

# TANZANIA High-Priority Country Plan

#### GLOBAL WATER STRATEGY | 2022-2027

In 2022, Tanzania was re-designated as a High-Priority Country under the new U.S. government Global Water Strategy (the GWS or "Strategy"). Over the five-year Strategy period, USAID/Tanzania will continue to work with the Government of Tanzania (GoT) to strengthen water sector governance, address key financing gaps, and increase access to area-wide, sustainable water and sanitation services. USAID/Tanzania's investments will provide at least 840,000 Tanzanians with access to sustainable drinking water services, help over I million people gain sustainable access to sanitation services, mobilize \$10.9 million in new funding for water, sanitation, and hygiene (WASH), and strengthen 50 water and sanitation institutions to manage water resources or provide sustainable water and sanitation services.

# CONTEXT

Tanzania is the fifth largest country by population in Africa, with 61.7 million people.<sup>1</sup> Over 65 percent of the population lives in rural settings and has limited access to WASH services. Tanzania has an average annual population growth rate of 3.2 percent, the third highest in the world, and its population is projected to reach 140 million in 2050. High fertility and a lack of family planning will increase pressure on the already declining water resource base. GoT WASH institutions are unable to meet the current demand and the larger population will require access to sustainable WASH services.

#### Water Security, Sanitation, and Hygiene (WSSH) status

Many Tanzanians still lack access to adequate WASH services.<sup>2</sup> Only 64 percent of households have access to a basic water supply system, 32 percent have access to basic sanitation services, and 48 percent have access to basic handwashing facilities. Additionally, 10.6 percent of the population continues to practice open defecation, which creates serious health risks. Rural areas lag behind urban centers in all WASH dimensions, and all basic coverage indicators are below 50 percent in most rural areas. Improved access to WASH services is critical to reducing poverty, improving health, and increasing human productivity. Some parts of Tanzania are facing a water security crisis due to varying water quantity and quality across basins. Demand for water in these areas sometimes exceeds available resources. The GoT's 2022 status report indicates 2,330 cubic meters of water are available per person per year. The trend of historical data from 1967 to date shows that the per capita amount of renewable water resources has continued decreasing, although it is still within the acceptable international standards. Despite abundant renewable water resources, Tanzania is projected to be a water stressed<sup>1</sup> country by 2050 due to high population growth, climate change, and the demands of a growing economy. A lack of improved WASH services and well managed water resources worsens health outcomes, undermines economic growth, and increases the likelihood of water-related conflicts. A recent World Bank report<sup>3</sup> estimates that inadequate WASH services cost Tanzania over \$2.4 billion each year, equal to 3.2 percent of its 2022 gross domestic product (GDP).

i A country is considered to be water stressed if the annual renewable water resources per person per year are below 1,700 cubic meters.

#### Challenges

Over the past decade, access to safe water sources in Tanzania has improved, albeit slowly. The sector faces a number of challenges that limit Tanzania's progress toward universal access to sustainable WASH services, including the following:

- Nonfunctioning existing water points: This is the most critical challenge for water services in Tanzania—over 30 percent of rural water schemes are nonfunctional and another 10 percent need significant rehabilitation. Many of these water points fail within a few years, largely due to the absence of a clear strategy for ensuring professionalized management and maintenance of both existing and planned water points. This includes issues like a lack of technical knowledge, funding for operation and maintenance, and access to materials.
- High coverage of sanitation facilities that do not meet Joint Monitoring Programme (JMP) and health standards: Tanzania remains off-track to reach its goals for access to sanitation. While open defecation rates in Tanzania are low (10.6 percent) compared to other countries in Sub-Saharan Africa (22.6 percent), most latrines in rural areas are of low quality and do not meet JMP and health standards. There is no clear strategy to ensure a robust supply chain of sanitation products and services, a lack of private sector and household engagement in maintaining sanitation infrastructure, and an absence of private sector access to financing for provision of sustainable sanitation and hygiene services.
- **Declining water resources base:** Tanzania's water resources are abundant, but unevenly distributed across the country, rapidly declining, and in need of better management. While it currently has a much higher per capita renewable water resources endowment compared to neighboring countries, projections indicate that this may not continue due to the growing economy, increasing urbanization, and high population growth. Growing threats to water resource availability and quality are compounded by several factors, including catchment mismanagement, unsustainable agricultural practices, and climate change impacts.
- **Insufficient sector financing:** The water sector receives an annual budget allocation averaging \$338.1 million, equivalent to 0.5 percent of Tanzania's GDP or only 2 percent of the national budget. If this trend continues and alternative financing apart from the GoT budget allocation is not explored, it will take decades for Tanzania to meet the Sustainable Development Goals (SDGs) for WASH access.

