

Tanzania

The Development Challenge: Following decades of 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. A sea of change is now underway, driven increasingly by a new generation of leaders. Tanzania has made significant strides in its conversion to a market-based economy. The government has undertaken reforms to contain inflation, control public expenditures and curb deficit spending, streamline the civil service, divest more than three hundred public enterprises, and pursue privatization of the key water, electricity, railroads, and telecommunications sectors. Tanzania's annual gross domestic product grew about 5.5% in 2002, building on an economic growth trend that is among the best in sub-Saharan Africa. In return, under the Heavily Indebted Poor Country Initiative, the country benefits from public sector international debt relief, which freed an estimated \$85 million last year for the pursuit of health and education objectives.

However, Tanzania still faces formidable impediments to progress toward its democratization and development goals. Challenges include structural obstacles to economic growth, institutional and human capacity limitations, corruption, the government's uneasy relationship with civil society organizations (CSOs), population growth, high rates of infectious disease, and unsustainable natural resource exploitation. Tanzania ranked 160 out of 175 countries in the 2003 United Nations Development Program Human Development Index. The World Bank estimates Tanzania's 2003 per capita income at \$277. Roughly half the population of 34.6 million subsists on less than \$0.65 per day, with 40% of Tanzanians unable to meet their basic daily needs. Only 76% of adults are literate. Although primary school is free and mandatory, the enrollment rate is only 59%, with just 7% in secondary school. Life expectancy is 50 years and falling, while the infant mortality rate is 104 per 1,000 and rising. Both these phenomena are largely attributable to a national HIV/AIDS infection rate for which estimates vary around 11%. Democracy remains fragile. Observers deemed Tanzania's 1995 and 2000 elections to have been free and fair on the mainland, but deeply flawed in Zanzibar, where bloodshed followed the contest in 2000. The two main parties have since negotiated a political reconciliation accord, and Zanzibar's 2003 by-elections occurred in a peaceful, fair environment. In October 2005, general elections will test the durability of the electoral process and institutions of democratic governance.

U.S. national interests in Tanzania are two-fold. First, Tanzania plays a constructive role among its East and Central African neighbors in leading efforts to resolve regional conflicts peacefully and hosting 469,000 documented refugees. Second, Tanzania is a key ally in combating terrorism. In a volatile region, it is a stable country progressing on a path of democratic governance and market-based economic reform and growth, and offering avenues for outreach to a large Muslim population.

The USAID Program: USAID assistance helps Tanzania tackle its most compelling development challenges: ensuring a healthy population; expanding productive, income-generating opportunities; managing and sustaining wildlife and coastal resources; and creating capacity for effective governance responsive to civil society. FY 2004 funds will continue to help increase the use of reproductive and child health services and, as part of the President's Emergency Plan for AIDS Relief, prevent the spread of HIV/AIDS by building demand for and availability of quality services. Additionally, a country team HIV/AIDS Working Group, headed by the Chief of Mission, is laying the groundwork for a major expansion of programs, especially for prevention and care, under the President's Emergency Plan for AIDS Relief (PEPFAR), for which Tanzania is a focus country. Assistance for rural income generation will concentrate on small farmer productivity and competitiveness, encouraging the development of effective enterprises and producer associations, and promoting trade. FY 2004 funds will continue to build the capacity of indigenous CSOs to pursue their objectives: to help the Tanzanian Parliament improve legislative performance; facilitate constructive relationships between CSOs and Parliament; support civic education; and complete funding for a two-year Muslim education activity. Environmental program funds in FY 2004 will promote policy and legislative reform, community-based natural resource management, conservation enterprise development, and improved coastal and protected area management.

