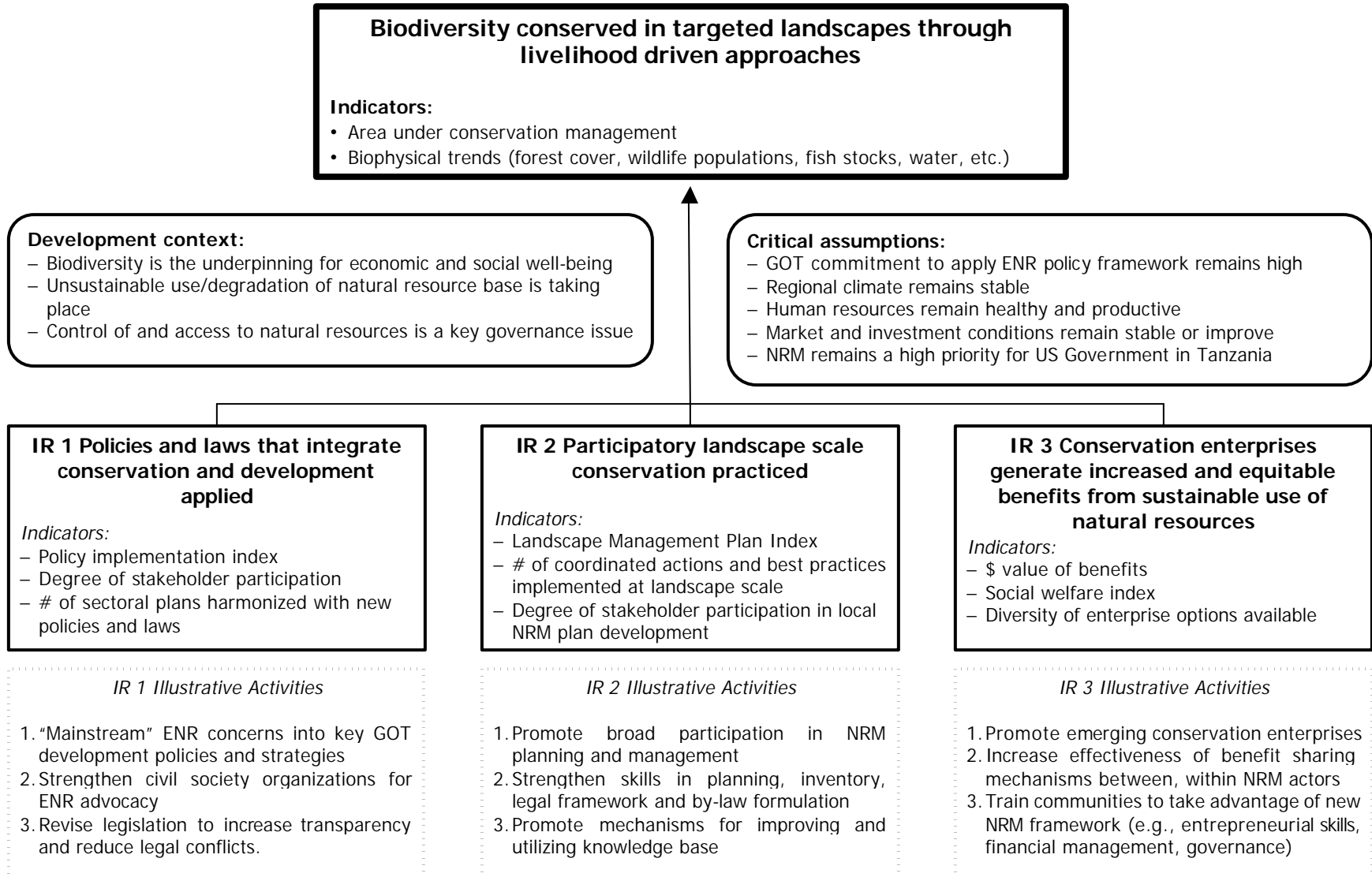
D. Consultative Process

Development of the ENR SO has been a product of a broad stakeholder participation. Initial dialogue took place in November 2002 among members of the current SO's "expanded" team. Subsequent consultations were highlighted by four major events:

- February 2003 Annual Program Retreat. Over 70 stakeholders reviewed a "Pre-Concept Paper," and provided initial input into identification of ENR sector issues.
- October 2003 Mission Results Framework (RF) Workshop. Twenty key sector stakeholders developed a draft version of an RF, based on the Concept Paper.
- November 2003 GOT Meeting. USAID presented and discussed the draft RF with senior central and local government, ENR sector constituent officials.
- February 2004 Annual Program Retreat. Over 60 stakeholders reviewed and vetted the Concept Paper, the draft ENR RF, and program focus criteria.
- March 2004 Draft ENR SO Strategy Circulation. Over 100 stakeholders were given the opportunity to review and comment on the draft strategy section.

Throughout the process, the Mission ENR office used quarterly meetings of the current SO's expanded team to solicit feedback from current program stakeholders. In addition, major analytical pieces conducted to inform the strategy (evaluation of each ecosystem component of the current SO; the Assessment of CBNRM Best Practices in Tanzania; and the ETOA) were participatory in nature, and each tailored to provide input into future programming. Finally, internal Mission consultation served to identify opportunities for cross-sectoral linkages and potential programming synergies.

Figure 7: Results Framework for Environment and Natural Resources Strategic Objective



E. Development Hypothesis and Results Framework

USAID experience in Africa has demonstrated that programs that integrate nature (i.e., environmental management), wealth (economic concerns), and power (good governance) tend to generate promising outcomes in all three areas.⁶⁹ These results span and integrate several USAID objectives, including economic growth, democratic governance, and environmental issues such as biodiversity conservation. The nature, wealth, and power nexus resonates particularly well in Tanzania, and serves as the underlying premise to the approach embodied in the new ENR SO. The development hypothesis is as follows:

“If policies and laws that integrate conservation and development are implemented, and government and civil society actors work together and share responsibility for managing natural resources across landscapes, and conservation enterprises deliver greater, more equitable benefits, then biodiversity will be conserved”

Five critical assumptions have been identified with respect to the ENR SO:

- Government commitment to application of ENR policy framework remains high
- Regional climate is stable
- Human resources stay healthy and productive
- Market and investment conditions stabilize or improve
- NRM remains a high priority for US Government in Tanzania

The Results Framework for the ENR SO is presented as Figure 7, and shows the SO and its first-level Intermediate Results (IRs). A more detailed RF is included as Annex 16.

The ENR SO will contribute to the Mission’s goal of “improving the quality of life for Tanzanians” by conserving biodiversity and achieving social and economic benefits for resource users in several geographic areas, while strengthening natural resource governance at both national and local levels. Biodiversity is the underpinning of economic and social well-being, and its protection is necessary for the survival and quality of life of countless rural citizens. Biodiversity is also the best hope for new and improved livelihood options through a variety of conservation enterprises.⁷⁰ Under the ENR SO, the Mission and its partners will collaborate to ensure that ecosystems remain healthy, that biodiversity is conserved, that the essential governance structures and processes for NRM are strengthened, that coordination and implementation of NRM plans and practices is achieved at the landscape scale,⁷¹ and that resource users will accrue increased and equitable

⁶⁹ Recent analytical work by AFR/SD on the nexus of “Nature, Wealth, and Power (NWP),” examined twenty years of USAID experience in CBNRM on the continent. Using a similar approach, USAID/Tanzania conducted its own “Assessment of CBNRM Best Practices in Tanzania” examining the NWP nexus in the Tanzania context, to identify best practices and inform the both the ongoing program and the new strategy.

⁷⁰ The term ‘conservation enterprise’ is intended to encompass a wide range of small to medium scale enterprise that relies, in whole or in part, on the sustainable use of one or more components of the natural resource base. Thus, wildlife management, forestry, tourism, hunting, farming, fishing, livestock raising, mariculture, etc. can be considered as conservation enterprises if carried out within the framework of local NRM plans and best practices that ensure the sustainability of both inputs (e.g., soil and water) and outputs (e.g., fish stocks, harvestable product, wildlife populations, etc.) over time.

⁷¹ Use of the term ‘landscape scale’ is common in the NRM field, and refers to the minimal size of geographic area that must be considered in the analysis and implementation of actions to reduce threats to biodiversity. It

benefits from the sustainable⁷² use of natural resources. Ensuring that ecosystems remain healthy and productive will also help minimize resource user conflicts in the long term.

Beneficiaries. The ENR SO serves beneficiaries at two levels. Direct beneficiaries include GOT ENR management institutions, NGOs, and local communities (an estimated 300,000 rural citizens) within the SO's targeted landscapes. Indirect beneficiaries are the people of Tanzania, who will profit from a growing national economy due to increased productivity of natural resources.

SO-Level Indicators

Outcomes at the SO will be measured using the following indicators:

- Area under conservation management⁷³

2005 Baseline:	1,500,000 hectares (ha)
2009 Target:	2,750,000 ha
2014 Target:	4,000,000 ha
- Biophysical trends⁷⁴

2005 Baseline:	stable or deteriorating
2009 Target:	improving or stable
2014 Target:	improving or stable

Discussion the three first-level IRs follows, including illustrative indicators and activities.

IR 1: Policies and laws that integrate conservation and development applied.

Tanzania has no shortage of policies and laws relating to the management of natural resources. The challenge lies in ensuring that there is transparent and accountable application of those policies and laws, and that they are inherently not in conflict with one another. The objective of this IR is to improve and harmonize the country's ENR policy and legal framework while building capacity of government and civil society actors at all levels to carry out the policies and laws in an accountable and increasingly participatory manner.

is thus likely that a targeted 'landscape' will include more than one ecosystem and multiple human communities and resource use patterns and practices. The term equally applies to management units that encompass marine and other aquatic resources as well.

⁷² The term 'sustainable' is implicit throughout the Results Framework. It is an adjective applicable to both 'development' and 'conservation', as well as to all interventions undertaken by this SO. Sustainability is thus the objective of all that is attempted in the field of NRM. The term is not used in the RF for purposes of simplicity and space-saving.

⁷³ Land is under 'conservation management' if its component natural resources are managed in such a way as to assure their continued existence for future generations. Land units are considered under conservation management when three conditions are met: (1) the land unit is formally identified and/or demarcated; (2) an appropriate management strategy or plan for the land unit is in place; and (3) land unit management actors are equipped with the financial and human resources to implement the strategy/plan. The target is illustrative and based on the experience of the previous program, and assumes the SO will be working in four to five target landscapes.

⁷⁴ Biophysical trends selected as indicators may include: wildlife population (e.g., *keystone*, *indicator*, or *charismatic* species populations); forest or vegetation cover; water quantity/quality, etc. The choice of targeted landscapes will be the key determinant in selecting biophysical indicators.

Under this IR, attention to institutional and governance issues will be critical. Civil society must claim a role in charting out Tanzania's future for governance of natural resources, and all institutional actors must learn to thrive under a new paradigm for NRM that emphasizes local management and benefits.

Illustrative Indicators:

- Policy implementation index (tracks the process of development, approval, and implementation of selected elements of the ENR legal framework)
- Degree of stakeholder participation (disaggregated by type)
- Number of sectoral plans harmonized with new policies and laws

Illustrative Activities:

- Promote efforts to "mainstream" environment into key GOT development policies, such as the Poverty Reduction Strategy, as well as key sector strategies, such as the Agriculture Sector Development Strategy.
- Strengthen civil society organizations (e.g., youth and women groups; Associations of CBOs; local and national ENR NGOs, other CBNRM groups, etc.) that propagate and advocate for integrated NRM approaches.
- Support revision of legislation to increase transparency and reduce legal conflicts, as in the Hunting Regulations and Photographic Tourism Regulations.

IR 2: Participatory, landscape scale conservation practiced.

Because authority for NRM in Tanzania is dispersed among numerous governmental entities, it is not surprising that there are a wide range of NRM plans that have been developed to address sector-specific resource problems at multiple geographic scales (e.g., from national to local). The objective of this IR is to promote an integration of NRM plans, to build capacity for planning, management, and implementation, and otherwise ensure that conservation is practiced at a scale most meaningful for effective biodiversity conservation, i.e., the landscape scale. Practically speaking, this will mean that for a given landscape, NRM actors will collaborate in developing and implementing their land or resource management activities. This collaboration will help ensure that the overall landscape will be managed in an ecologically coherent manner that considers conservation and development objectives, as well as good governance.

Illustrative Indicators:

- Landscape management plan index (measures quality and integration of management planning and implementation across a landscape)
- Number of coordinated actions and best practices implemented at landscape scale
- Degree of stakeholder participation in local NRM plan development

Illustrative Activities:

- Promote participation in planning for and management of natural resources within and between management units, such as communities, village forest reserves,

- wildlife management areas, fisheries management areas, districts, national parks, land trusts, etc.
- Strengthen skills in management planning, resource inventory, legal framework and by-law formulation among NRM actors including local communities, CBOs, local and central government.
 - Promote mechanisms for improving and utilizing knowledge base (scientific, social, and indigenous) towards informing planning efforts within and between land units.

IR 3: Conservation enterprises generate increased and equitable benefits from sustainable use of natural resources.

Poverty is widespread in Tanzania and especially in rural areas. The objective of this IR is to promote conservation enterprises as a way of providing new or improved income opportunities for rural residents while ensuring equitable access to the resulting social and economic benefits, and ensuring that such enterprises are founded on sound NRM principles. Long-term sustainability of conservation regimes rests on the ability of the chosen land-uses to generate sufficient revenue – at both local and national level – to convince stakeholders and managers to continue to maintain the biological integrity (and economic productivity) of the land. Several types of conservation enterprises are poised to take off and/or continue growth, which can be enhanced with appropriate facilitation and investment. These opportunities include: community wildlife management; ecotourism; mariculture; non-timber forest products; NRM-based small and medium-size enterprises; and others. Development of opportunities must also ensure that viable options are available for both men and women, as well as for HIV/AIDS affected households. In addition, by improved targeting of revenue sharing schemes by GOT protected area managers, equity among local NRM actors can be increased, together with local support to the landscape scale approach.

Illustrative Indicators:

- Value of benefits (disaggregated by stakeholder and enterprise type)
- Social welfare index (non-monetary benefits at household and community scale)
- Diversity of conservation enterprise options available

Illustrative Activities:

- Develop and promote emerging conservation enterprises such as wildlife management areas, community forest reserves, community – private sector ecotourism joint ventures, NRM-based small and microenterprises, mariculture, fisheries management, etc.
- Support increased effectiveness of benefit sharing mechanisms by central and local government actors (e.g., Tanzania National Parks, Wildlife Division, District Governments), and within NRM units (e.g., among members of a community).
- Enable communities and local government to take advantage of new NRM paradigms, through increased entrepreneurial, financial management, monitoring, and governance skills.