#### **Opportunities**

Despite the challenges, opportunities exist to accelerate progress toward WASH goals in Tanzania, including the following:

- Sector reforms: The Rural Water Supply and Sanitation Agency (RUWASA) offers an opportunity to shape the future of rural WASH services and their sustainability. Since it was established three years ago, RUWASA has worked with development partners including the World Bank, the United Kingdom Foreign, Commonwealth, and Development Office, and USAID's Maji na Usafi wa Mazingira (Water and Environmental Sanitation) Activity to develop and strengthen systems for WASH service delivery.
- **Tanzania's growing economy:** Tanzania has one of Africa's fastest growing economies. The World Bank estimates that the country's GDP grew 4.6 percent in 2022, greater than the 3.8 percent average for Africa, and higher than the 4.3 percent growth in 2021. If this trend continues, the GoT will have higher tax revenue and be able to spend more on public services such as WASH. The growing economy will also increase the amount of individual and household income available for investment in sustainable WASH services, such as domestic latrines.
- **Private sector engagement:** The GoT has continued to develop enabling legislation, policies, and action plans for private sector participation in the water sector. The Water Supply and Sanitation Act of 2019 explicitly authorizes Water Supply and Sanitation Authorities (WSSAs) and Community-Based Water Supply Organizations (CBWSOs) to enter into agreements with the private sector to deliver services. This is complemented by the Public Private Partnership (PPP) Act of 2018, which permits contracting authorities such as the Ministry of Water to establish PPP agreements. Local Government Authorities (LGAs) are showing an interest in partnering with the private sector to extend sanitation services to off-grid areas. There is also growing interest among domestic private sector players to take on new roles in the provision of water services, for example through PPPs for operations and maintenance services. Banks have also shown interest in providing commercial financing for water utilities.

• Youth: Youth (individuals ages 15 to 35 years) account for 34.5 percent of Tanzania's population.<sup>4</sup> There is a significant opportunity to engage youth, especially by supporting them to establish organizations or private companies that can be delegated as WASH service providers by RUWASA.Youth are also key agents of social changes in sanitation and hygiene behavior, including playing advocacy roles that can lead to improved access to and adoption of WASH services.

# NATIONAL PRIORITIES

Water is recognized as a cross-cutting enabler in the 2025 Tanzania Development Vision (TDV). The Water Sector Development Program (WSDP), Tanzania's overall water sector guiding strategy, is aligned with the TDV. The objective of the WSDP is to achieve universal access to water and sanitation services by 2030. Its first phase was implemented from 2006 to 2015, with a total investment of \$1.4 billion. In 2016, the GoT launched the second phase of the program, WSDP-2, with the ambitious target of achieving 80 percent access to improved water supply and 75 percent access to improved sanitation in rural areas by 2019. However, these goals were not met.WSDP-3 was launched in July 2022, and this final phase runs until June 2026 with total financial requirements of \$6.46 billion. The World Bank is the major contributor in the WASH sector and recently committed to loaning the GoT \$655 million to support the implementation of WSDP-3 priorities. This funding will be used to strengthen WASH delivery systems, policies, and legislation governing the sector. USAID will complement these efforts through its programs focusing on capacity-building for both state and non-state actors, working with the GoT to develop and strengthen service delivery systems, and engaging the private sector in both financing and sustaining the service level reached.

# USAID APPROACH AND RESULTS FRAMEWORK

USAID/Tanzania's investments are designed to support the achievement of all four strategic objectives under the GWS. Its WSSH investments include the flagship five-year Maji na Usafi wa Mazingira (MUM) Activity (2021–2026) MUM's key objectives address GWS Strategic Objectives (SOs) 1, 2, and 3, as detailed below. In addition, USAID/ Tanzania funds the Mara River Catchment and Conservation Activity (2022–2025), which aims to address SO 3. Forthcoming work includes a WASH infrastructure support activity, WASH contributions to a nutrition activity, (SO 1, SO 2), and expanding MUM to Tanzania's Western Zone. The expanded MUM Activity will address all four Strategic Objectives.