Funds requested for FY 2005 will initiate a new USAID country strategy for Tanzania that builds on successes achieved under the current strategy. While funding will continue to be directed to the same sectors, some shifts in program emphasis will occur. Substantially more funding is expected for HIV/AIDS under the PEPFAR, leading to expanded as well as new activities in behavior change communication, anti-retroviral therapy, care and treatment, and support systems for community-based orphan care. The governance program will heighten attention to governmental accountability. Increased community participation in the management of and benefits from natural resources will be a funding priority. Expanding rural income opportunities and improving food security through more competitive agriculture-based enterprise and trade will feature prominently, with resources from the Initiative to End Hunger in Africa. USAID/Tanzania will receive Africa Education Initiative funding for in-service teacher training. USAID also will initiate a program support objective, managed by the Mission, to ensure that cross-cutting themes (e.g., gender, public-private partnerships, governance and information and communication technology) are fully integrated into the entire program.

Tanzania is a focus country under the President's Emergency Plan for AIDS Relief (PEPFAR). All proposed HIV/AIDS activities are being integrated into PEPFAR and are subject to the approval of the U.S. Global AIDS Coordinator. Additional funding from the Global HIV/AIDS Initiative account is anticipated for both FY 2004 and FY 2005.

Other Program Elements: Central funding from The Global Alliance for Vaccines and Immunization helps Tanzania develop sustainable immunization programs. Regional Africa programs support the Commonwealth Regional Health Community Secretariat to promote policy reform and dialogue with Commonwealth countries. The Global Conservation Program supports Tanzanian biodiversity conservation efforts in Northern Tanzania and along the coast. Education for Development and Democracy Initiative (EDDI) scholarships provided Tanzanian girls the opportunity to complete secondary school. EDDI funds also were used to install a community development center at Zanzibar's Karume Technical College. The center offers comprehensive, state of the art information technology training and greater access to technology for the college and surrounding communities. The Famine Early Warning System furnishes food availability information to the Government of Tanzania.

Other Donors: Japan (agriculture, transport) and the United Kingdom (public sector finance, agriculture) together provide more than one-third of bilateral assistance. Other bilateral donors include Denmark (health); Sweden and Germany (information technology, wildlife); Norway (energy); and the Netherlands (rural development). The United States is the lead bilateral donor for HIV/AIDS and for wildlife and coastal resource management. USAID activities in health and governance attract contributions from several bilateral donors. Multilateral donors include the World Bank and the International Monetary Fund, 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 Development Assistance Committee donors have created an Independent Monitoring Group which periodically assesses coordination and the donor relationship with government, and recommends improvements.

Data Sheet

USAID Mission:	Tanzania
Program Title:	Family Health and HIV Prevention
Pillar:	Global Health
Strategic Objective:	621-001
Proposed FY 2004 Obligation:	\$21,200,000 CSH
Prior Year Unobligated:	\$800,000 ESF
Proposed FY 2005 Obligation:	\$19,856,000 CSH
Year of Initial Obligation:	FY 1999
Year of Final Obligation:	FY 2005

Summary: USAID funds public sector reproductive and child health, and infectious disease surveillance and response activities, under the Ministry of Health (MOH) including: immunization; Vitamin A supplementation; management of syphilis and malaria in pregnancy; post-abortion care (PAC); family planning and strengthening Integrated Disease Surveillance and Response (IDSR). HIV/AIDS support in the public sector is managed collaboratively with the Tanzania Commission for AIDS (TACAIDS) and the MOH, and includes leadership strengthening; developing a logistics management information system; and, with the U.S. Centers for Disease Control and Prevention (CDC) and other partners, Prevention of Mother to Child Transmission (PMTCT). Activities in the voluntary sector are: Voluntary Counseling and Testing (VCT); distribution of condoms, oral contraceptives, and insecticide-treated bed nets; and behavior change communication. Through the Voluntary Sector Health Program (VSHP), USAID promotes partnerships between local government and community groups for integrated Reproductive and Child Health (RCH) and HIV/AIDS interventions. The Rapid Funding Envelope (RFE) for HIV/AIDS, a funding mechanism for HIV/AIDS projects in Tanzania created in late 2002, provides support to not-for-profit civil society and academic institutions and partnerships on Tanzania mainland and Zanzibar for short term projects of six to twelve months.

