

The Integrated Framework in Tanzania



Tanzania is part of the revamped IF since 2004.

The Tanzania DTIS was validated in November 2005. It provides an overview of priorities ranging from a review of the country's economic and export performance to trade policy issues and analysis of constraints in traditional and non-traditional agriculture.

The first priority after validation was to prioritize actions in the Action Matrix. To drive this process, DANIDA and the World Bank launched a facilitation process in fall 2006, including the recruitment of a process consultant to assist the Government. A workshop to prioritize the actions was undertaken in September 2006 in conjunction with the development of a road map to full-scale implementation of the DTIS.

In January 2007, the cabinet endorsed the DTIS, and a Transition Task Force staffed with national consultants was appointed by the Ministry of Industry, Trade and Marketing (MITM) in May 2007 to implement the above-mentioned road map and to develop an IF implementation strategy.

The implementation strategy was finalized in March 2008 and approved by the MITM. This strategy was based on the DTIS and includes a mapping of all ongoing and planned trade-related projects and programmes and a gap analysis (basically an update of the DTIS). The strategy document is named Tanzania Trade Integration Strategy, 2009-2013 Framework Programme (TTIS). It has two main purposes: (i) to provide a single framework for strengthening ownership of trade development in Tanzania in view of Tanzania's multitude of trade-related support¹, be it bilaterally, multilaterally, or through national or regional/global interventions; and (ii) to provide an overview of current development needs within trade and current and planned interventions². In addition, the document also outlines possible areas of interventions that are not or insufficiently addressed, foremost capacity development of key trade support institutions. This outline is presently further developed and refined into a Programme Document and envisioned to be financed through a multi-donor basket arrangement³.

In May 2008, the National Steering Committee for TTIS was inaugurated, and two meetings have since been held. A TTIS Coordination Unit has been established within the Department for Commodities and Marketing in MITM, and appropriate HR and technical resources are in being established.

¹ The mapping of TRTA in Tanzania shows that there are about 12 bilateral DPs, 10 multilaterals and a couple of private foundations providing TRTA support through national, regional and global programmes.

² With the exemption of infrastructure and general business environment reforms, TTIS indicates an overall programme costing of US\$175 million during the period 2009-2013.

³ The indicated costing of this Programme is US\$34 million.

Apart from support from key trade donors DANIDA, SIDA and SECO, Tanzania benefits from Window II resources through a project building SPS capacity of small growers, part of the Tanzania Horticulture Association (TAHA) (start in February 2009); and another project on the classification of hotels.

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Tanzania's **2005 PRSP (National Strategy for Growth and Reduction of Poverty – NSGRP**, commonly referred to by its Kiswahili acronym **MKUKUTA**) relies on three pillars, of which one is growth and reduction of income poverty. Under that pillar, ten sources of growth are identified, of which one is *trade development towards a diversified and competitive economy*, which aims at linking international trade to domestic productive and competitiveness potentials in close association with the development of the private sector and domestic trade. Under this heading, the strategy identifies three issues/activities:

- The National Trade Policy (NTP) will provide a guide on fostering innovative and competitive capacity of the economy, addressing supply-side constraints, diversification of the “export basket” by stimulating value-added activities, investments in export-oriented activities and boosting the competence of private sector participation in regional and world markets;
- Implementation of the NTP will require a recognition and exploitation of inter-sector linkages and complementary policies, including those related to infrastructure, productive sectors, trade in services (e.g., tourism and transit trade) and institutional facilitation;
- Furthering *economic diplomacy* to market abroad Tanzania’s products, tourist attractions and other service export, attracting foreign investments and assisting Tanzania’s investors to be able to invest abroad.

A related source of growth is *trade-related assistance*, including the IF that will be tapped to increase the capacity of domestic producers, in particular SMEs and rural producers in processing, packaging, financing, managerial and marketing skills and information about international market standards, patenting, shelf-life, labelling and other conditions. However, these activities are not included in the matrix that presents broad outcomes, goals, operational targets and priority cluster strategies.

The Tanzania **2008/09 Aid for Trade Questionnaire** indicates that the country's top three priorities to benefit from trade expansion and integration to the world economy are trade policy analysis, negotiation and implementation and competitiveness and network infrastructure (power, water and telecom). The main dialogue forum for discussing financing needs for these priorities is the CAS/budget support. Tanzania would like to see Aid for Trade implementation to be more country-led and priorities reflecting those of the country; and resources to be more timely and predictable. So far, the areas where Aid for Trade was most effective in creating necessary capacity are trade policy analysis, negotiations and implementation and business environment strengthening. Regional aspects are key to Tanzania's trade development and Aid for Trade implementation strategy; so far, the main benefit from regional activities are the establishment of accreditation bodies and capacity building for it. Tanzania's self-assessment in the Questionnaire is that trade is mentioned in the national development plan/strategy, but without operational objectives or actions plans; the DTIS partly reflects Government's trade needs and priority areas.

Issues: The planned multi-donor basket funded programme (TTIS Basket Fund) is scheduled to respond to capacity gaps outlined in the “Tanzania Trade Integration Strategy, 2009-2013 Framework Programme”. The TTIS Memorandum of Understanding is scheduled to be signed at a Trade Seminar in Dar-es-Salaam on 30 April 2009. The seminar, jointly arranged by MITM and the Embassy of Sweden, aims at building awareness on the country's trade agenda and the TTIS in both regional and global perspectives; mobilizing interest for trade issues in general and the TTIS in particular; enhancing the understanding of trade and its linkages to private sector development and equitable economic growth and highlighting publicity around the TTIS Memorandum of Understanding signing and launch of the TTIS. The IF ES is scheduled to participate in the trade seminar.