



USAID | TANZANIA

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Water and Development Country Plan

I. EXECUTIVE SUMMARY

The U.S. Government and the Government of Tanzania (GOT) both recognize that access to basic water and sanitation services and improved management of water resources are foundational prerequisites to achieving and sustaining Tanzania's long-term development goals, including enabling economic prosperity and social well-being. However, water resources are declining below the minimum quantities needed for development, challenges are increasing, and reliable access to safe drinking water and sanitation services is still beyond the reach of many people. Tanzania is off track to meet its ambitious Water Sector Development Program goal of universal access to water and sanitation services by 2030, with only 57 percent of the population currently having access to basic drinking water services and 30 percent having access to basic or safely managed sanitation services. Non-functionality of existing water points remains a critical challenge for water services in Tanzania, with over 30 percent of rural water schemes non-functional and another 10 percent in need of significant rehabilitation.

Despite these challenges, under this country plan, USAID will leverage key opportunities in the water sector. Specific opportunities lie in recent sector reforms, new enabling legislation and policies, plans for private sector participation, and the availability of a large youth population with time and energy to invest in the sector. USAID's current and future activities in the Tanzanian water, sanitation, and hygiene (WASH) sector are designed to foster country capacity and commitment so that Tanzania is able to plan, finance, and implement sustainable solutions to deliver water and sanitation services and improve water resources management. USAID will work in close partnership with the Ministry of Water, the Rural Water Supply and Sanitation Agency

(RUWASA), and urban water utilities to strengthen governance and improve the sustainability of WASH services. USAID will also engage the private sector and unlock opportunities for sanitation and rural water maintenance providers to grow, while providing a much-needed service. USAID will work with key sector institutions, such as the Ministry of Water and Basin Water Boards, to improve the stewardship of water resources and prevent catchment degradation. USAID coordinates these activities closely with multilateral, bilateral, and other donors through the Tanzania Water Sector Development Partners Working Group.

Overall, USAID activities are expected to provide over one million Tanzanians with sustainable access to improved water supply, and help over two million people gain access to improved sanitation facilities by 2025.

This plan is costed based on prior year resources still available for programming and the FY 2020 estimated allocation of \$6 million.

II. INTRODUCTION

With an estimated population of over 59 million people, Tanzania is the fifth largest country in sub-Saharan Africa. Under-five mortality rates have improved significantly over the past two decades, but still remain high at 54 per 1,000 live births. With an estimated gross domestic product (GDP) of \$56 billion in 2018, Tanzania was just recently reclassified as a lower-middle income economy, but great disparities in the provision of services and infrastructure persist. Water and sanitation play a fundamental role in achieving social and economic outcomes that the GOT and USAID are working collaboratively to achieve.

In 2019, USAID designated eight new countries, including Tanzania, as high priority WASH countries for 2020, pursuant to requirements of the Senator Paul Simon Water for the World Act of 2014, and guided by the U.S. Global Water Strategy (GWS) issued in November 2017. In response to this designation, this country plan provides a high-level summary of how USAID will support the GOT to achieve its WASH service delivery and water resource management objectives in line with the Mission's broader development goals. The program creates positive impact across sectors, including agriculture, economic growth, environment and natural resources, health, education, and nutrition.

III. WATER AND SANITATION CONTEXT IN TANZANIA

Tanzania has experienced steady economic growth since transitioning to a market-oriented economy. In the last five years, Tanzania's annual GDP growth rate has stayed consistently above the sub-Saharan Africa average. Although continued growth is forecasted for the next five years, lower than normal growth is expected in the short-term due to the negative impacts of COVID-19. Achieving the country's ambitious goals for economic growth will require improved water and sanitation services. However, Tanzania's high rate of population growth and increasing rural-urban migration present significant challenges in providing adequate access to these basic services.

Government of Tanzania's Water and Sanitation Priorities

The Tanzania Development Vision 2025 (TDV 2025) was developed in the late 1990s to guide the country's economic and social development efforts up to the year 2025. Water is recog-

nized as a cross-cutting enabler in this vision. The Water Sector Development Program (WSDP), Tanzania's overall water sector guiding strategy, is aligned with the TDV 2025. The objective of the WSDP is to achieve universal access to water and sanitation by 2030. The first phase of the WSDP (WSDP-1) 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 an ambitious target of achieving 80 percent access to improved water supply and 75 percent access to improved sanitation in rural areas by 2019. However, Tanzania did not meet these goals, with the WHO/ UNICEF Joint Monitoring Programme reporting 57 percent access to basic drinking water services and 30 percent access to basic or safely managed sanitation services.

Government of Tanzania's Current and Planned Strategies and Approaches to Water and Sanitation

The National Water Policy of 2002 guides the achievement of water sector objectives, while the National Health Policy of 2007 provides policy guidance on the sanitation sector. Three acts, the Water Resources Management Act of 2009, Public Health Act of 2009, and the newly enacted Water and Sanitation Act of 2019, legislate the policy and strategy for the water and sanitation sector. The new Water and Sanitation Act introduced significant structural reforms that present an opportunity to accelerate the realization of WASH targets. The establishment of RUWASA aims to centralize and improve accountability for rural service delivery.