# **STRATEGIC OBJECTIVE I**

#### Strengthen Water and Sanitation Sector Governance, Financing, Institutions, and Markets

#### Intermediate Results (IRs):

**IR 1.1 Develop, strengthen, and implement inclusive laws, policies, and regulations:** The structural reforms instituted by the 2019 Water Supply and Sanitation Act, especially the creation of RUWASA, provide an opportunity for USAID/Tanzania to support improvements in the government's capacity to plan, finance, and oversee water and sanitation services and increase accountability to citizens. Through the MUM Activity, the Mission is supporting the Ministry of Water to finalize, disseminate, and operationalize the National Water Policy and develop a national coordination platform between donors and the GoT. USAID/Tanzania is also supporting sector actors to advance the development of financing strategies that focus on reforms to incentivize performance and creditworthiness, and streamline project preparation that will improve access to WASH infrastructure financing.

**IR 1.2 Effectively mobilize and target public and private financing:** USAID/Tanzania will also work to increase access to finance for WASH at the household, business, and service provider levels. The Mission will explore innovative funding opportunities to support the National Water Investment Fund and engage with financial institutions in the overall effort of mobilizing new funding for the WASH sector. Through the MUM Activity, USAID/Tanzania will provide technical assistance and capacity- building to small and medium enterprises, including those owned by women and youth, to improve their ability to access finance for household sanitation and hygiene products, fecal sludge management, water scheme maintenance, or other WASH goods and services.

**IR 1.3 Improve the capacity and performance of regional, national, and subnational institutions:** USAID/ Tanzania works to improve the capacity of government institutions and the private sector at all levels. At the national level, USAID provides technical assistance to the Ministry of Water and RUWASA on data collection and implementation of a monitoring information system to track national WASH services and enable better decisionmaking and targeting of resources. Through the MUM Activity, the Agency also supports regional institutions, including RUWASA, in establishing learning hubs and engaging with WASH services users in the overall planning, implementation, operation, and maintenance of WASH infrastructure. USAID also builds the capacity of basin water boards and water user associations to collect revenue, use data to inform decisions, engage with water users in participatory processes, and support the needs of water service providers.

**IR 1.4 Advance transparency, accountability, equity, and efficiency through participatory, data-driven decision-making:** USAID/Tanzania will support the equitable allocation of resources and government accountability for delivering water and sanitation services by providing technical and administrative assistance to the Tanzania Water and Sanitation Network, including promoting the voices of youth in these advocacy efforts. USAID will also support advocacy for policy change that breaks down the structural barriers preventing women from accessing WASH services, and increases support from key community leaders for women's participation in water-related decision-making.

# **STRATEGIC OBJECTIVE 2**

Increase Equitable Access to Safe, Sustainable, and Climate-Resilient Drinking Water and Sanitation Services and the Adoption of Key Behaviors

#### Intermediate Results (IRs):

**IR 2.1 Increase area-wide access to safe, equitable, and affordable sanitation services:** The scale of investment required to deliver sanitation services to those who lack access is beyond the capacity of public finance alone. The private sector has proven itself as a key player in the provision of on-site sanitation solutions, and there are opportunities to engage youth in this area. USAID/Tanzania will continue to strengthen the market for sanitation by supporting sanitation enterprises, strengthening supply chains for sanitation products, expanding access to finance for sanitation, and building demand. Through the MUM Activity, USAID will provide technical assistance in business development, marketing, and management to sanitation and hygiene market actors and will support the development of fecal sludge treatment interventions, pro-poor enterprise models for containment, and comprehensive Citywide Inclusive Sanitation plans.

**IR 2.2 Increase access to equitable, safe, reliable, and affordable drinking water services:** In partnership with RUWASA and urban water utilities in small towns, USAID/Tanzania will focus on building the sustainability of rural and small town water services by building capacity and professionalizing operations and maintenance. Under the Water Supply and Sanitation Act of 2019, there are opportunities to engage the domestic private sector in rural water service delivery beyond traditional infrastructure development roles, including through PPPs for operations and maintenance. USAID/Tanzania will also work closely with RUWASA, water users, and water stakeholders to develop and implement service-area water supply systems to serve communities, health care facilities, and schools.