Inputs, Outputs, Activities:

FY 2004 Program:

Improve Reproductive and Child Health Services (RCHS) (\$6,400,000 CSH): USAID will work with two Zonal Training Centers to ensure district providers have the requisite skills in key RCH areas. USAID's partnership with the MOH will continue to strengthen its capacity to lead RCH activities. USAID will support Vitamin A supplementation and vaccination for measles and polio. For child survival, USAID will continue to increase use in health facilities of focused ante-natal care (FANC) practices (management of malaria and syphilis in pregnancy, training of service providers in target regions, and integration of FANC in the pre-service curricula of nurse midwives training institutions). Behavior change communication interventions will increase demand for RCH products and services including socially marketed oral contraceptives. The Quality Improvement and Recognition Initiative (QIRI) will evaluate quality approaches, methodologies, and tools developed in district health facilities and integrate best practices into the MOH Quality Framework. Principal contractors and grantees: MOH; Zonal Training Centers; CARE International; Healthscope Tanzania, Ltd. (sub); Population Services International.

Prevent the Spread of HIV/AIDS (\$12,500,000 CSH; \$800,000 prior year ESF): Under the President's Emergency Plan for AIDS Relief (PEPFAR), USAID will rapidly establish new mechanisms to address prevention, care and treatment, and orphans support, as well as extend existing mechanisms (CARE, African Medical Research Foundation (AMREF), Deloitte & Touche, RFE for HIV/AIDS) and expand their geographic reach as a way to rapidly scale up best practices. This will include expanding availability of and demand for HIV/AIDS prevention and care services by sustaining the VSHP district response, awarding community grants, and broadening VCT services to at least 20 sites nationwide and integrating counseling skills into PMTCT programs. Under PEPFAR, the program will continue to fund national mass-media youth communication campaigns and the activities of the new USAID youth program. With

MOH and CDC and through its partner, the Elizabeth Glaser Pediatric AIDS Foundation (EGPAF), USAID will increase PMTCT service availability. Public sector support will continue to strengthen the leadership and coordination capacity of TACAIDS and MOH as well as logistics management capacity within MOH. The Global Fund Country Coordinating Mechanism will receive technical assistance in setting priorities and formulating proposals for the Global Fund to Fight AIDS, Tuberculosis, and Malaria. USAID will support formulation of the Zanzibar AIDS Commission AIDS strategy. With the ESF funds, USAID will strengthen the nutrition component of HIV/AIDS programs, as well as strengthen and expand counseling and behavior change components. USAID will also increase training for both central and district-level health providers to administer anti-retrovirals. Principal contractors and grantees: AMREF; CARE; Deloitte & Touche; EGPAF; Healthscope Tanzania Ltd; John Snow Inc.(DELIVER); PSI.

Prevent the Spread of Infectious Diseases (\$2,300,000 CSH): IDSR will continue to strengthen disease surveillance, expanding geographic coverage. Principal contractors and grantees: Abt Associate-Partnership for Reform Plus; CHANGE project; National Institutes for Medical Research (NIMR).

FY 2005 Program:

Tanzania is a focus country under the President's Emergency Plan for AIDS Relief. Additional funding from the Global HIV/AIDS Initiative account is anticipated for both FY 2004 and FY 2005.

Improve Reproductive and Child Health Services (\$5,556,000 CSH). USAID anticipates expanding its district-level services through Zonal Training Centers and increasing support for national immunization campaigns and Vitamin A supplementation. USAID may shift resources from central MOH offices to districts to achieve greater impact on people in their communities. USAID plans to support national dissemination and application of the MOH Quality Framework. Funding is also planned to develop new approaches, which will augment impact of family planning and child survival programs and promote maternal health. USAID anticipates collaborating with the MOH and other donors to ensure that a full range of contraceptive supplies and services is available to clients. Same implementers as above.