F. Synergies

i. With US Department of State/USAID Joint Strategic Plan

The joint USAID – State Strategic Plan features as one of its core objectives “improve health, education, environment, and other conditions for the global population.” The USG recognizes that sound environmental management is essential to sustainable development. The joint Strategic Plan identifies three specific goals in the area of environment:

- Increase capacity to protect the oceans and environment;
- Build partnerships to deliver water, energy, and sound resource management; and
- Advance international environmental cooperation that supports trade and economic growth.

The proposed ENR SO will directly address the first two goals. Moreover, the Foreign Assistance Act requires USAID missions to address threats to tropical forests and biodiversity, where applicable. The Mission’s ETOA identifies such threats, and the proposed SO targets the roots causes of those threats.

ii. With Relevant USAID Pillars

The ENR SO is aligned with the Economic Growth, Agriculture, and Trade (EGAT) pillar. The new position of “environment” in the USAID portfolio within the EGAT Pillar provides opportunity for improving linkages between economic growth, agriculture, and environmental activities. More strictly “environment” objectives, such as global climate change and conservation of biological diversity, continue to feature as USAID initiatives of importance. USAID environmental goals cite the loss of biodiversity as a global environmental threat, and highlight the linkages between biodiversity conservation, sound natural resource management, and sustainable economic growth.

G. Linkages, Themes, and Tools (LTT) Approach

As a Mission, we have developed an innovative approach to maximize our resources and deepen the impact of our development activities. We call it the Linkages, Themes, and Tools (LTT) approach. With this approach, all of our Mission SO teams commit to the strategic integration of LTT into and across SOs.

- **L: Linkage:** a shared result (as defined by a common indicator/s) between two or more SOs. The result appears in two or more results frameworks.
- **T: Cross-Cutting Theme:** a development problem that the Mission has determined requires integration into and across all SOs. The Mission’s themes are gender, HIV/AIDS, and governance.
- **T: Tool:** an implementation approach (or a way of doing business) adopted by the Mission as an effective means to deepen development results. The Mission’s tools are information and communications technology (ICT), capacity building, and public-private alliance building.

Previous Mission experience with cross-fertilization of SOs resulted in improved performance in our current strategy. Therefore, in developing the new strategy, the Mission decided to

conceptualize and institutionalize the approach. Mission teams collaborated to identify linkages, themes, and tools that offered opportunities for synergy and increased program effectiveness. The Mission will use a Program Support Objective (PSO)⁷⁵ as the principal mechanism to coordinate and integrate LTTs into and across the five SOs.

The ENR SO has considered LTT throughout the design process. Section E identified results shared with the EG (see IR 3) and DG (see IR 1) SOs, and well as thematic issues related to governance and capacity building. Regarding gender, the ENR SO will ensure that viable conservation enterprises are available to both men and women. For example, the SO will strive to promote balance between options dominated by women (e.g., tourism-related microenterprise, mariculture, and non-traditional forest products) and men (e.g., livestock management, wildlife enterprise, and fisheries). The ENR SO will also consider the needs of HIV/AIDS-affected households in mitigating against unsustainable NRM practices, through promotion of enterprise options tailored to labor constrained households, and by providing ARVs within ENR SO target landscapes. On the subject of "tools," strategic support to natural resource managers' ICT initiatives can foster collaboration between managers, and inform management decisions with the SO's targeted landscapes. Public – private alliances also hold great potential for the ENR SO, briefly discussed under Section H below.

Given that our PSO supports all of the Mission's SOs, it is described in more detail in a PSO section 8 that follows the SO sections. In it, we describe how individual SOs contribute to the achievement of shared results and how cross-cutting themes and tools are integrated into the program. This is our "anti-stovepiping" approach to development. Please also see the LTT Tables in Annex 18 for a more detailed examination of the LTT approach.

H. Implementation Modalities

The new ENR SO will be implemented through grants and contracts with private voluntary organizations (PVOs) and firms, identified through competitive solicitations. A number of U.S. PVOs with a presence in Tanzania have either a specific mandate for or experience in NRM. A number of these PVOs are holders of pre-competed "Leader" awards. This presence translates into advantage for the ENR SO, which can use its limited financial resources to support a significant program through a mostly grants-based approach. Of critical importance to the success of the SO will be identification of the most relevant target landscapes for investment. Criteria for identifying target landscapes are as follows:

- Degree of threat to biodiversity/natural resources
- Value of biodiversity/natural resources
- Economic potential for conservation enterprise
- High political will/readiness (at both local and national level)
- Opportunity for leveraging resources (e.g. public-private alliances)
- Poverty levels
- Opportunity for linking with other Mission SOs

⁷⁵ ADS 201.3.7.10 Defines the Program Support Objective (PSO) as an activity implemented to support the achievement of other existing SOs. The results of PSO activities are visible through and attributable to other SOs. This is distinct from Program Development and Learning (see ADS 201.3.3.5), which is intended to support activities and learning efforts that do not fit with the scope of an existing SO.

Of particular note from among these criteria is "Opportunity for leveraging resources." Recent experience of the ENR SO has demonstrated tremendous potential for leveraging private resources for both conservation and livelihood activities.⁷⁶ Under the new strategy, the SO anticipates that three to four of the target landscapes to be selected will benefit from significant (i.e., greater than 1:1 leverage) non-USAID resources.

⁷⁶ The current ENR SO includes three GDA activities: the African Wildlife Foundation's "INTACT" multi-stakeholder alliance for conservation of the Maasai Steppe; the Institute for Environmental Innovation's Tanzania Small Group Tree Planting Project partnership with the Clean Air Action Corporation; and the ACDI/VOCA (EG SO grantee) and University of Rhode Island (ENR SO grantee) Seaweed Development Alliance with three private seaweed investors. In addition to these activities, which are candidates for the new strategy, several others alliances are under development which might also compete for inclusion in the new ENR SO: An partnership between IUCN and Unilever Corporation for natural forest management through promotion of non-timber forest products in the biodiversity "hotspot" Usambara Mountains; A possible alliance between the Wildlife Conservation Society and a veterinary pharmaceutical firm for conservation and development of the Rungwa-Ruaha watershed; and A GDA follow-on for the Jane Goodall Institute's activity Community Centered Conservation in Western Tanzania that could partner the ENR and Health SO's with possible leverage from health and population benefactors and a multilateral donor. Based on our assessment of the current situation, it is reasonable to anticipate that the majority of new ENR SO activities will be GDA activities. As a result, even with the slightly lower USG resources as proposed under the new CSP, the ENR SO will actually be able to *expand* its geographic coverage, through use of strategic GDA partnerships.

7. Democracy and Governance Strategic Objective

A. Strategic Objective Statement

USAID/Tanzania's Democracy and Governance (DG) Strategic Objective (SO) is "Public Accountability Strengthened in Selected Policy Areas". Three intermediate results (IRs) are incorporated into the results framework (RF) to facilitate achievement of this objective.

- IR 1: Intra-governmental accountability strengthened
- IR 2: Civil society advocacy improved
- IR 3: Provision of public budget and expenditure data at district level expanded

This new SO builds on the accomplishments of the former SO and reflects the prioritization of the Government of Tanzania (GOT) and the Mission to increase the role of civil society in governance thereby enhancing governmental accountability, with an emphasis on public financial accountability. The theme of enhancing accountability resonates throughout the Mission strategy. Holding the government accountable for policy directions, budgetary allocations, expenditure, and service delivery will enhance Tanzania's efforts at poverty reduction, and therefore, improve socio-economic development.

In addition to the three main IRs, the RF is also supported by six sub-IRs (see Annex 16). Three of the sub-IRs are critical to the achievement of the SO, but are being pursued through government reforms and supported by other donor agencies, International Financial Institutions (IFIs), or non-governmental organizations (NGOs).

By 2014, USAID/Tanzania expects to help achieve a more accountable, inclusive political system, where civic participation is routine. Due to a stronger civil society and more effective oversight institutions, the government will be more accountable at the national level and in selected districts.

This SO has been designed with the MCA in mind. As it stands, Tanzania will most likely not qualify for MCA funds in the first year since it fails on the crucial Control of Corruption indicator. The DG SO responds to this through funding from AFR's Anti-Corruption Initiative, which is captured in the RF under IR 3, improving the accountability of public expenditure.

B. Situation Analysis

The Tanzanian political environment has undergone considerable liberalization since the days of the single party state, but much remains to be done to ensure the consolidation of a democratic political order. Although citizens currently enjoy a far broader range of civil liberties than in the past, their ability to exercise meaningful influence on political outcomes remains limited. An important first step in the process of political liberalization, the re-introduction of multiparty politics and a competitive electoral system in Tanzania in 1992, was accompanied by only limited institutional change, and resulted in few meaningful alterations in the operative rules of the political game. In essence, formal institutions of democratic governance have been superimposed on legal and institutional foundations constructed to support the single-party state and command economy.

To a large extent this outcome reflects the fact that political change over the past decade has been controlled by the dominant party through, what has been termed, a process of "top-down democratization."⁷⁷ The ruling party's (Chama Cha Mapinduzi-CCM) ability to exercise a *de facto*, if no longer *de jure*, monopoly of political power has produced a degree of stability, but also set limits to the extent of systemic change. Indeed, the move to a multiparty competitive system has likely served to strengthen rather than weaken the CCM's hold on political power, as nominal competition from weak opposition parties has provided CCM rule with a legitimacy it would not otherwise have possessed.

The trajectory of political liberalization from above reflects as well as reinforces a variety of inter-connected factors, including the continued dominance of the CCM, the overwhelming dominance of the executive vis-à-vis other branches of government, the persistent weakness of civil society, and the weakness of opposition political parties. Together, these factors contribute to a situation in which government is largely unaccountable. In fact, several analysts have concluded that the government is more accountable to donors and international financial institutions than to its own people.

These issues were explored extensively in the Mission's DG assessment, which identified the central problem of democratic development in Tanzania as one of inadequate competition in the polity (and by extension, the economy and society). Politics in Tanzania is dominated by the executive branch, whose constitutional powers far outweigh those of the judiciary or Parliament. This is reinforced by the continuing dominance of the CCM, whose links to government have been formally severed, but not fully excised from the daily practice of governance. Within government, executive power is reflected in its ability to reverse judgments of an increasingly active and independent Court of Appeals through legislative measures, as well as the president's capacity to influence Parliamentary decision making through the constitutionally-protected power to appoint up to ten un-elected members.⁷⁸ Outside of government, organized opposition parties have increasingly lost ground in electoral contests, while civil society's ability to affect policy making and monitor implementation (including use of government finances) are limited by low capacity, a constraining legal enabling environment, and limits on the availability of public information.

Without the legal and institutional conditions for balance of power, accountability cannot be ensured. In the realm of financial management, the Controller and Auditor General's (CAG) reports consistently state large levels of funds not properly accounted for. Tanzania currently scores 2.5 on Transparency International's Corruption Index (1 is most corrupt; 10 is least).⁷⁹ In policy-making arenas, public access is limited and participation heavily managed by the executive.

The government is willing to engage public stakeholders in discussions of broad policy objectives in other sectors such as health and environment, as is evident in the Mission's current programs. However, stakeholders' ability to influence final decision making on touchy political issues, such as the recently enacted NGO Act, is yet to be proven, and the

⁷⁷ See Hyden, Goran, *Journal of Democracy*, Vol. 10, No. 4 1999.

⁷⁸ Through its electoral dominance, the ruling party is in fact able to appoint additional un-elected members due to a constitutional provision that protects 20-30 percent of seats for women. These seats are allocated proportionally to parties in Parliament based on their electoral performance.

⁷⁹ The 1998 benchmark score was 1.9.

structures that would enable oversight of implementation remain underdeveloped. This also holds true in the area of public financial oversight. It is encouraging to note that the Development Partner Group (DPG—formerly the Development Assistance Committee) is beginning to take seriously the demand side of reform and accountability from civil society, parliament and the media and has included these issues on its agenda. However, it remains to be seen if the DPG is willing to exert the necessary external pressure on the GOT to accelerate the democratic reform agenda, including access to information and the improved legal environment for civil society.

Tanzania has established a relatively stable electoral system which has resulted in two general elections which have been accepted by all parties. The glaring exception is in Zanzibar where the past two elections have been hotly contested, disputed and have resulted in violence. This is noted in the Conflict Vulnerability Assessment (CVA) as a potential flashpoint. The Mission has responded by requesting and receiving ESF funds in FY 2003 to contribute to a level playing field acceptable to all parties in Zanzibar.

In 1999, the GOT embarked on a new commitment to good governance. It established the Steering Committee on Good Governance that published a document elaborating on the GOT's vision for achieving good governance. *The National Framework on Good Governance* (the *Framework*) is an attempt to coordinate several government led reforms which strive to enhance public participation and improve governmental accountability. The key focal points in the *Framework* include electoral democracy and the participation of people in decision making; constitutionalism and the rule of law, the administration of justice and protection of human rights, gender equity, accountability, transparency and integrity in the management of public affairs, and capacity to deliver quality public services.

To achieve the goals established in the *Framework*, the GOT established six priority reform programs including: Public Sector Reform Program (PSRP), Financial Management Reform Program (FMRP), Legal Sector Reform Program (LSRP), Local Government Reform Program (LGRP), National Anti-Corruption Strategy and Action Plan (NACSAP), and the Poverty Reduction Strategy (PRS).

In addition to these specific reform programs, the GOT has established other organizational units to foster good governance. Among those are the Ethics Secretariat, the Commission for Human Rights and Good Governance and the Prevention of Corruption Bureau. While all these bodies have laudable mandates, they are typically under-funded and their ability to be effective and independent from the executive is limited by their constricting legal authorities.

To coordinate implementation of these reforms, the GOT established the Good Governance Coordination Unit (GGCU) in the Office of the President. The GGCU is severely constrained by limited manpower and capacity. Two officials and an administrative assistant constitute the entire staff of the office, yet have considerable coordination responsibilities.

C. Prior USAID/Tanzania Experience in Democracy and Governance

USAID/Tanzania has been involved in the DG sector since 1994. The initial focus of DG activities was geared toward aiding the transition from single party socialism to a multiparty

democracy. Initial activities have included policy dialogue with the GOT, support for civic education and association building, turning government functions over to the private sector and working with GOT to improve fiscal accountability. In 1994 the Mission conducted an assessment of the status of democracy and governance in Tanzania. Based on this assessment, the Tanzania Democratic Governance Initiatives Project (TDGI) was developed as a pilot activity in 1995. As an initial pilot effort in a programming area new to USAID/Tanzania, TDGI targeted several different problems, and focused on strengthening basic aspects of democratic governance, including the national court system, the print and broadcast media, and civic education.



MP leading a constituency discussion on HIV/AIDS
USAID/Tanzania

Following an evaluation of TDGI activities in 1998, the DG SO was revised to reflect a new set of priorities and challenges geared toward facilitating the growth of civil society as a critical component of democracy. The current SO was approved in 1999 and focuses mainly on addressing the problems of a weak civil society and a marginalized representational branch of government. The SO is enhancing the capacity of civil society to advocate more effectively for policy reforms in key sectors which cut across Mission strategic objectives. The current SO also works with Parliament to help improve its representational, lawmaking, and oversight capacities.