**IR 2.3 Improve performance and climate resilience of water and sanitation service providers:** USAID/ Tanzania will address challenges in small town drinking water services by improving the financial viability of selected small town urban water utilities. This will increase revenue collection, allow for the development of investment plans, help manage bulk water supply sources, and streamline operations, all resulting in improved provision of water services. The development of District Water and Sanitation Master Plans will include considerations for climate change impacts.

**IR 2.4 Increase adoption of key hygiene practices:** USAID/Tanzania will work closely with local government staff, community groups, and other donor-financed programs to develop and implement an at-scale, demand-led, evidenced-based social and behavior change program that seeks to eliminate open defecation in villages and trigger households to adopt improved sanitation and handwashing facilities.



# **STRATEGIC OBJECTIVE 3**

Improve Climate-Resilient Conservation and Management of Freshwater Resources and of Associated Ecosystems

Under SO 3, USAID/Tanzania will implement activities that address three intermediate results (IRs):

- IR 3.1 Allocate and use water resources more equitably and efficiently;
- IR 3.2 Enhance reliability and quality of water resources through watershed management, including protection, restoration, and nature-based solutions; and
- IR 3.3 Improve the climate resilience of water resources management.

Increasing water stress, including declining freshwater quality and quantity, threatens the sustainability of Tanzania's water resources base, which is necessary to provide universal access to drinking water services and support the broader economy. Through the MUM Activity, USAID/Tanzania will strengthen basin water boards and water user associations to promote stewardship of water resources and prevent catchment degradation. This will include implementing practices to protect and improve the quality of water and other natural resources within a watershed by managing land and water resources use in a comprehensive manner and building the capacity of water boards and user associations to use data to better plan allocations, inform decisions, issue and monitor permits, increase responsiveness to citizens, and improve financing. The Mara River Catchment and Conservation Activity will work with water users, local communities, water managers, and decision-makers to better manage the Mara River.



#### **STRATEGIC OBJECTIVE 4**

# Anticipate and Reduce Conflict and Fragility Related to Water

Under SO 4, USAID/Tanzania will implement activities that address three intermediate results (IRs):

- IR 4.1 Strengthen capacity to predict, prepare for, and adapt to shocks impacting water and sanitation systems in fragile settings;
- IR 4.2 Address humanitarian water, sanitation, and hygiene needs; and
- IR 4.3 Strengthen cooperation and reduce conflict over water.

Conflict between farmers and pastoralists is an ongoing problem in many parts of Tanzania with arable land and water resources. In recent years, Tanzanian authorities have faced challenges managing the migration of pastoralists from the northern and central parts of the country to the southern agricultural growth corridor, where there are sufficient water resources and land. This conflict is becoming increasingly difficult to manage. The WSSH team will collaborate with USAID/Tanzania's natural resources management team and with basin-level and local government water and land users to develop and implement a practical, equity-based approach to the management of natural resources. This will include building the capacity of basin water boards, national and local government, and community-based institutions to adequately identify, plan for, and manage various land- and water-use demands, including those requiring resources for agricultural, industrial, energy, livestock, household, and conservation purposes.

Tanzania has hosted refugees from the Democratic Republic of Congo and Burundi for decades in western Tanzania, where there is large-scale deforestation, land degradation, and destruction and depletion of water resources. USAID/ Tanzania will support the United Nations High Commissioner for Refugees and the GoT to ensure that refugees receive humanitarian WASH support and that land and water resources are well protected for current and future generations. The Mission will also work with the GoT to support refugee host communities with interventions covering the strategic objectives noted above.

#### PRINCIPLES

USAID/Tanzania will integrate the GWS Operating Principles throughout its water and sanitation programming, which is built upon a **systems approach** that works to strengthen national and local governments and private sector actors. The Mission prioritizes the needs of **marginalized and underserved communities** by engaging youth as the next generation of water professionals, supporting greater participation of women and youth as professionals in the sanitation market, and increasing youth and women's voices in decision-making processes. Improving the use of **data and evidence** is central to USAID/Tanzania's approach to building the capacity of government institutions. This includes supporting RUWASA to develop and test new operations and maintenance models, and providing technical assistance to basin water boards to improve their ability to use data to inform decisions and improve **resilience** amid the increasing frequency and magnitude of floods and droughts.