The National Sanitation Campaign (NSC), a component of the WSDP under the Ministry of Health, Community Development, Gender, Elderly, and Children, guides the improvement of sanitation and public health conditions in Tanzania. Under this campaign, the GOT applies a combination of community-led approaches, social marketing, behavior change communication, and training to build improved latrines and provide schools and health facilities with adequate WASH services.

Challenges and Opportunities in the Sector

Over the past decade, access to safe water sources in Tanzania has improved, albeit slowly. Non-functionality of existing water points and other water infrastructure remains the most critical challenge for water services in Tanzania. Over 30 percent of rural water schemes are non-functional and another 10 percent are in need of significant rehabilitation. This is largely due to an absence of a clear strategy for ensuring maintenance and sustainability of existing water services or an asset management system. Tanzania also remains off-track on reaching its goals for access to sanitation. The WASH sector budget allocation in Tanzania is highly biased in favor of water supply investment over investments in sanitation and management of water resources. Tanzania's water resources are still relatively abundant, but are rapidly declining or degrading.

While Tanzania currently has a much higher per capita renewable water resources endowment compared to neighboring countries, there are important hotspots of current water stress, and projections indicate that overall abundance may not continue due to the growing economy, increasing urbanization, and population growth. This decline in water resources is driven by several factors including: catchment mismanagement, pollution of water sources from the mining sector, lack of waste treatment and agricultural runoff, increasing sedimentation of lakes as a result of unsustainable agricultural practices, lack of government monitoring and enforcement of water withdrawals, and climate variability. Climate variability has resulted in changes in rainfall, rising temperatures, and increased aridity, all of which is likely to increase the prevalence of pro-

longed drought and flood events. Increasing challenges of water scarcity, variability, and quality all present risks to the country's economic growth trajectory.

The GOT estimates that it will require about \$1.2 billion annually to achieve the sector target of universal access to water by the year 2030, and \$200 million will be required in order to completely eliminate open defecation in Tanzania by 2025. However, water and sanitation sector spending in Tanzania amounts to an estimated 2.4 percent of total government spending, only about 0.3 percent of GDP, and a gap of more than \$1 billion against funding needs.

Despite these challenges, there are opportunities to accelerate progress towards water and sanitation goals in Tanzania:

- **Sector reforms:** The establishment of RUWASA offers an opportunity to shape the future of rural WASH services and their sustainability in Tanzania. The Ministry of Water has also formed a new Sewerage and Sanitation Unit under the Directorate of Water Supply to focus on the challenge of sanitation, presenting an opportunity to better coordinate, increase financing, and accelerate progress in sanitation.
- **Private sector engagement:** The GOT has created enabling legislations, policies, and action plans for private sector participation in the water sector. Local government authorities are showing a growing interest in partnering with the private sector to extend sanitation services to off-grid areas. There is also a growing interest among domestic private sector players to venture into new roles in the provision of water services, such as through public-private partnerships for maintenance services. Banks are becoming increasingly interested in commercial finance for water utilities.
- **Youth:** There is a significant opportunity to engage youth by supporting them to establish an organization or a private company that can be delegated by RUWASA as a water and sanitation service provider.

IV. RESULTS FRAMEWORK

Theory of Change

Tanzania continues to lag in access to water and sanitation services, resulting in high costs to the country in terms of health outcomes and economic growth. USAID has therefore set out a theory of change that:

IF the capacity of government institutions and private sector is improved to increase and maintain access to improved water and sanitation services; AND planning and resource allocation for WASH service delivery is improved;

THEN the provision and governance of WASH services will be sustained, leading to improvements in human health, livelihoods, opportunities for youth, and environmental sustainability.

Relationship to the Journey of Self Reliance

Within the water sector, self-reliance is the ability of countries to plan, finance, and implement sustainable solutions to ensure water resources management and to deliver water and sanita-

tion services to all to improve health, livelihoods, educational opportunities and dignity among citizens. Under this plan, USAID will work to increase Tanzania's commitment and capacity in the sector to accelerate progress towards self-reliance.

The GOT has shown commitment to achieving these sustainable solutions through its water and sanitation sector policies and strategies. However, additional work is needed to mobilize the human and financial resources to implement the proposed strategies and plans. USAID's focus on improving sector governance, strengthening the capacity of public and private sector actors, strengthening the business climate to attract more private sector participation, and applying innovative models for finance and service delivery is designed to achieve this vision of self-reliance. The USAID mission in Tanzania will also support the GOT to develop and enforce legal and regulatory frameworks, improve systems to monitor water and sanitation-related progress, and to use data and other evidence to inform decisions.