USAID/Tanzania's new DG SO "Public Accountability Strengthened in Selected Policy Areas", will build on previous investments in civil society and parliament—both critical arenas for enhancing accountability. It takes into account major investments by other donors and the GOT in other sectors such as the judiciary, specialized oversight offices in the executive branch, and media and access to information legal reform. This approach also exploits one of USAID's comparative advantages as the only major governance donor that does not participate in budget support or donor baskets supporting reforms in the executive branch, elections administration and the judiciary, yet rather focuses on demand side initiatives which aim to build mechanisms of accountability. The other advantage is that USAID has built important relationships and has a track record of working with civil society and parliament. Other donors have come to depend on USAID to fill this important demand side niche in supporting democratic development in Tanzania.

D. Consultative Process

The DG team has held various consultations with the GOT, Parliament, civil society organizations, and other stakeholders. Primarily the DG team consults with its team of implementing partners and stakeholders on a regular basis. Strategic planning on how USAID can address governance challenges has become a central agenda item at these

meetings. In November 2003, an Annual Partners Conference was convened to address progress made in the previous year and plans for the coming year, and to consult on new directions for USAID/Tanzania's DG SO in this new strategy. Officials from Parliament and the GOT attended these sessions, as well and made presentations.

In addition to regular consultations, an NGO roundtable with eleven local NGO partners was held in March 2003 to discuss current trends in the NGO sector. The USAID strategic planning process was shared with the partners. The main concern coming from the NGOs is a so called "perception gap" between the actual role and work of NGOs in a democracy and how the government currently views the sector. The NGOs recommend that USAID work to redress the "perception gap." The second main issue was corruption. The NGOs stated their willingness to address the issue head on and said that they require additional skills to be effective in fighting corruption.

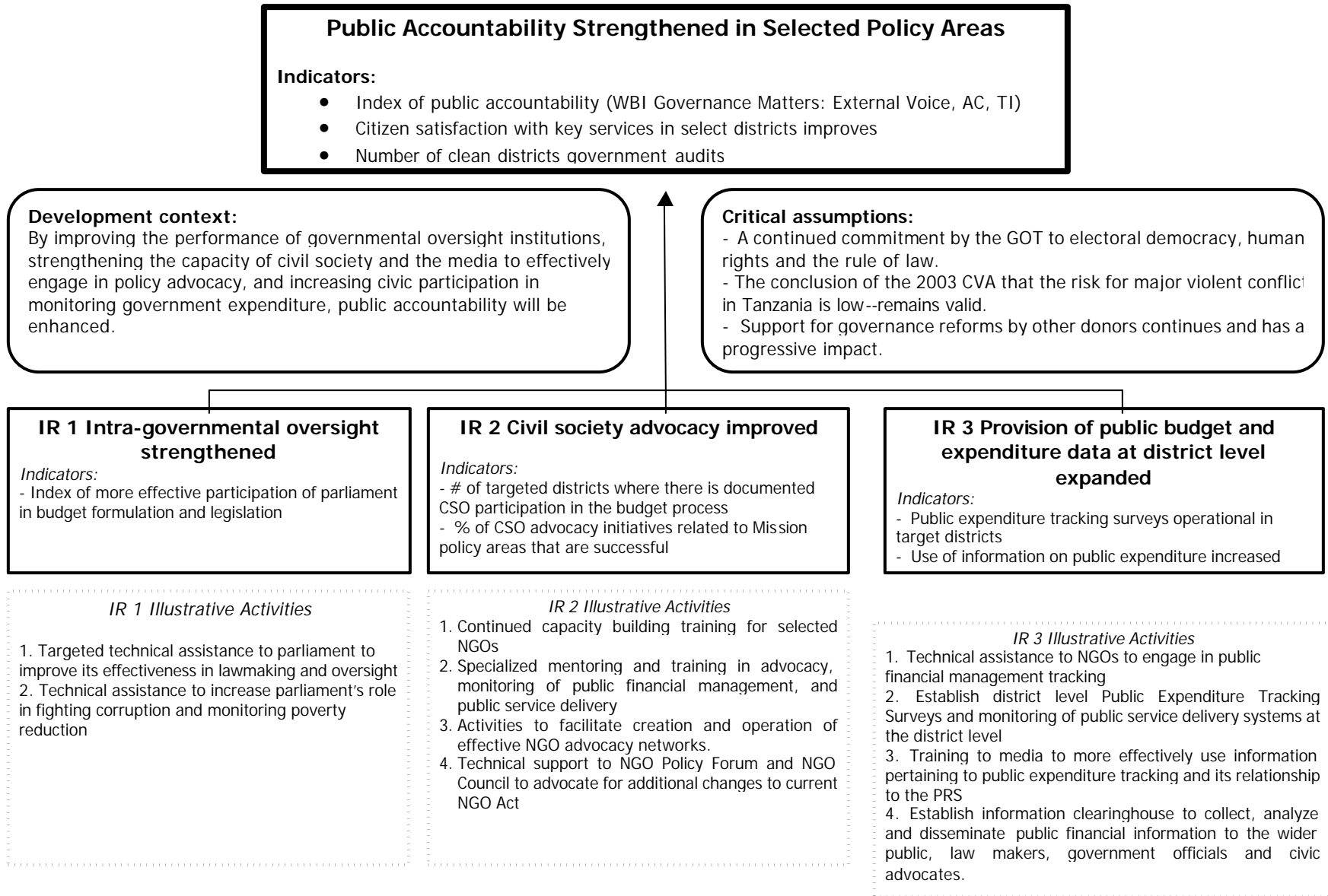
A second NGO consultation session was held with partners to discuss the NGO Act, its impact and next steps to advocate for further improvements. Capacity building needs for NGOs, advocacy issues, and gender were also discussed.

The DG team consulted with the President's Office, the Prevention of Corruption Bureau (PCB), and various NGOs as well as other donors regarding the state of corruption in Tanzania, ongoing efforts and what needs to be addressed to step up the fight against corruption. The team has also communicated with the Ministry of Finance (MOF) and the President's Office regarding the completed DG Assessment and CVA.

The DG Team has also discussed the new SO with senior officials from the Parliament to discuss governance trends in Tanzania and the role of the Parliament in democratic development. The officials expressed the opinion that with the 2005 general elections around the corner, USAID technical assistance for new MPs should extend until after the elections.

The DG Team also has consulted closely with a virtual team of DG experts at USAID/Washington to discuss DG trends and the justification for maintaining a DG SO in Tanzania.

Figure 8: Results Framework for Democracy and Governance Strategic Objective



E. Development Hypothesis and Results Framework

The 2003 Democracy and Governance Assessment, which laid the foundation for the development of this new SO, suggests that the limited nature of competition is in large part a function of executive dominance, and that this situation will only be reversed to the extent that meaningful institutional checks and balances are developed. At present, both formal (legal and institutional) and informal (cultural and civic) restraints remain exceedingly weak. Most critically, executive dominance is deeply embedded in the constitution and the wider legal framework, and through them in the structure, capacities, and resources of state institutions. It is this entrenchment and dominance that limits the development of coherent opposition, and the evolution of the Tanzanian political culture away from that of the single party. Thus it is on this dimension – executive dominance - that the most critical changes must take place if a deepening of democratic process is to occur. In this context, the efforts of other donors to level the political playing field by working with opposition political parties and election officials have largely failed to impact the status quo, since these actors are so far removed from the true levers of political power in Tanzania. Instead, USAID's development hypothesis focuses on strengthening reformers in the ruling party, the parliament, and district-level governments to create an effective constituency for peaceful, incremental change from within. Furthermore, by strengthening the capacity of civil society to effectively engage in policy advocacy, and increasing civic participation in monitoring government expenditure, public accountability will likewise be enhanced.

Therefore, in a context in which the executive branch of government exercises disproportionate influence over public discourse and public policy, the development hypothesis is that by improving the performance of governmental oversight institutions, strengthening the capacity of civil society to effectively engage in policy advocacy, and increasing civic participation in monitoring government expenditure, public accountability will be enhanced.

Three critical assumptions have been identified with respect to the DG SO as presently formulated. These are as follows:

- A continued commitment by the GOT to electoral democracy, human rights, and the rule of law.
- The conclusion of the 2003 CVA that the risk for major violent conflict in Tanzania is low--remains valid; and
- Support for governance reforms by other donors continues and has a progressive impact.

USAID's DG SO for this new strategy is *Public Accountability Strengthened in Selected Policy Areas*.

This SO is based on the understanding that improved accountability is a critical step toward a more competitive democratic process in Tanzania, which is not only a basic element of democratic governance, but an essential condition for the creation and implementation of effective and responsive development strategies and policies. Accountability is a two-way process between government and society. It involves transparency in the conduct of government business and the use of government resources, but it also requires an

empowered and effective citizenry to establish and monitor adherence to norms for the conduct of government business and use of public resources—both directly (a village council deciding on how to use funds for a health center) and indirectly (MPs passing a law that reflects the interests and concerns of citizen groups). Accountability is also the product of effective oversight between branches of government. When one part of the political system exercises disproportionate power and controls access to information, and institutional arrangements to enforce accountability are weak, democracy—and usually good governance—suffers. Currently in Tanzania, executive power is relatively unchecked by other branches of government, by an empowered and effective civil society, or by the free flow of information about government actions and use of resources. This results in a relatively closed, managed political process that, while it may have taken some important steps in the direction of political liberalization, has also produced such non-democratic and non-developmental outcomes as an NGO law that may forbid the formation of coalitions and makes operating an unregistered NGO a criminal act.

The approach this SO proposes is to support the different actors who have the power to hold the government accountable, notably parliament and civil society, to work together to achieve greater accountability. By applying tactful and effective pressure on the government on policy, budgetary and expenditure issues, civil society can influence accountability in a positive direction. By playing a greater role in the budgetary process and more closely monitoring expenditure, parliament can do the same. By creating links between parliament and civil society, the likelihood of greater accountability is increased.

Illustrative Indicators:

- Index of Public Accountability: Including Transparency International (TI) and World Bank Institute (WBI) Governance Matters Indices including Control of Corruption and External Voice: This is a Proxy Indicator consisting of two key internationally accepted measures of corruption and accountability. The two indicators will be tracked yearly and used to gauge the general movement in the fight against corruption in Tanzania. Based on the past four years of data, which show a flat trend line, the DG SO expects that positive movement will not occur for at least two or three years.
- Citizen satisfaction with key services (health, HIV/AIDS, education, water) in selected districts improves (surveys and % saying they are fairly well or very well satisfied):
Annually collected data
Baseline: 2003: 29% Target 2009: 40% Target 2014: 60%
- # of clean district government audits (Controller Auditor General Reports):
Annually collected data
Total of 117 districts
Baseline: 2002: 20/117 Target 2006: 35/117 Target 2014: 60/117

IR 1: Intra-governmental oversight strengthened.

This IR addresses the need for increased balance of power among government institutions so that policy better reflects overall public interests, and implementation is less susceptible to the dissipating effects of individual interests, corruption or poor management. This

“horizontal accountability” is achieved when the three branches of government have effective capacity to limit or constrain the exercise of power by any one institution. Parliament’s ability to be an effective contributor to policy making and watchdog of policy implementation and budgetary decisions is currently limited both by the legal powers assigned to it and its own institutional capacity. Accountability also requires that both the executive and the legislative branches be subject to the rule of law. The courts must authoritatively evaluate whether officials have broken the law, and effectively impose sanctions. Finally, most democratic governments also create a range of autonomous or semi-autonomous institutions with specialized oversight functions. The effectiveness of these institutions depends on their insulation from influence and control by the government bodies they are charged with monitoring. In Tanzania, specialized agencies charged with enforcing standards of public conduct are largely located within the executive and have demonstrated limited capacity and little autonomy. Fortunately, other donors are already making significant contributions to programs supporting judicial reform and improved performance of specialized oversight offices such as the Prevention of Corruption Bureau (PCB), the Ethics Secretariat, and the National Audit Office.

USAID will focus its contribution to this IR on Parliament and its role in financial and policy oversight. The program will focus on building the capacity of committees and officials within parliament that work most closely on budget issues as well as those that cover key policy areas such as health and HIV/AIDS, the environment and education, which correspond to other USAID strategic objectives. Where possible, the USAID Mission will encourage partners working with parliament to collaborate with relevant Tanzanian NGOs, both in DG and other sectors, to create opportunities for building relationships and sharing local expertise on these issues.

Illustrative Indicators:

- Index of more effective participation of parliament in budget formulation and legislation

Illustrative Activities:

- Targeted technical assistance to parliament to improve its effectiveness in lawmaking and oversight
- Technical assistance to increase parliament’s role in fighting corruption and monitoring poverty reduction

IR 2: Civil society advocacy improved.

This IR is represented by a dotted box. A significant level of resources for achieving this result will come from other Mission SOs. This demonstrates the cross-cutting link of this IR to other SOs and how success in this IR will translate into broader, Mission-wide success.

Pressure from outside of government is essential to increase accountability. In any government, entrenched interests make change difficult. When civil society monitoring and advocacy are improved, the array of incentives for change is altered. If current or aspiring leaders know there is a constituency for reform—one which may increase (or decrease)

their chances for election, or perhaps just increase the likelihood that poor leadership, corruption or mismanagement will be revealed—then they may rethink the relative costs and benefits of those behaviors. Advocacy is an essential vehicle for the expression of citizen interests on any issue of concern. It includes articulating specific concerns that government should address (e.g., clean water, land rights or education services), giving input on how those needs should be met (budget allocations, new laws, better oversight of spending, or giving more political space for alternative approaches) monitoring implementation and mobilizing broader public participation in all these processes. Civil society in Tanzania is only recently emerging as an autonomous sector with an independent voice. Civil society is increasingly aware of the need for advocacy, but it is a new area of endeavor for most groups, so they lack skills and experience. This includes CSOs at the national and local levels. Thus, a critical element of this IR is capacity building.

Illustrative Indicators:

- # of targeted districts where there is documented CSO participation in the budget process
- % of CSO advocacy initiatives related to Mission policy areas of health, HIV/AIDS, natural resources management and the private sector that are successful

Illustrative Activities:

- Continued capacity building training for selected NGOs
- Specialized mentoring and training in advocacy, monitoring of public financial management, and public service delivery
- Activities to facilitate creation and operation of effective NGO advocacy networks
- Technical support to NGO Policy Forum and NGO Council to advocate for additional changes to current NGO Act

IR 3: Provision of public budget and expenditure data at district level expanded.