Prevent the Spread of HIV/AIDS (\$12,500,000 CSH). Under PEPFAR, USAID anticipates continuing its support for national and local programs, focusing on prevention (behavior change emphasizing abstinence, fidelity, and condom promotion targeting high risk populations; PMTCT; and youth); care and treatment (systems strengthening such as commodity logistics; service delivery; stigma reduction; demand creation; possibly provision of Anti-Retrovirals (ARVs) and treatment of opportunistic infections; as well as home and community care); and support for vulnerable populations directly affected by AIDS (orphans, families and communities caring for orphans). Same implementers as above.

Prevent the Spread of Infectious Diseases (\$1,800,000 CSH). With resources in FY 2005, USAID expects to continue working with NIMR and the MOH to further strengthen infectious disease surveillance and response and institutionalize the systems established in target areas in prior years. Same implementers as above.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City policy.

Performance and Results: AMREF successfully increased demand for HIV testing by promoting improved communication between adults and youth. Fourteen VCT sites served 45,369 clients during the period July 2002-June 2003. In Zanzibar, over 4,000 individuals were tested at USAID-funded VCT sites. Condom sales of 27.5 million exceeded targets by two million. Couple years of protection were estimated at 1.5 million. The RFE for HIV/AIDS attracted \$3.26 million from eight donors, and made awards to 11 NGOs. John Snow International's DELIVER project strengthened the integrated logistics system and, through drug stock-out surveys, identified logistics priorities for PMTCT and PEPFAR. USAID led the donor sub-committee providing technical guidance to MOH for formulation of the Health Sector HIV/AIDS Strategy. A total of 32 partnership committees awarded 184 grants to community groups for RCH and HIV/AIDS activities. Immunization for measles and polio, and Vitamin A supplementation covered 80% of the target population. By the end of the strategy, stronger national systems will support improved and decentralized delivery of health and HIV/AIDS services, including through public-private partnerships.

Data Sheet

USAID Mission:	Tanzania
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	621-003
Proposed FY 2004 Obligation:	\$2,600,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$990,000 DA
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: USAID's democracy and governance program in Tanzania promotes a vibrant, competent civil society and a receptive, dynamic legislative branch of government by: capacity building training for non-governmental organizations (NGOs) to enhance their organizational effectiveness and advocacy skills; small grants to NGOs to undertake advocacy campaigns; support for NGOs to advocate for better NGO regulatory legislation; and technical assistance to the Parliament of Tanzania to increase its effectiveness in representation, lawmaking, and public expenditure oversight.

Inputs, Outputs, Activities:

FY 2004 Program:

Civil Society Capacity Building (\$280,000 DA): This program will continue to support the organizational capacity development of 39 NGOs and 16 business associations. The training obtained by these organizations will enhance their capabilities to engage in public policy advocacy in the key technical sectors of HIV/AIDS, natural resources management, and private sector development. The business associations are also being trained and assisted to form regional and district level public-private dialogue fora to engage local level policy makers and influence local business issues. Principal contractors and grantees: PACT (prime); International Center for Not for Profit Law (ICNL); and the Center for Private Enterprise (CIPE) (subs).

Accessible, Effective Legislature (\$220,000 DA): In order to increase the effectiveness of the Parliament to play a more prominent and independent role in lawmaking and oversight, USAID will fund activities that continue to train Members of Parliament (MPs) and staff. Through capacity building and awareness raising, MPs and staff will discharge their functions more competently, especially in scrutinizing budget submissions, government disbursements, and public expenditures. Principal contractor: State University of New York.

Advocacy for Improved NGO legislation (\$100,000 DA): USAID will continue to work with key NGOs to formulate amendments to the new NGO Law, passed in November 2002. The law is critically flawed and threatens freedom of association. Support to NGOs will consist of advocacy training and joint workshops with responsible Government of Tanzania officials, to forge agreement on amendments to the existing law, in order to place it in conformity with international conventions and best practice. Principal contractors and grantees: PACT (prime) and ICNL (sub).