Program Components

USAID investments in Tanzania's water sector supports the mission's overall development priorities. Work in this portfolio aims to ensure that future generations benefit from effective government and non-governmental institutions that appropriately manage resources. Access to water and sanitation contribute to achieving inclusive, broad-based and sustainable growth in key economic sectors and improving governance. USAID's Tanzania water program is designed to support the achievement of all four Development Results under the Agency's Water and Development Plan in support of the Global Water Strategy:

1. **Strengthen Sector Governance and Financing:** The structural reforms instituted by the new Water and Sanitation Act, especially the creation of RUWASA, provide an opportunity for USAID to support improvements in the government's capacity to plan, finance, and oversee water and sanitation services, and increase accountability to citizens. USAID will also work to increase access to finance for WASH at the household, business, and service provider level. Additionally, USAID will support RUWASA to engage with WASH-service users in the overall planning, implementation, operation and maintenance of the WASH infrastructure.
2. **Increase Sustainable Access and Use of Sanitation and the Practice of Key Hygiene Behaviors:** 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 already proven itself a key player in the provision of onsite sanitation solutions, and there are opportunities to engage youth in this area. USAID 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.
3. **Increase Sustainable Access to Safe Drinking Water:** In partnership with RUWASA and urban water utilities, USAID will focus on building the sustainability of rural and growing small town water services by building capacity and professionalizing operations and maintenance. Under the new Act, there are opportunities to engage the domestic private sector in rural water service delivery beyond traditional infrastructure development roles. USAID will also address challenges in small town drinking water services by improving the financial viability of selected urban water utilities. This intervention will improve revenue collections, develop investment plans, manage bulk water supply sources, and improve operations resulting in improvements in the provision of water services.

4. **Improve Management of Water Resources:** Increasing water stress, including declining water quality, threatens the sustainability of the water resource base necessary to provide universal access to drinking water services, as well as the broader economy. USAID will continue its work strengthening Basin Water Boards (BWBs) and Water User Associations for stewardship of water resources and preventing catchment degradation, including building their capacity to use data to plan allocations, issue and monitor permits, increase responsiveness to citizens and improve financing. USAID will also work to improve the institutional capacity and operational efficiency of the BWBs, including their use of data to inform decisions and better allocate and manage resources among water users, including domestic uses, agriculture, energy, industry, and tourism.

The USAID mission's current investments in Tanzania's water and sanitation are:

- **WARIDI (2016-2021, \$48M):** The Water Resources Integration Development Initiative (WARIDI) works closely with local governments and communities to help improve the management of water resources, expand access to safe drinking water, improve sanitation, create livelihoods in water and sanitation services, and build resilient communities. WARIDI promotes integrated water resources management and service delivery across multiple sectors in 20 administrative districts of the Rufiji and Wami-Ruvu river basins.
- **Sustainable Water Partnership (2017-2020, \$2.5M):** The Sustainable Water Partnership is a regional activity that supports Tanzania and Kenya to jointly manage the transboundary Mara river basin through support on basin-wide water allocation planning, on the ground water security actions (e.g. catchment management, non-revenue water, agriculture water management practices, and sustainable livelihoods), and institutional strengthening for improved transboundary water governance.
- **WADA (2018-2020, \$2.4M):** Under the Water and Development Alliance (WADA), a partnership with Coca-Cola, USAID and its partners are expanding access to drinking water in rural areas of Singida and Tabora through the installation of solar-powered pumping systems, network extensions, and training of community operators.
- **New WASH Activity (2021-2026, \$25M - \$49.99M):** The new activity will aim to increase access to sustainable water and sanitation services in Tanzania.

Overall, USAID activities are expected to provide over one million Tanzanians with sustainable access to improved water supply, and help over two million people gain access to improved sanitation facilities by 2025. The budget for this plan is based on prior year resource allocation to USAID's WASH sector in Tanzania.

V. STAKEHOLDER ENGAGEMENT

Through the Sector-Wide Approach (SWAp) adopted at the start of the Water Sector Development Plan, local civil society organizations, international non-governmental organizations, and development partners have all contributed to the strategic direction of Tanzania's water sector. The Tanzania Water Sector Development Partners Working Group was established in 2005 to enhance the harmonization of bilateral and multilateral agencies and donors and to support the implementation of the SWAp through a Basket Fund. Many development partners have withdrawn from the water sector Basket Fund, but still support the water sector significantly through individual projects. The largest allocations by bilateral and multilateral donors are funding the expansion of urban water services. Both the United Kingdom Department for International Development and World Bank provide significant funding for rural water and sanitation in

Tanzania, through Payment by Results approaches. USAID is an active participant in the Water Sector Working Group, ensuring that activities among development partners are well coordinated. At the implementation level, USAID's current WASH activities in Tanzania coordinate with other USAID-funded activities in the sectors of agriculture, natural resource management, health, nutrition, and education. This coordination is aiming to increase the synergies among implementing partners to advance WASH contribution towards outcomes in health, nutrition, and education.