Access to reliable and user-friendly information on budgeting and spending at the district level, where government services reach the ultimate beneficiaries, is key to holding the government accountable. Through the current AFR Anti-Corruption Initiative, the DG SO is designing and implementing an activity which will establish model public expenditure tracking systems in several districts. The need for this has been demonstrated by a report on public expenditure tracking commissioned by the GOT in three districts. The report shows that on average, 88% of funds allocated for “other charges, the bulk of the development budget for health, were “diverted.” In education the figure is 55%. Through advocacy by NGOs and by establishing partnerships with district governments, an increased level of access to information on budgeting and expenditure will determine if the government is spending resources according to budgets and priorities established in the PRSP. Systems to publicize information about inflows and outflows are a powerful tool for citizens to demand accountability and to demand better quality of public services. Media will be trained to publicize report on public expenditure and this data will also be fed to relevant parliamentary committees, notably the Local Authorities Accounts Committee.

Activities under this IR have great potential to garner support from other SOs and other donors. The DG SO has identified links to other the RFs of other SOs as tracking public expenditure at the district is closely linked to enhanced accountability and improved delivery of public services.

Illustrative Indicators:

- Public expenditure tracking surveys operational in target districts
- Use of information on public expenditure increased

Illustrative Activities:

- Technical assistance to NGOs to engage in public financial management tracking
- Establish district level Public Expenditure Tracking Surveys and monitoring of public service delivery systems at the district level
- Training to media to more effectively use information pertaining to public expenditure tracking and its relationship to the PRSP
- Establish information clearinghouse to collect, analyze and disseminate public financial information to the wider public, law makers, government officials and civic advocates.

F. Synergies

i. With US Department of State/USAID Joint Strategic Plan

The US Department of State/USAID Joint Strategic Plan for the period 2004-2009 identifies four primary USG foreign policy objectives: the achievement of peace and security, the advancement of sustainable development and global interests, the promotion of international understanding, and the strengthening of diplomatic program capabilities. Within the second of these broad objectives, the present SO directly addresses the strategic goals identified for Democracy and Human Rights, which seeks "to advance the growth of democracy and good governance, including civil society, the rule of law, respect for human right, and religious freedoms." There is also a clear secondary linkage to identified strategic goals addressing *Regional Security* as well as *Social and Environmental Issues*. To the extent that governmental accountability is strengthened through the development of more effective representative institutions and expanded capacity for citizen advocacy, the potential for addressing development objectives and for effectively managing social tension will be greatly increased.

ii. With Relevant USAID Pillars

The DG SO is aligned with the Democracy, Conflict and Humanitarian Assistance Pillar (DCHA). The stated vision of the DCHA pillar is that strong democratic institutions, less conflict, improved food security, and timely humanitarian relief will produce a free and more prosperous global community. The Democracy and Governance Office in DCHA is committed to facilitating the transition to and the consolidation of democracy around the world. As the primary channel for U.S. foreign assistance in the developing world, USAID has taken a leading role in promoting and consolidating democracy worldwide. Expanding

democracy improves individual opportunity for prosperity and improved well-being, thus contributing to the more traditional goals of the Agency. The strategic long-term domestic and foreign policy objectives of the United States are best served by enlarging the community of democratic nations worldwide. Establishing democratic institutions, free and open markets, an informed and educated populace, a vibrant civil society, and a relationship between state and society that encourages pluralism, participation, and peaceful conflict resolution -- all of these contribute to the goal of establishing sustainable democracies. The new DG SO is closely associated with these ideals.

G. Linkages, Themes, and Tools (LTT) Approach

As a Mission, we have developed an innovative approach to maximize our resources and deepen the impact of our development activities. We call it the Linkages, Themes, and Tools (LTT) approach. With this approach, all of our Mission SO teams commit to the strategic integration of LTT into and across SOs.

- **L: Linkage:** a shared result (as defined by a common indicator/s) between two or more SOs. The result appears in two or more results frameworks.
- **T: Cross-Cutting Theme:** a development problem that the Mission has determined requires integration into and across all SOs. The Mission's themes are gender, HIV/AIDS, and governance.
- **T: Tool:** an implementation approach (or a way of doing business) adopted by the Mission as an effective means to deepen development results. The Mission's tools are information and communications technology (ICT), capacity building, and public-private alliance building.

Previous Mission experience with cross-fertilization of SOs resulted in improved performance in our current strategy. Therefore, in developing the new strategy, the Mission decided to conceptualize and institutionalize the approach. Mission teams collaborated to identify linkages, themes, and tools that offered opportunities for synergy and increased program effectiveness. The Mission will use a Program Support Objective (PSO)⁸⁰ as the principal mechanism to coordinate and integrate LTTs into and across the five SOs. Given that our PSO supports all of the Mission's SOs, it is described in more detail in a PSO section (section 8) that follows the SO sections. In it, we describe how individual SOs contribute to the achievement of shared results and how cross-cutting themes and tools are integrated into the program. This is our "anti-stovepiping" approach to development.

For example, the HIV/AIDS crisis facing Tanzania permeates all aspects of USAID's program and is one of Tanzania's key development challenges. Among the myriad of connections between HIV/AIDS and the DG sector, the Mission has identified, among others, the following linkage. Most directly related to USAID's program is the concern that the massive influx of donor resources and valuable commodities (ARVs, for example) to address the crisis could become targets for corrupt activities. Specifically, DG activities under the Africa Bureau Anti-Corruption Initiative are expected to directly improve accountability of

⁸⁰ ADS 201.3.7.10 Defines the Program Support Objective (PSO) as an activity implemented to support the achievement of other existing SOs. The results of PSO activities are visible through and attributable to other SOs. This is distinct from Program Development and Learning (see ADS 201.3.3.5), which is intended to support activities and learning efforts that do not fit with the scope of an existing SO.

distribution and use of public resources at the district level service provision unit of government.

In the area of gender, equal opportunity for representation of both sexes in a country's political processes is a basic human right. Furthermore, consultations in Tanzania during the formulation of the PRSP indicated that women express more concern about governance issues than men do. The DG SO will address this theme on several levels. The team will employ mainstreaming techniques such as requiring specific emphasis on women's empowerment in capacity building activities in Parliament and with civil society and media groups. In addition, the DG SO will work with women MPs and civil society to push for amendments to the current Elections Act of 1985 which encourage women to run for elected seats, rather than relying on the constitutional provision for special seat appointed women.

For a more detailed examination of the Mission's PSO and the LTT approach, please see the PSO section 8 as well as the LTT Tables in Annex 18.

H. Implementation Modalities

Since the SO detailed in the strategy flows programmatically from the prior SO, the DG team envisions maintaining existing mechanisms which work with civil society and parliament. It is anticipated that the current cooperative agreement for civil society capacity building will be maintained, but have to be modified to reflect a more intensive emphasis on advocacy and monitoring work with NGOs. The contract to provide technical assistance to parliament can likewise be modified and amended to continue. The contract to support district level public expenditure tracking in selected districts may also be modified to work in additional district if funds are available. Maintaining current partners, if they are appropriate and their agreements and contracts can be modified, will also save resources. Start up for new implementing partners is costly and takes considerable time in Tanzania.

In all cases, the DG Team will thoroughly review all existing implementing mechanisms to ensure that the partners have the expertise to carry out the new activities in this SO. In some cases, new partners may have to be found.

8. Program Support Objective

A. Program Support Objective Statement

To deepen program impact the Mission has developed an innovative approach to coordinate and integrate linkages, themes, and tools (LTT) into and across the Mission's five SOs. The Mission will use a Program Support Objective⁸¹ (PSO) as the principal mechanism to achieve this objective. The PSO will promote "doing business differently" by encouraging synergistic behaviors within the Mission and among its development partners.

- **L: Linkage:** a shared result (as defined by a common indicator/s) between two or more SOs. The result appears in two or more results frameworks.
- **T: Cross-Cutting Theme:** a development problem that the Mission has determined requires integration into and across all SOs. The Mission's themes are gender, HIV/AIDS, and governance.
- **T: Tool:** an implementation approach (or a way of doing business) adopted by the Mission as an effective means to deepen development results. The Mission's tools are information and communications technology (ICT), capacity building, and public-private alliance building.

USAID/Tanzania's PSO is "Program Impact Deepened". Two first-level intermediate results (IRs) underpin achievement of the PSO:

- IR 1 Continuous learning and change facilitated
- IR 2 Use of LTT integrated across/into Mission programs

PSO Vision

Throughout the life of the strategy, the PSO will add value to the HIV/AIDS, Health, Economic Growth (EG), Environment and Natural Resources (ENR), and Democracy and Governance (DG) SOs. In adding value, the PSO will enable customer SOs to achieve larger reductions in the transmission and impact of HIV/AIDS, generate more improvements in family health status, raise incomes among more producer association members, conserve biodiversity over larger areas, and engender greater public accountability. The PSO will achieve this by informing programming decisions at all levels with an understanding of the potential and opportunities offered by the Mission's selected themes and tools, as well as through capitalizing on linkages between SOs. By the third year of the strategy period, the Mission will be doing business *differently*, in a new and more effective manner, deepening the results of its development program.

PSO Function

At the core of the PSO is the PSO Team, which draws its members ("champions") from each Mission SO and support office, who together share accountability for achievement of PSO

⁸¹ ADS 201.3.7.10 Defines the Program Support Objective (PSO) as an activity implemented to support the achievement of other existing SOs. The results of PSO activities are visible through and attributable to other SOs. This is distinct from Program Development and Learning (see ADS 201.3.3.5), which is intended to support activities and learning efforts that do not fit with the scope of an existing SO.

results. A full-time PSO Manager will oversee performance of the PSO, which is based in the Mission Program Office. The overarching goal of the PSO Team is to define and execute a strategic approach to LTT across the Mission's development portfolio. A Charter guides PSO Team operations, and an Action Plan (updated quarterly by the Team) will guide and ensure strategic focus. Funding for LTT activities may follow one of several mechanisms. Additional detail on the PSO concept, PSO team, and funding mechanisms are presented in Parts D, E, and F of this Section.

B. Mission Experience

The Mission's innovative objective of deepening program impact through LTT is more than a theory. Rather, this ambitious goal draws its inspiration and structure from a tested approach. Over the past few years, USAID/Tanzania has used a PSO and other mechanisms as vehicles to promote synergies within the Mission's development program. And indeed, despite the fact that these efforts took place within the flexibility-limiting context of an already mature strategy and program, Mission teams witnessed value added to their development results. The following provides some examples of the Mission's successful PSO learning experience:

- **Linkages:** There are several excellent examples of operationalized SO linkages in the current portfolio, ranging from shared results to co-funding and co-management arrangements. For example, the EG SO, through Tanzania's Sokoine University of Agriculture (SUA), funded and posted field officers to two of the ENR SO's target areas. The officers are transferring entrepreneurial and business management skills to communities in environmentally-friendly microenterprise development. The partnership is generating revenues (an EG SO-level result as well as an ENR SO lower-level result) and ensuring that NRM practices are consistent with conservation objectives (and ENR result). SUA is also represented on both EG and ENR SO Teams.
- **Themes:** The current Mission DG program was redesigned in 2000 as a cross-cutting SO, and has served as a learning lab for both linking SOs and integrating governance as a theme into other SOs. For example, the ENR and DG SO co-funded and co-managed an environmental accountability activity which generated results for both the DG SO (civil society – government partnerships expanded) and the ENR SO (improved ENR policies and laws). A CSO capacity strengthening program targeting other SO's partners, and a parliamentary strengthening program that targets the Mission's development sector constituencies, each contribute to results of multiple SOs.
- **Tools:** Two years ago, the Mission formed an "I-Team" charged with promoting ICT in the Mission's development approach. The I-Team, now part of the PSO, has achieved great success in integrating ICT into Mission programs and operations, and led design work for ICT activities under the new strategy. Today, all SOs have new ICT activities, and all are aware of ICT's growing potential. Mission collaboration with the Leland Initiative and Africalink, has resulted in strengthened ICT capabilities among development partners across multiple SOs, and an improved overall enabling environment for ICT. Several Missions are now following the USAID/Tanzania approach for integrating ICT as a development tool.

C. Strategic Approach to Linkages, Themes, and Tools

The value added to Mission programs through this approach over the past two years serves as the rationale for “doing more” in search of programming synergies. The Mission’s positive experience in using a PSO as a catalyst to promote “synergistic behaviors” by Mission programs, staff, and partners provides a tested mechanism. The new strategy provides an ideal opportunity to build in, scale up, and institutionalize our “LTT approach” from the start.

The proposed portfolio is replete with potential for deepening program impact through a strategic approach to LTT. Key LTT activities have already been highlighted in individual SO sections. Additional detail on LTT potential is provided in a series of Tables in Annex 18. The following consolidates a sample of concrete activities and actions that might be part of the PSO’s “Action Plan,” and serves to illustrate PSO potential:

Linkages

- ✓ Multisectoral HIV/AIDS Approach. The Emergency Plan emphasis on bringing new partners on board offers several levels of opportunities for linking the HIV/AIDS SO with the other four Mission SOs. The HIV/AIDS SO has already determined that its partners’ mandates will include creating substantive linkages with the other SOs – through, for example, targeting common geographic areas, and strengthening HIV/AIDS programming capacities of ENR, EG, and DG partners.
- ✓ Public Expenditure Tracking Surveys (PETS). Effective service delivery at the local level is a key element of Tanzania’s Poverty Reduction Strategy, and relevant to each Mission SO. Part of the new DG SO strategy to strengthen accountability mechanisms at local government levels includes PETS. PETS will track expenditures and monitor service delivery in a way that can provide effective feedback to strengthen delivery systems, and in doing so, reduce corruption at the district level. Design of this DG SO activity benefited from input from each Mission SO, and if effective, will strengthen local efforts of each of the other four SOs.
- ✓ Nature, Wealth, and Power (NWP). Embedded in the development hypothesis of the ENR SO is the premise that approaches that integrate nature (i.e., environmental management), wealth (economic concerns), and power (good governance) tend to generate promising outcomes in all three areas. Through an approach that emphasizes the NWP nexus, the ENR SO will generate results relevant to three SOs (EG, DG, and ENR), and open up a range of opportunities for collaboration with those SOs.
- ✓ Identifying and Acting on SO Linkages: Comprehensive discussions within the Mission during the CSP development process resulted in identification of linkages between every SO, and definition of possible means to operationalize those linkages. A conceptual diagram showing the highest-level linkages between the SOs can be found in Annex 18. The following example (Figure 9), pulled from the diagram, presents the HIV/AIDS SO – Health SO linkage box. The linkage box describes the linkage; identifies the linked IRs

on the two SOs' respective RFs; and provides the shared indicator (data define the sharing of the result).