#### **MISSION RESULTS FRAMEWORK**

USAID investments in Tanzania's water sector support the Mission's overall development priorities. This portfolio will support achievement across the three Development Objectives (DOs) of the Country Development Cooperation Strategy, namely:

**DO I: Foundational skills of children below age 15 improved:** This plan addresses *IR 1.2: Household nutrition and health outcomes improved* by applying a multisectoral approach to strengthen sector ministries, LGAs, civil society organizations (CSOs), and communities to improve maternal, infant, and young child nutrition practices.

**DO 2: Empowerment, productivity, and engagement of Tanzanians aged 15 to 35 years increased:** This plan addresses *IR 2.2: Economic opportunities increased by promoting enterprise-driven development* across its portfolio, tailoring interventions to ensure youth can access the economic opportunities created by programming, and building on existing work in WASH. It also supports *IR 2.3: Civic participation and leadership strengthened* by identifying and equipping youth with the skills to seek and assume greater leadership roles within local communities, including youth centers, local government, and other civic and political structures.

**DO 3: Capacity of state and non-state actors strengthened to benefit future generations:** This plan addresses *IR 3.1: Capacity of sub-national governments to lead sustainable development improved* by providing technical assistance to government institutions that are responsible for conservation policy development and sustainable natural resource management. It also fosters greater collaboration among these ministries, the private sector, and civil society. The plan also addresses *IR 3.2: Enabling environment for private sector and CSOs enhanced* by mobilizing private domestic capital.

#### **KEY RISKS AND MITIGATION STRATEGIES**

The three main risks associated with successful achievement of the Mission's WASH goals are:

**Uncertainty of the WASH directive funding in out-years:** The Mission will strengthen the National Water Investment Fund's capacity to work with financial institutions on mobilizing new funding and reducing the sector's dependence on GoT budget allocations and development partners' funding.

**Changes in GoT political priorities for budget allocation related to the WASH sector:** The Mission will continue to support the Tanzania Water and Sanitation Network, which is composed of local CSOs, to continue advocating for the equitable allocation of resources and GoT accountability for delivering WASH services and managing the country's declining water resources.

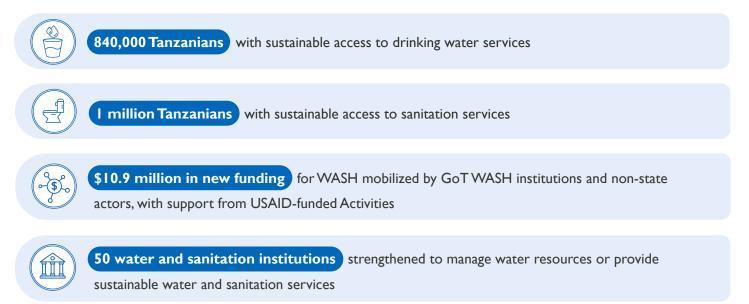
**Climate Change impacts:** Climate change poses a risk to the provision of sustainable WASH services and the availability of water resources in Tanzania. In recent years, the country has experienced both low rainfall, which led to water sources running dry or decreased flow, and heavy rainfall and flooding that damaged water sources and sanitation facilities, carrying runoff and waste into water sources and contaminating the water supply, which caused outbreaks of cholera, malaria, and other water-related diseases. To mitigate these impacts, USAID/Tanzania will support RUWASA and urban water utilities to conduct climate risk screening prior to implementation of WASH activities. Climate screening will ensure that all interventions under this plan, and those funded by the GoT, will be resilient to climate impacts and that the design and construction of water supply and sanitation infrastructure will account for climate-related risks. USAID/Tanzania will further strengthen the capacity of basin water boards to collect and manage climate-related information and make such information available to inform decisions about allocating available water resources for various uses while considering potential climate risks.

# BUDGET

The cost of this plan is based on prior year resources that are still available for programming, the FY 2022 estimated allocation of \$9 million, and the FY 2023 President's Budget Request of \$3.3 million.

# **EXPECTED RESULTS**

From 2022 to 2028, USAID Activities in Tanzania are intended to provide:



#### Endnotes

- I Tanzania National Bureau for Statistics, <u>2022 Population and Housing Census</u>, 2022.
- 2 WHO/UNICEF Joint Monitoring Programme (JMP), <u>United Republic of Tanzania Household Data</u>, 2020.
- 3 World Bank, Tanzania Economic Update, 2022.
- 4 Government of Tanzania, Age and Sex Distribution Report, 2022.