Figure 9:

HIV/AIDS – Health
Linkage

HIV/AIDS:
**Reduced transmission
and impact of HIV/AIDS
on Tanzania**

HE:
**Health status of
Tanzanian families
improved**

Linkage Box. Health and HIV access to services increased through strengthened health sector systems including mutually supported product logistics/delivery system. (Health SO IR 2 & HIV/AIDS IR 2.2: Indicator: stockouts)

Themes

- ✓ Civil Society Strengthening Omnibus Cooperative Agreement. Advocacy is an essential means for the expression of citizen interests that cuts across all Mission SOs. The DG (as lead), ENR, Health, and HIV/AIDS SOs have each signaled their intent to participate in the design, funding, and management of a civil society advocacy support program that supports each SO's development agenda. This activity would build on the successful precedent of a similar grant under the current strategy, taking the arrangement a step further by sharing funding and management responsibilities.
- ✓ Gender Mainstreaming. As part of the Mission's evolving approach to capitalize on LTT, the Mission created and filled a new full-time, PSO-funded Gender Advisor position. As the new portfolio begins to unfold, the Gender Advisor will assist SOs to mainstream gender into the portfolio. Through the PSO, the Advisor will employ various means to ensure both gender compliance and value added: including promoting results of the PSO-led Gender Assessment to inform activity design, management, and monitoring.

Tools

- ✓ ICT Toolkit. This core ICT activity is already under consideration as part of the Agency's "Last Mile Initiative," which features Tanzania as a pilot country. The "Toolkit" would promote ICT access for rural and underserved urban areas; and identify and adapt innovative applications for use by Mission development SOs and partners. To achieve this result, the PSO-managed "Toolkit" would serve four functions: (1) provide outreach, support and training across all five SOs; (2) provide seed funding for pilot activities; (3) fund tactical (e.g., policy) ICT activities that fall outside of individual SO mandates; and (4) support an ICT Advisor.
- ✓ Accelerate use of Public – Private Alliances. Over the past two years, the Mission has seen the number of GDA activities within its portfolio multiply, and the amount of funding leveraged from various sources increase.⁸² The PSO can accelerate this trend

⁸² The current ENR SO includes three GDA activities: the African Wildlife Foundation's "INTACT" multi-stakeholder alliance for conservation of the Maasai Steppe; the Institute for Environmental Innovation's Tanzania

by serving as the center of Mission expertise on GDA; accumulating and sharing examples of best practices; and by encouraging and assisting SO's to incorporate "public – private alliance" as an important criteria in their procurement solicitations.

The following sections explain in detail how the PSO will work – from both an analytical and a practical standpoint. First, Section D lays out the underlying "Opportunity Hypothesis" (analogous to a development hypothesis for an SO), and the PSO's Results Framework (together with additional examples of PSO team functions and LTT activities). Sections E and F then provide additional clarity on PSO functional mechanisms ("The PSO Team") and funding ("Funding PSO Activities").

D. Opportunity Hypothesis and Results Framework

As noted above, USAID/Tanzania's experience has demonstrated that an LTT approach can add value to development programs. Based on that experience, the PSO's "Opportunity Hypothesis" is as follows:

"If selected themes and tools are strategically integrated into the Mission programming to create linkages that enhance synergies, and continuous learning and organizational change based on that experience is promoted within the Mission and among its partners, then, the impact of USAID/Tanzania's development program can be deepened through enhanced coordination of Mission programming."

The Results Framework for the PSO is presented as Figure 10.

The outcomes at the SO level will be increased coordination of the Mission program resulting in deeper impact. The indicators will therefore measure the attribution of the PSO in terms of valued added to the program's impact results.

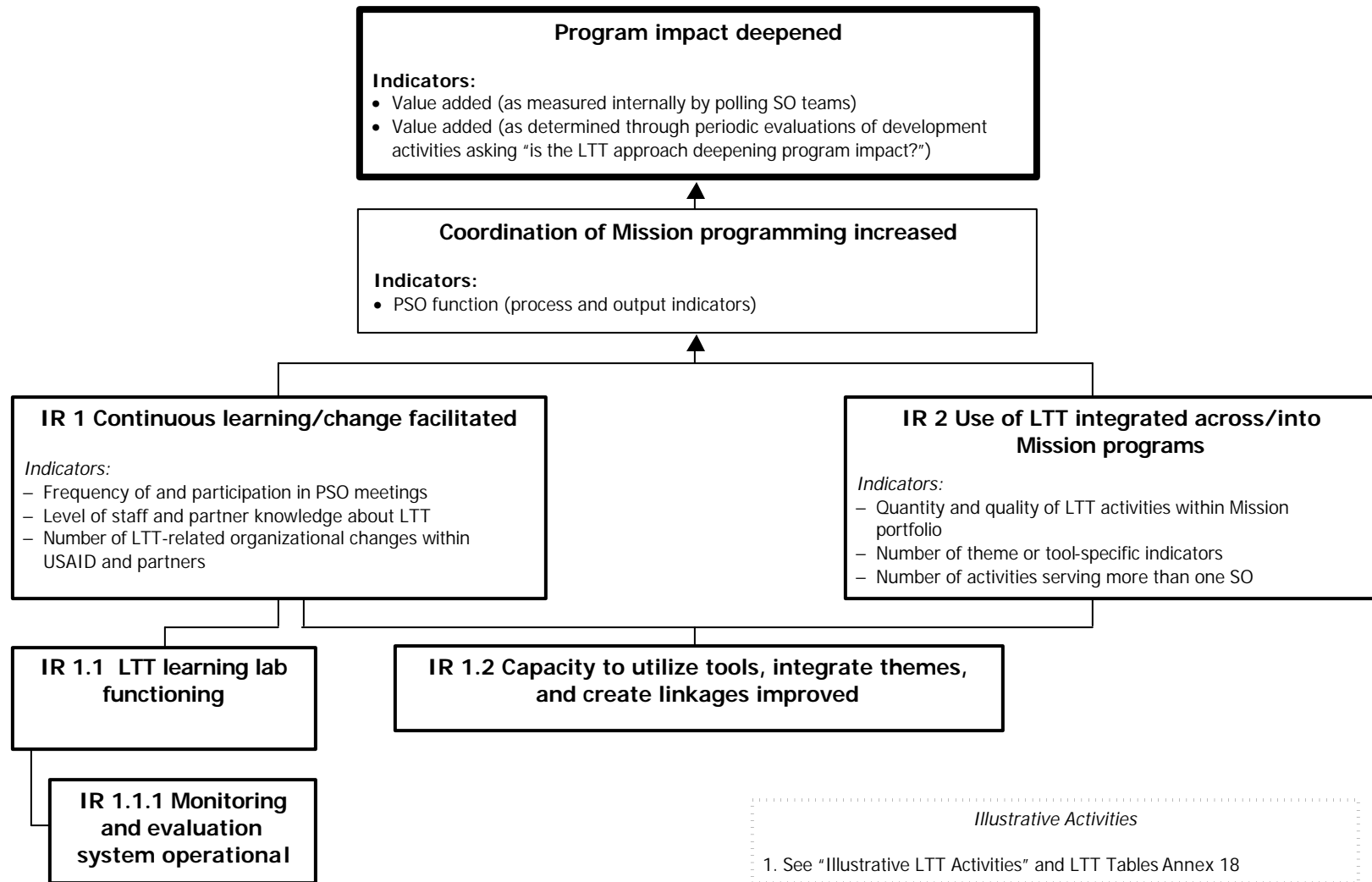
While the ADS does not require monitoring indicators for the PSO, given the need to address the results-oriented agendas of SO Team-based PSO members, and the "behavior change" required to achieve core PSO results, monitoring success will be critical toward informing PSO operation. Development and use of an effective monitoring system will inform PSO function to allow it to manage for its results, and serve its SO customers. The PSO has identified two PSO-level indicators to help this process:

- Value added (as measured internally by polling SO teams [qualitative indicator])
- Value added (as determined by SO-level performance monitoring and evaluation systems asking the question "has program impact been deepened?" [quantitative])

The PSO's two first-level IRs are complementary. IR 1 sets the stage for "LTT behavior" by reforming the Mission's organizational culture in an LTT-friendly direction. IR 2 is the actual manifestation of LTT actions and activities within the Mission development portfolio. The two IRs are mutually reinforcing through the PSO structure that emphasizes teamwork,

Small Group Tree Planting Project partnership with the Clean Air Action Corporation; and the ACDI/VOCA (EG SO grantee) and University of Rhode Island (ENR SO grantee) Seaweed Development Alliance with three private seaweed investors.

Figure 10: Results Framework for Program Support Objective



information sharing, and “learning by doing.” Discussion of the two first-level IRs, including illustrative indicators and activities, follows

IR 1: Continuous learning and change facilitated.

The PSO will undertake various activities that promote the development and exchange of information, knowledge, and experiences within the Mission and between the Mission and collaborating partners on the LTT approach. Through a “learning” approach, the PSO will seek to integrate the approach into the Mission’s normal way of doing business. To achieve this, the PSO will encourage Mission and development partner staff to engage in more synergistic LTT behavior, and also work to adapt the Mission’s organizational culture (practices) that enhances collaboration and institutionalizes LTT behavior. At the core of this approach is the PSO Team, which consists of a PSO Manager and “LTT Champions” drawn from each Mission SO and office.

Illustrative Indicators:

- Frequency of and participation in PSO meetings
- Level of staff and partner knowledge about LTT
- Number of LTT-friendly organizational changes within USAID and partners

Illustrative Activities:

- Development of a PSO Team-managed rolling “LTT Action Plan.”
- Awareness raising on LTT among Mission staff and partners.
- Communication fora that promote cross-fertilization of ideas, experience and sharing of lessons and best practices in incorporating LTT in programming (e.g., planning and portfolio review workshops as learning lab).
- Development and use of standard LTT language to inform procurement, performance monitoring, and evaluation.
- Incorporation of LTT into job descriptions and work objectives.
- Identification and design of responsive LTT activities for consideration and use by SO program(s). For example, an ICT activity that serves multiple SOs might be more efficiently developed within the PSO, as opposed to from within an SO.

IR 2: Use of LTT integrated across/into Mission programs.

Achievement of this result will take the form of tangible LTT activities and actions carried out by the PSO, SO(s), or some combination thereof that deepen development impact. The degree of success of this IR will depend on the effectiveness of the PSO in promoting “behavior change” under IR 1.

Illustrative Indicators:

- Quantity and quality of LTT activities within the Mission portfolio (disaggregated by theme, tool, or linkage type)

- Theme or tool-specific indicators (e.g., for public-private alliances, the amount of non-USG funds leveraged per annum)

Illustrative Activities:

- Illustrative LTT activities and actions are presented earlier under Section C, as well as in each SO section, and annexed LTT Tables.

E. The PSO Team

The driving force behind the PSO is the PSO Team. The PSO Team is comprised of “Champions” drawn from each Mission SO and support office, who are charged (both individually and as a group) with championing the LTT approach across the Mission’s portfolio. PSO Champion roles are defined in a Team Charter. PSO Champions will serve as an information conduit between their respective SO/office and the PSO, and will also take on the role of promoting specific elements of the LTT approach. For example, the PSO Champion from the EG SO might take on responsibility for spearheading PSO efforts to link the EG SO with other SOs (i.e., EG linkage Champion), and also be the Mission’s principal resource person and promoter of public – private alliances (public – private alliance tool Champion). Activities of the PSO Team and LTT Champions will be guided by a strategic “LTT Action Plan” that maps out PSO actions. A PSO Manager, based in the Mission Program Office, is responsible for smooth function of the PSO Team, and maintenance of the PSO Team Charter, Action Plan, management of cross-cutting activities (e.g., Mission’s gender assessment) and monitoring/reporting performance. PSO Champions are collectively accountable for upholding the PSO Team Charter, for implementation of the PSO Action Plan, and for the results defined in the PSO RF.

F. Funding and Management of PSO Activities

Who pays for and manages PSO and LTT activities? In order to achieve its purpose of stimulating strategic use of LTT within the Mission portfolio, the PSO will employ various mechanisms designed to maximize the flexibility and responsiveness. In this regard, PSO activities are expected to fall into one of three “funding” categories:

1. PSO-funded. Some LTT activities will be funded by the PSO itself. The PSO can acquire funds through one of three means: a proportional levy on the Mission’s development SOs; contributions from two or more SOs for specific PSO activity initiatives; or from a non-Mission USAID source for a specific activity (e.g., Leland Initiative funds for an ICT activity). Activities in this category are likely to be cross-cutting theme or tool-related interventions serving all Mission SOs. The PSO Manager/Gender Advisor is also PSO-funded.
2. SO or joint-SO funded. In many cases, LTT activities will be funded directly by one or more SOs. Activities in this category might be theme activities (esp. HIV/AIDS and governance, as funded out of their own resources), or linkage activities, co-funded and co-managed by two or more SOs. In such cases, the PSO serves as the nexus of coordination to promote such programmatic arrangements.

3. No-fund. A number of key PSO activities and actions will not require separate funding, but rather rely on the efforts of the PSO Team and its members. Activities in this category include procurement tools (e.g., inserting LTT language into competitive solicitations), personnel policy, and information sharing, and awareness raising.

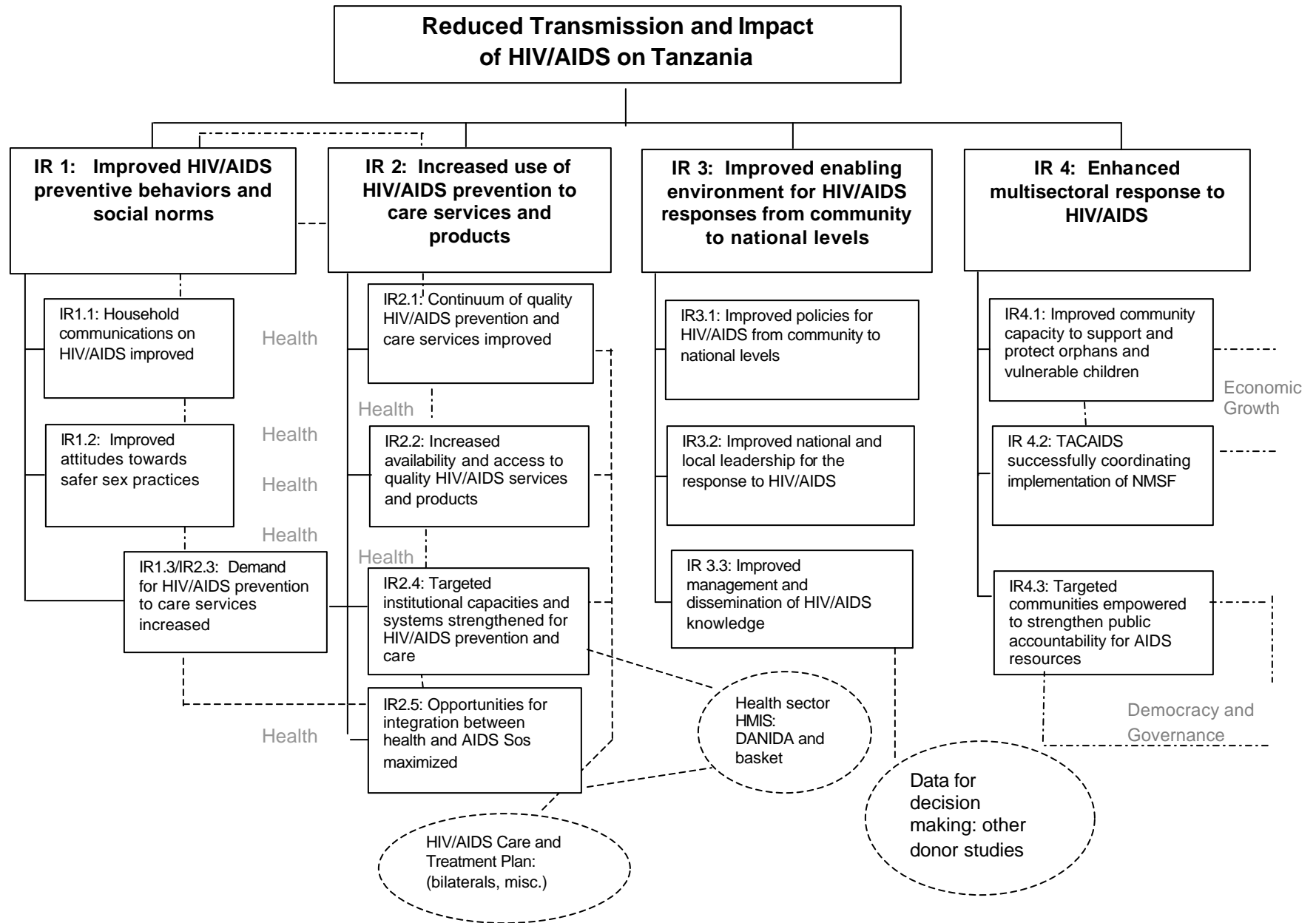
Management of LTT activities (i.e., grants, contracts, etc.) will be tailored to meet each programmatic situation in order to maximize effectiveness of the activity. In this regard, it is important to bear in mind that the PSO team consists of members drawn from Mission SOs and offices, where they perform their principal roles. However, activities can be managed either by the PSO or by an SO (or SOs):

1. PSO-managed. Some LTT activities will be managed under the PSO itself. Such activities would include cross-cutting theme or tool-related interventions serving all Mission SOs, generally funded through the PSO (e.g., via levy) or from a non-Mission, USAID source for a specific activity. Examples might include a cross-cutting gender mainstreaming grant, a training event on public – private alliances, or an ICT activity funded directly from a USAID/Washington initiative.
2. SO-managed. Many LTT activities will be managed under a “lead” SO. For example, the Civil Society Strengthening Omnibus Cooperative Agreement mentioned earlier would be managed out of the DG SO (as the logical technical “lead”), but with substantial involvement of the other contributing SOs. The role of the PSO in such cases is to promote the inter-SO dialog and that leads to identification, then effective design, implementation, and monitoring of the activity.

G. Linkage, Theme, and Tool Tables

Annex 18 includes additional detail on LTT to support understanding of the potential offered by their incorporation into the new strategy. The information is presented as a series of tables (one each for the three themes; one each for the three tools, and one table identifying high-level linkages between SOs). The information presented in the annexed LTT Tables is the product of PSO-led dialog among and between Mission staff and SOs.

**USAID/Tanzania
Country Strategic Plan
Expanded Results Frameworks**



Expanded Results Framework for Health

Development Context

- Efficient district and community-level applications of health reform in progress.
- Public-private partnerships and an efficient mix of public, voluntary and private sector provider services increasing.
- Quality in the provision of state-of-the-art RCH and ID services increasing.
- Stimulating critical citizenry, including the demand for quality RCH and ID services, is increasingly possible.

Critical Assumptions, or Risk to Program

- USAID Funding Levels of approximately \$9-12 million annually with RH close to 70%.
- Child health/nutrition and infectious diseases will receive significant support from other donors.
- The health sector reform process will continue as planned.
- District Basket allocation and use by nascent district health teams will improve.

SO
Health Status of Tanzania Family Improved
 Total fertility rate, under-five mortality rate

Outcome Intermediate Results
Target Health Practices Improved and Use of Health Services Increased
 LTPMs, intermittent presumptive treatment for malaria, vitamin A coverage, CPR

Intermediate Result 1

Communities Empowered to Practice Key Behaviors and Use Services for Target Health Problems
 Ind. 1.1: Knowledge of LTPM
 Ind. 1.2: Greater access to Contraceptives

1.1 Improved Community Outreach & Mobilization Programs (FBO, Public Sector, Soc Market., Env.)

1.2 Improved Knowledge & Practice of Preventative Behaviors (BCC, via FBOs, Public Sector and SM)

1.3 Increase Participation in Planning and Services (Community health teams, participation in district and facility planning, DG inputs)

Illustrative Activity Types

- Comprehensive community behavior change interventions (BCC, IEC, peer education and counseling, community mobilization, social marketing).
- Revitalized CBD programs.
- Civil society (NGO and FBO) advocacy training (with DG program), and health interventions to complement biodiversity program activities in the buffer zones of parks and protected areas.

Intermediate Result 2

Family level Access to Target Services Increased
 Ind. 2.1: RH program effort
 Ind. 2.2: Number of FBO providing LTPM

2.1 Increased FBO capacity in RH and CS (Umbrella grant program)

2.2 Improved availability of drugs and commodities (Log. Mngt.)

2.3 Better trained FBO and public sector providers (In-service trng. pre-service curricula updates)

Illustrative Activity Types

- Social marketing of FP/MCH services.
- Improved district level management capacity.
- Logistics management strengthening at the center and in selected regions/districts, and in-service training for FBO and public sector service providers.
- Curricula revision in pre-service training facilities.

Intermediate Results 3

Sustainability reinforced for target health program
 Ind. 3.1: Improved district management of RH/CS/ID activities
 Ind. 3.2: Increased district basket allocation for target health interventions

3.1 Better availability and use of data at central and district levels (DHS, IDS, Log Mngt.)

3.2 Improved District planning, budgeting and management of resources (ZTC training, DG inputs)

3.3 Reinvigorated Leadership in RH and CS (targeted leadership training program)

3.4 Increase resources allocated for RH and CS (policy dialogue with other donors)

3.5 More effective use of SWAp resources (policy dialogue with other donors)

Illustrative Activity Types

- Expand client choice of FP services, including access to LTPM.
- Training and retraining of health workers, (LTPM, Vitamin A and IPT of malaria as a part of FANC).

Incomes of small farmers increased in selected agriculture commodity sub-sectors.

Overall Indicators:

- 1: Increased sales revenues for members of participating producer organizations
- 2: Increased income of participating families

Development Context:

- The program seeks to improve quality of life in Tanzania through a market driven agricultural program. Ag is the principal source of income for Tanzania's predominantly rural population. Rural poverty is largely due to low agricultural incomes, hence increase of rural incomes is key to reducing rural poverty
- The program complements the Governments of Tanzania's Poverty Reduction Strategy (PRS) as Agriculture Sector Development Program.

Critical Assumptions/Risks to Program:

- The GOT remains committed to reforms outlined in the ASDS, and will support economic policy changes necessary to effectively implement the strategy
- The GOT and donor community remain committed to investing in infrastructure, such as roads, energy provision, and water that they are key to creating a favorable investment climate
- The producer associations targeted by the program will have access to sufficient financial services to support their commercial activities.
- Basic food need of most of the population are met in rural communities, allowing for increased public and private investments in the development of higher -value, more commercially-oriented agricultural enterprises
- A reasonable level of resources is allocated by USAID to the SO, allowing for a strong portfolio of activities to achieve our program goals

IR1: Increased Productivity of Selected Agricultural Commodities

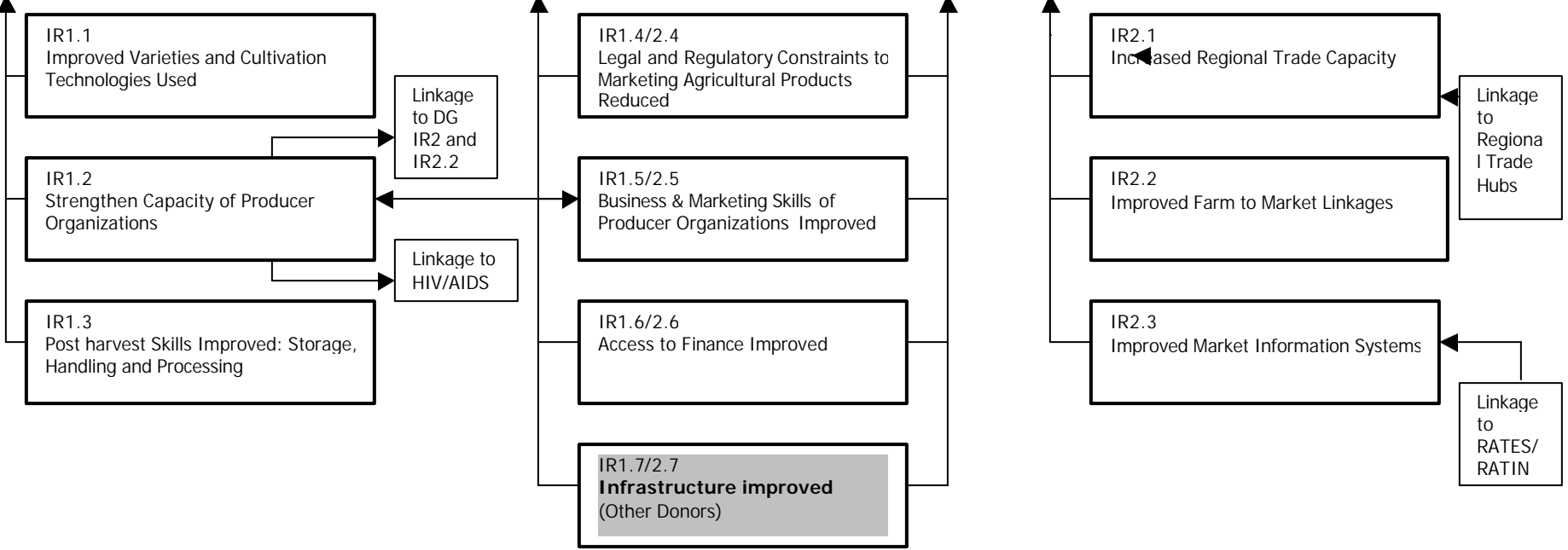
Indicators:

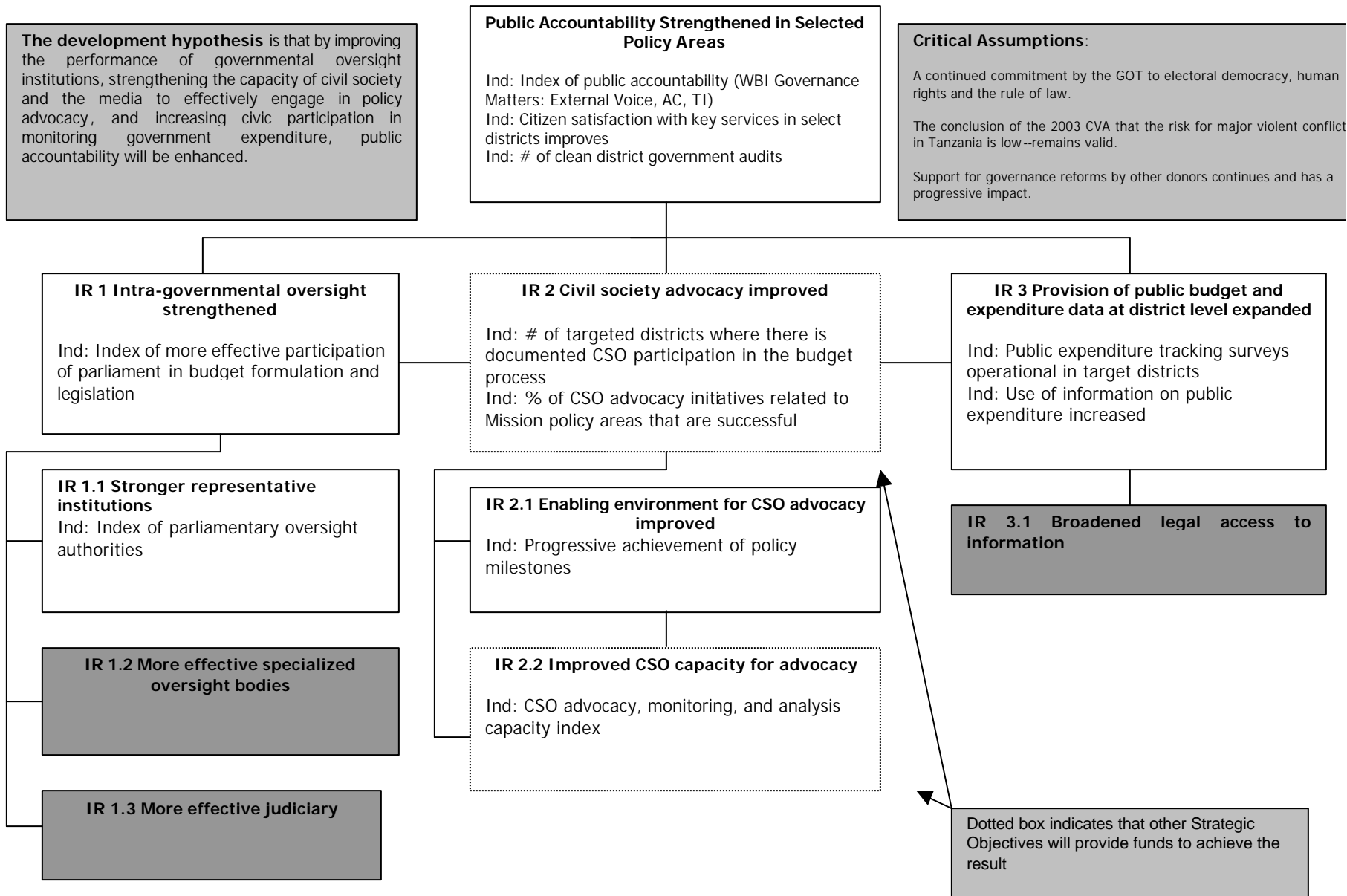
- 1.1: Increase in number of farmers in all assisted sub-sectors
- 1.2: Increased production of selected commodities by participating producer organizations
- 1.3: Output per unit of input in targeted sub-sectors increased

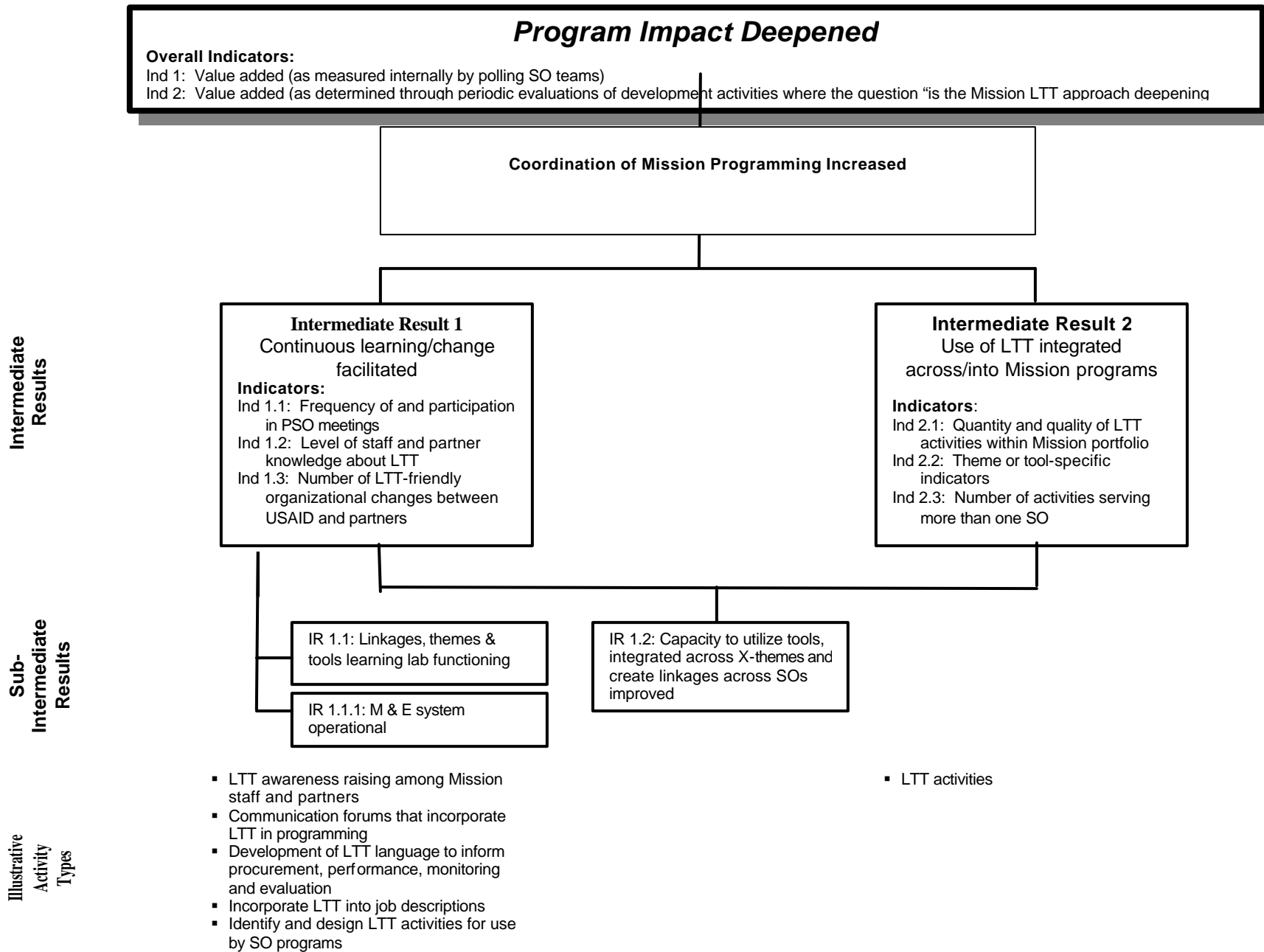
IR 2: Increased Trade of Selected Agricultural Commodities

Indicators:

- 2.1: Total volumes and values of sales facilitated by USAID funded activities
- 2.2: Total number of assisted producers selling high-value products







**USAID/Tanzania
Country Strategic Plan
Linkages, Themes, and Tools Tables**

Cross-Cutting Theme: GOVERNANCE

A **cross-cutting theme** is a development problem that the Mission has determined requires integration into and across all Strategic Objectives.

Governance: Good governance implies, *inter alia*, that government is accountable for public resources, makes tangible efforts to combat corruption, embraces participatory decision making processes in policy and law making and efficiently delivers quality public services. Since these principles will be incorporated into all of the Mission's strategic objectives, governance is a cross-cutting theme as well as a separate strategic objective in this new strategy.

Tanzania: The Tanzania political environment has undergone considerable liberalization since 1992, but much remains to be done to ensure the consolidation of democracy. While NGOs currently enjoy a broader range of civil liberties than in the past, their ability to influence political outcomes is limited. The re-introduction of multiparty politics was accompanied by only limited institutional change, and resulted in few real alternations in the operative rules of the political game. Formally democratic institutions have been superimposed on legal and institutional foundations constructed to support the single-party politics. While Tanzania has made important strides toward establishing a democratic state, progress toward good governance has been slower and more elusive.

What are some of the issues related to governance in Tanzania's SOs?

HIV/AIDS	Health	Economic Growth (EG)	Environment & Natural Resources (ENR)	Democracy & Governance (DG)
Achieving good governance in Tanzania is constrained by a lack of political competition, a nascent civil society, limited government capacity, minimal intra-governmental accountability, and constraints to accessing information.				
<ul style="list-style-type: none"> Corruption in the distribution and disbursement of high value ARVs Accountability of funds earmarked for HIV activities and services at the district level Policy reforms to protect the human rights of infected individuals <p>SO Response: HIV interventions at the district level will institutionalize systems thereby increasing accountability for resources dedicated to fighting HIV and guaranteeing the human rights of infected individuals. Product delivery mechanisms will also ensure product security.</p>	<ul style="list-style-type: none"> Limited community involvement in planning, budgeting, and management of resources earmarked for health services threatens the success of the HE SO Lack of district government capacity to manage resources <p>SO Response: Increasing community participation in planning, budgeting, and improving service delivery. Enhance district government capacity to manage resources.</p>	<ul style="list-style-type: none"> Weak producer and business associations limit their ability to affect policies conducive to an enabling private sector for SMEs Lack of accountability hinders producer associations' ability to attract members <p>SO Response: A key component to our EG strategy is creating effective and professional producer organizations, to serve their members after our interventions end. Key to this strategy are well run, competent organizations that exhibit proper corporate governance, and also serve as advocates at the local and national levels for more competent, transparent government. More professional and effective government will also mean a better environment for investment and further economic growth.</p>	<ul style="list-style-type: none"> Slow and incomplete implementation of key policies Weak capacity to implement key ENR policies by communities and local government Accountability and equity of resources distributed to communities by TANAPA, Wildlife Division <p>SO Response: ENR interventions will target key land use stakeholders to jointly implement policies designed to conserve the environment and derive sustainable economic benefits.</p>	<ul style="list-style-type: none"> Limited intra-governmental accountability Weak civil society with limited capacity to hold the government accountable Limited involvement of civil society in budgeting process and expenditure review at national and district level <p>SO Response: DG interventions will increase the accountability of resources targeted to Mission priority sectors at the district level, and will increase the effectiveness of civil society to influence and implement policies. They will also enhance parliament's role in the budget process and monitoring of the PRS.</p>
<p>Mission-Wide Response:</p> <ul style="list-style-type: none"> ✓ Design and implement governance activities serving multiple sectors ✓ Integrate governance considerations in competitive solicitations ✓ DG Team will advise SOs on how to incorporate governance as a theme in competitive solicitations ✓ DG Activities will address accountability of public funds and service delivery in Mission priority sectors 				

Cross-Cutting Theme: HIV/AIDS

A **cross-cutting theme** is a development problem that the Mission has determined requires integration into and across all Strategic Objectives.

HIV/AIDS: In 2003, the Mission developed an HIV/AIDS strategy that supports an integrated approach to address the broad issues surrounding the HIV/AIDS including economic, gender, human rights, and environmental variables. In spite of the cross-cutting nature of USAID's HIV/AIDS approach, given the dramatic increase in resources and the exceptionally high demand for rapid activity implementation and careful financial management and accountability, HIV/AIDS is now a separate strategic objective in this new strategy as well as a cross-cutting theme.

What are some of the issues related to HIV/AIDS in Tanzania's SOs?

HIV/AIDS	Health	Economic Growth (EG)	Environment & Natural Resources (ENR)	Democracy & Governance (DG)
HIV/AIDS impacts on health status, poverty, human resources and labor. It affects children, youth, productive adults and the elderly.				
<ul style="list-style-type: none"> Uncontained epidemic requiring a focus on preventing new infections, while providing quality care, and respect for individual rights for people already infected. Lack of comprehensive national multi-sectoral response that integrates prevention, care and impact mitigation at the national and community level <p>SO Response: USAID is providing strategic communication and social change initiatives to targeted population groups; quality prevention, care and treatment services, and products through a continuum of care; and resources to strengthen family and community capacity to increase the numbers of orphans receiving care and support.</p>	<ul style="list-style-type: none"> Weak health sector infrastructure and systems to meet health and AIDS needs Vulnerability to the diversion of resources (funds, personnel, facilities) away from the non-AIDS health issues of 90% of the population in order to meet treatment needs <p>SO Response: USAID is working to: strengthen health systems (logistics, human resources, labs, facilities); support in writing and disseminating needed policies and guidelines for treatment; support the collection and dissemination of data for decision making; and the integration of health and AIDS.</p>	<ul style="list-style-type: none"> As a direct result of AIDS, reduced numbers of productive workers, including those in the agriculture sector Exacerbated poverty among orphans and communities caring for orphans and vulnerable children <p>SO Response: Will use producer orgs as focal points for developing "Workplace HIV/AIDS Programs" to provide knowledge and info., access to resources, and other interventions to educate and help reduce the vulnerabilities of both employers and labor. SO will work to ensure that educational material is provided to all participating producer orgs as part of the effort, and renewed periodically. Our programs to introduce appropriate technologies include efficient machines that will help to respond to the HIV-related labor shortage.</p>	<ul style="list-style-type: none"> Increased morbidity in communities affected by AIDS reduces the number of productive participants in ENR enterprises and activities Environmental practices diminish in communities affected by AIDS due to outright coping strategies <p>SO Response: In partnership with the AIDS SO, ENR SO interventions are targeting families and communities affected by AIDS for inclusion in ENR income producing programs.</p>	<ul style="list-style-type: none"> Limited oversight and control by communities and parliament over resources allocated for their response to AIDS resulting in misuse of these funds <p>SO Response: In partnership with the AIDS SO, DG interventions will work to increase the involvement of Parliament in HIV/AIDS decision making; increase accountability through improved oversight of AIDS resources and strengthen civil society's capacity to advocate for AIDS resources and delivery of quality services.</p>
<p>Mission-Wide Response:</p> <ul style="list-style-type: none"> ✓ Improve overall awareness of the potential impact of HIV/AIDS on sectors; mitigate the deleterious effects of the sector on the prevalence of HIV/AIDS mitigated ✓ Health status of target populations improved through access to prevention, treatment and care, including through workplace policies and programs ✓ Capacity of all mission partners strengthened to understand and apply national policies on HIV/AIDS ✓ Multi-sectoral approaches increase engagement of DG, NRM and EG leaders ✓ Increased access by vulnerable children and families to economic support through EG and ENR enterprises ✓ Reduced corruption and misuse of HIV/AIDS resources through targeted communities empowered to strengthen public accountability for AIDS resources 				

Cross-Cutting Theme: GENDER

A cross-cutting theme is a development problem that the Mission has determined requires integration into and across all Strategic Objectives.

Gender “refers to the economic, social, and political and cultural attributes and opportunities associated with being male and female....The nature of gender definitions (what it means to be male and female) and patterns of inequality vary among cultures and change over time.” (OECD, 1998)

Tanzania. Despite its poverty, Tanzania has historically and in recent years taken efforts to address gender inequalities, particularly in such areas as access to education and legal rights. However, women continue to be disadvantaged relative to men in several key areas that significantly impact Tanzania’s ability to achieve its development goals. Reform of the Land Act in 1999 did not fully equalize men’s and women’s rights to own land and inherit property under official or customary law. Women continue to attain lower rates of literacy, education, and employment. As a result, most women remain economically marginalized. These inequalities also have a negative effect on their health and fertility, and contribute to the increasing rates of HIV/AIDS. Due to these inequalities, USAID/Tanzania is committed to integrating gender into the program.

What are some of the gender issues related to Tanzania’s SOs?

HIV/AIDS	Health	Economic Growth (EG)	Environment & Natural Resources (ENR)	Democracy & Governance (DG)
Women’s economic empowerment in Tanzania is constrained by lack of access to knowledge about credit, lack of rights to property, lack of education, and discriminatory attitudes towards women’s entry into certain occupations.				
<ul style="list-style-type: none"> Social norms and stigma directly related to gender contribute to increasing rates of HIV/AIDS Women’s inequalities related to access to education economic empowerment and legal rights contribute to increasing rates of HIV/AIDS <p>SO Response: HIV interventions will ensure delivery of services with equitable access and requisite focus to men & women. HIV SO will increase male & female involvement in specific activities that either group does not traditionally participate in.</p>	<ul style="list-style-type: none"> Women’s inequalities related to access to education, legal rights, and health services have a negative effect on their health and fertility and contribute to increasing rates of HIV/AIDS <p>SO Response: Health interventions give attention to provider biases and inter-personal communication skills. Health SO will collect, review & act on sex disaggregated data in PMP.</p>	<ul style="list-style-type: none"> Poverty levels: women’s income levels are 50% of men’s Some commodities are viewed as being “men’s” or “women’s”, thereby impacting gender relations and income distribution <p>SO Response: EG interventions have been and will continue to be will be designed with specific attention given to gender considerations. As crops for assistance are identified, gender roles and traditional labor patterns will be considered. SO also focuses on the introduction of appropriate technologies, which allow women to provide more labor inputs into the production process, thus increasing their access and participation.</p>	<ul style="list-style-type: none"> Women’s empowerment is needed along with devolution of power to local communities to ensure sustainable NRM <p>SO Response: ENR interventions will target marginalized community members. ENR will promote inclusive participation in NRM within communities. ENR will promote gender mainstreaming (e.g., by-laws reflect gender balance in benefit sharing, access)</p>	<ul style="list-style-type: none"> Equal access to political process is basic condition of democracy <p>SO Response: DG interventions will employ mainstream techniques such as requiring specific emphasis on women’s empowerment in capacity building activities with civil society. Support to women’s caucus in parliament to ensure budgets and legislation are reviewed by men and women.</p>
<p>Mission-Wide Response:</p> <ul style="list-style-type: none"> ✓ Integrate gender considerations in competitive solicitations ✓ Include gender awareness training, when appropriate, for Mission staff and implementing partners ✓ Support integration and monitoring of gender issues in Performance Monitoring Plan (PMP); - disaggregate people-level data by sex ✓ Hire Gender Advisor ✓ Include gender considerations in Portfolio Review 				

Cross-Cutting Tool: INFORMATION AND COMMUNICATIONS TECHNOLOGY

A cross-cutting tool is an implementation approach adopted as a means of deepening USAID/Tanzania’s development results. It is a “way of doing business” to implement tasks and activities more efficiently.

ICT: “The combinations of hardware, software and the means of communication that enable the exchange, processing and management of information and knowledge.” ICT’s include information and data repositories such as: online databases, the world wide web, and intranet; and means of communication including: e-mail, electronic discussion groups, videoconferencing, wireless technologies, and cell phones, etc.

What are some of the issues related to the use of ICT in Tanzania’s SOs?

HIV/AIDS	Health	Economic Growth (EG)	Environment & Natural Resources (ENR)	Democracy & Governance (DG)
<p>There is limited Internet access outside of Dar Es Salaam. 80% of Tanzania’s bandwidth is used in Dar. Lack of access is probably the biggest hindrance to the proliferation of ICT’s across Tanzania. The understanding of the opportunities provided by ICT’s is almost non-existent outside of Dar and the regional city centers which hinders the growth of the small and medium enterprises. While a National ICT policy was ratified in March 2003 creating an independent regulatory body, much is required to strengthen the overall policy environment.</p>				
<ul style="list-style-type: none"> Poor access to information to support changed behaviors and norms Weak linkages at facility level for targeted health systems (logistics, human resources) for referrals Limited dissemination of information for advocacy and policy initiatives <p>SO Response: HIV interventions include intermediate results to: increase access to information to support changed behaviors and norms; increase access to information for decision making to empower the client/end user of services, for products and services; increase health HIV/AIDS linkages at facility level in promoting use of ICT for targeted health systems and for referrals; and use of ICT for advocacy and policy initiatives.</p>	<ul style="list-style-type: none"> Limited skills and knowledge of teachers and health workers Limited skills and knowledge of Ministry staff <p>SO Response: USAID is exploring the possibility of an approach to health education for both teachers and health workers which would use ICT to upgrade skills and knowledge.</p>	<ul style="list-style-type: none"> Poor access to market and technology information Lack of business networks including those in niche crop markets Limited sharing of information on trade policies and regulations <p>SO Response: USAID is exploring methods to speed dissemination of market and technology information; ease business networking; and facilitate crop identification for niche markets.</p>	<ul style="list-style-type: none"> Limited dissemination of info on best practices between partners and stakeholders Limited sharing information on policy and laws Limited exchange of market info Limited dissemination of resource inventory data for planning <p>SO Response: ENR interventions will disseminate available information on best practices between partners and stakeholders; educate and enhance awareness of policies and laws; exchange market information; provide resource inventory data and make it more easily accessible for planning (e.g. GIS).</p>	<ul style="list-style-type: none"> Lack of a user friendly website for Parliament to share draft bills and other key documents, and parliamentary & committee agendas with the public Lack of publicly available information on public finance at all levels. <p>SO Response: DG interventions will work to create a web site for the Parliament. Create information clearing house and web site dedicated to collecting, analyzing, and distributing key public financial information.</p>
<p>Mission-Wide Response:</p> <p>✓ ICT can be an effective tool, if used strategically, to spur economic and social development. To capitalize on ICT potential, the Mission is implementing an ICT Initiative, and is fully integrating ICT into Mission operations and programs. The Mission’s “I” Team seeks synergies between SO team needs and activities in relation to ICT. USAID participates with other donors in a Development Assistance Committee (DAC) working group, as well as with the government and the private sector, to share ICT information and learn about opportunities for the Mission’s programs. These efforts will be continued and expanded.</p>				

Cross-Cutting Tool: PUBLIC-PRIVATE ALLIANCES

A **cross-cutting tool** is an implementation approach adopted as a means of deepening USAID/Tanzania’s development results. It is a “way of doing business” to implement tasks and activities more efficiently.

Public Private Alliances: Official USG assistance accounts for only a minority share of the flow of resources from the United States to developing countries. Foundations, private for-profit companies, non-governmental organizations and other entities are becoming increasingly active in financing development efforts. They often seek synergies with other efforts. USAID seeks alliances with these other entities where they bring material and significant non-federal resources to more fully address development challenges.

What are some of the issues related to the use of public-private alliances in Tanzania’s SOs?

HIV/AIDS	Health	Economic Growth (EG)	Environment & Natural Resources (ENR)	Democracy & Governance (DG)
Diminishing levels of development assistance, the move toward greater proportions of the development investments coming from the private sector and untapped opportunities in Tanzania, strongly argue for more use of this tool by USAID/Tanzania.				
<ul style="list-style-type: none"> Opportunities for greater involvement of the private sector in the national response to HIV/AIDS Greater understanding of private sector needs and concerns as they relate to the workplace and specifically HIV/AIDS impact on their productivity <p>SO Response: HIV interventions will explore other avenues for public-private partnerships building on the corporate social responsibility movement as well as the private sector’s increasing commitment to protecting its own human resources through HIV/AIDS prevention and treatment programs.</p>	<ul style="list-style-type: none"> Untapped NGO/FBO potential to contribute to national child survival and family planning objectives through their “wider” network of churches, pastors, women’s groups, youth groups and other stable infrastructure <p>SO Response: Health interventions will explore other avenues for public-private partnerships building on the corporate social responsibility movement.</p>	<ul style="list-style-type: none"> Untapped support for emerging business associations Untapped public sector/private sector forums to mobilize investment, combine skills and resources, inform policy dialogue, increase policy and regulatory predictability Untapped public-private partnerships to promote dialogue <p>SO Response: The EG SO will support existing and emerging alliances to link the public and private sector to both increase the effectiveness of USAID resources, and to stimulate more investment in Tanzania. Business Organizations will be utilized to help encourage and link up partners.</p>	<ul style="list-style-type: none"> Untapped corporate interest in conservation Untapped conservation-oriented investments from profit-motivated business Lack of awareness of the public-private business model <p>SO Response: ENR interventions will seek to leverage investment from both conservation-oriented and profit-motivated groups. A number of opportunities are present, as several current program partners have demonstrated.</p>	<ul style="list-style-type: none"> Untapped public-private partnerships to increase government accountability and the flow of information. <p>SO Response: DG interventions will seek opportunities for alliance building to increase the flow of public financial data through ICT.</p>
<p>Mission-Wide Response:</p> <p>✓ USAID will use its resources and expertise to assist strategic partners in their investment decisions and stimulate new investments by bringing in new actors and ideas to the development assistance arena. By systematically incorporating public-private alliances as a Mission tool, USAID/Tanzania’s activities will increase their reach, and their access to capital, technology and materials. The Mission will build on its experience with developing public-private partnerships to actively pursue partnerships and alliances with private voluntary organizations, foundations, the private sector and institutions of higher education.</p>				

Cross-Cutting Tool: CAPACITY BUILDING

A cross-cutting tool is an implementation approach adopted as a means of deepening USAID/Tanzania’s development results. It is a “way of doing business” to implement tasks and activities more efficiently.

Capacity Building: A lack of human and institutional capacity exists when it is a significant constraint to development in as sector. Capacity building strengthens partners’ ability to be effective, both programmatically and organizationally, and to use resources for maximum outcomes.

What are some of the issues related to the use of capacity building in Tanzania’s SOs?

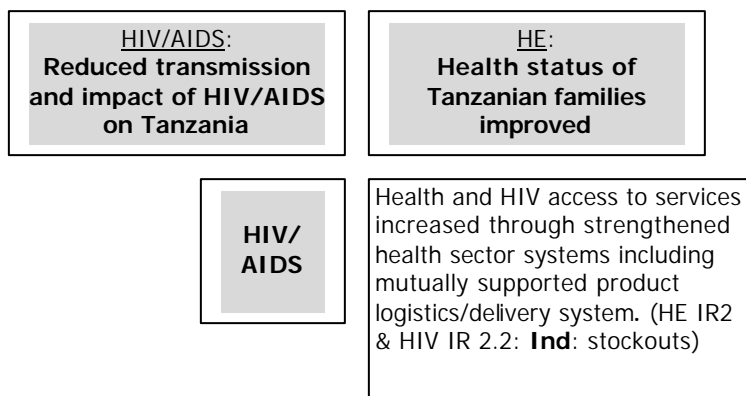
HIV/AIDS	Health	Economic Growth (EG)	Environment & Natural Resources (ENR)	Democracy & Governance (DG)
<p>For a range of reasons, lack of human and institutional capacity constrains development in most sectors in Tanzania. For example, civil society lacks the capacity to participate effectively in public affairs because of their lack of exposure to successful democracies; citizens see little incentive to join opposition parties because they associate the ruling party with wealth, access to power and contracts and as a nostalgic connection to the country’s first president and idol, Julius Nyerere. The country’s capacity to manage health sector programs and institutions has declined drastically in the face of HIV/AIDS losses and there has been a steady drain of many qualified health personnel to other African countries because salaries are low.</p>				
<ul style="list-style-type: none"> Lack of skills for both service providers (in prevention, support, and care and treatment) and people affected by AIDS (PLHA, orphans who need vocational training and guardians who require better agricultural or business skills to meet the needs of children for whom they now care) <p>SO Response: HIV interventions target community, non-governmental, faith-based as well as governmental organizations and institutions and systems for capacity strengthening to supply prevention, care, treatment and community support services. Conventional and innovative approaches will be used such as twinning, volunteer medical corps and distance learning.</p>	<ul style="list-style-type: none"> Limited capacity to manage health sector programs and institutions. This affects NGO/FBO health as well as public sector health institutions at the national and district levels Limited experience and capacity of district health team members to handle the devolution of many health sector responsibilities <p>SO Response: Health interventions target community, non-governmental, faith-based organizations and government institutions for capacity strengthening.</p>	<ul style="list-style-type: none"> Lack of capacity of producer associations and firms to respond to market opportunities Lack of capacity of policy players to affect changes in policies Lack of capacity of business associations to mobilize resources to improve marketing and access inputs Inefficient producer associations <p>SO Response: EG interventions will focus on building the capacity of producers to improve their cultivation practices, installing the capacity to continue to train farmers in producer organizations. At the national level, key associations will be given targeted training to enable them to effectively lobby the Government for reforms to make the country more competitiveness and receptive to investment.</p>	<ul style="list-style-type: none"> Limited human and institutional capacity inhibits: <ul style="list-style-type: none"> Policy/Legal framework formulation Environmental advocacy Natural resources planning and management Conservation enterprise formation and operation Weak governance capacity <p>SO Response: ENR interventions will target marginalized community members. ENR will promote inclusive participation in NRM within communities.</p>	<ul style="list-style-type: none"> Lack of capacity of civil society to participate effectively in public affairs including influencing government policies, and holding the government accountable. Parliament lacks capacity to exercise oversight authority <p>SO Response: Capacity building is the primary mode of intervention for the majority of DG activities and is critical to empowering civil society and other non-governmental entities to take a more activist monitoring role in Tanzania.</p>
<p>Mission-wide Response:</p> <ul style="list-style-type: none"> Every SO benefits from capacity building, whether through research, education or policy development. Capacity building strengthens partners’ ability to be effective, both programmatically and organizationally, and to use resources for maximum outcomes. The Mission will identify interventions (such as training) that will enhance skill development and facilitate full participation of Tanzanians in their community, national, and global development. The Mission is committed to ensuring that Mission and partner capacity building activities are undertaken as needed to ensure that skills, policies, procedures, controls and systems are in place to support performance measurement, reporting and management. 				

iii. Linkages

Linkages between each SO with every other Mission SO are embodied in their respective RFs. As such, each SO relies on every other SO for achievement of results, as they together strive towards the overarching Mission Goal. In other words, each SO's RFs share at least one common result with every other SO.

The matrix on the following page presents information on the most significant linkages between each SO and each of its four cohort SOs. The table lists each of the five SOs horizontally under the overarching Mission Goal, as well as vertically, creating a matrix that allows presentation of the most important (i.e., highest-level) linkages between the SOs. Within the matrix, each of ten linkage boxes presents information on the linkage between two particular SOs. Information presented within each linkage box includes: description of the linkage; identification of the linked IRs on the two SOs' respective RFs; and a description of the indicator (because data defines the sharing of the result).

For example, the HIV/AIDS SO – Health SO linkage box (see upper left-hand corner of matrix) is as follows:



The linkage box presents the following information:

- The linkage: Health and HIV access to services increased through strengthened health sector systems including mutually supported product logistics/delivery system
- The linked IRs: Health IR 2 is linked to HIV/AIDS IR 2.2
- The Indicator: Stockouts

Based on identification of the linkage, the two SOs are then able to develop mutually supportive activities. Illustrative activities for this linkage might include:

1. Commodity/logistics manual developed for all health and HIV/AIDS-related commodities.
2. Pilot test manual in one region and revisions conducted with health/HIV optic.
3. Training, system design, and rollout with providers offering integrated services.

For a fuller exploration of linkages between the five SOs, please refer to the detailed RFs for each SO in Annex XXX.

Linkages Matrix

Goal: Improve the Quality of Life in Tanzania

HIV/AIDS:
Reduced transmission and impact of HIV/AIDS on Tanzania

HE:
Health status of Tanzanian families improved

EG:
Income of selected producer association members increased

ENR:
Biodiversity conserved in targeted landscapes

DG:
Public accountability strengthened in selected policy areas

HIV/AIDS

Health and HIV access to services increased through strengthened health sector systems including mutually supported product logistics/delivery system. (HE IR2 & HIV IR 2.2: **Ind:** stockouts)

Producer association families caring for orphans/vulnerable children receive technical assistance in productivity, trade, and reducing marketing constraints to increase their income. (EG SO & HIV IR4.2 **Ind:** sales revenue)

Selection of buffer zone communities around targeted landscapes for HIV prevention interventions contributes to better health of conservation enterprise members. (HIV SO & ENR IR3.1.1 **Ind:** Members receiving ARV therapy)

Civil society organizations strengthen accountability for AIDS resources through training and technical assistance in advocacy and monitoring skills. (DGIR2.2 & HIV IR4.3 **Ind:** financial survey)

HE

By selecting Producer Associations as customers, HE contributes to better health of members. (EG IR1.5/2.2 & HE SO **Ind:** Under 5 mortality rate)

By selecting Conservation Enterprises as customers, HE contributes to better health of members. (ENR IR3.1.1 & HE SO **Ind:** Under 5 mortality rate)

DG provided training, technical assistance, and information will help NGOs/FBOs increase participation in district and health facility planning. (DG IR3.3 & HE 1.3 **Ind:** participation level)

EG

Conservation enterprises receive technical assistance in productivity, trade, and reducing marketing constraints to increase income. (ENR IR 3 & EG SO **Ind:** sales revenue)

Producer Associations will reduce constraints to marketing agricultural products by advocacy/ monitoring training, and access to information. (DG IR3, DG IR2.2, & EG IR3 **Ind:** # constraints removed)

ENR

One DG policy area is the application of "Policies and laws that integrate conservation and development" (DG SO & ENV IR1 **Ind:** community report card [on application])

Linkage: a shared result (as defined by a common indicator/s) between two or more SOs. The result appears in two or more results frameworks.