Basic Education Support in Zanzibar (\$2,000,000 DA): This two-year activity, first funded in FY 2003, supports basic education reforms to improve the quality of teaching and the environment for learning from primary through secondary school on Zanzibar's two main islands. Implementer to be determined.

FY 2005 Program:

Civil Society Capacity Building (\$450,000 DA): Capacity building activities for advocacy will continue. Targeted training for key NGO partners to engage in public expenditure oversight will commence. Same implementers as above.

Accessible, Effective Legislature (\$400,000 DA): USAID plans to fund constituency outreach activities for MPs, and efforts to enhance the public's understanding of Parliament. Funding is expected to continue to prepare members to play a greater role in the budgetary process and management oversight of public finance. Same implementers as above.

Implementation of NGO Legislation (\$140,000 DA): Depending on the outcome of proposed amendments to the existing NGO law, USAID will facilitate fair, equitable, and competent implementation of the revised law governing the NGO community. Same implementers as above.

Performance and Results: Progress has been registered in three main areas. First, two partnerships between government and NGOs for the environment and HIV/AIDS sectors continue to mature. The government and NGOs are finalizing a draft environmental law for submission to parliament in January 2004. With respect to HIV/AIDS, the government has approved a major legal reform report from a key NGO and is working to turn the recommendations into draft laws for submission to the cabinet for approval. Second, during the past year, 27 out of 34 partner NGOs to which USAID provides capacity building assistance made notable progress in their ability to represent civic interests to the government, as measured by an NGO capacity index. Finally, nine business associations that USAID supports have demonstrated progress in their ability to influence policies affecting local businesses, such as local fees and levies set by district and municipal governments. By the end of the strategy, policy making will be more open, inclusive, and representative of public interests due to more capable, active NGOs and a more effective, independent legislature.

Data Sheet

USAID Mission:	Tanzania
Program Title:	Natural Resource Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	621-008
Proposed FY 2004 Obligation:	\$2,500,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$3,000,000 DA
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: USAID's environment program in Tanzania promotes conservation of coastal and wildlife resources through: development and application of natural resource policies and legislation; strengthening the capacity of both governmental and non-governmental natural resources managers; improving the management of targeted parks and reserves; and applying community-based natural resource management. The program is implemented in three target ecosystems: Coastal; Tarangire - Lake Manyara; and Ugalla.

Inputs, Outputs, Activities:

FY 2004 Program:

Improve Coastal Resources Conservation (\$750,000 DA): In order to promote sustainable and integrated management of Tanzania's valuable coast, USAID will fund a program that supports implementation of Tanzania's National Coastal Strategy (NCS). Focus will be on developing emerging coastal economic opportunities (mariculture and coastal tourism), and supporting implementation of key components of the NCS in up to three focus districts. Principal contractor: University of Rhode Island Coastal Resource Center.

Improve Protected Area Management (\$250,000 DA): Strengthening the management of two national parks and one game reserve will help preserve the core of USAID's target areas. USAID efforts focus on building Tanzanian capacity in critical management functions including: tourism services; roads maintenance; fire management; anti-poaching; and ecological monitoring. Principal contractors and grantees: African Wildlife Foundation (AWF); World Wildlife Fund (WWF); U.S. Department of the Interior.

Promote Community-Based Natural Resource Management (CBNRM) (\$1,250,000 DA): Implementation of Tanzania's wildlife policy promotes an increased role by local communities in managing and benefiting from natural resources. USAID CBNRM efforts in two target areas will help rural populations living in environmentally sensitive areas to engage in micro-enterprise activities and conservation business ventures; to manage wildlife management areas (WMAs); and, to practice sustainable agriculture - all targeted at alleviating rural poverty while contributing to wildlife resource conservation. Emphasis will include promotion of partnerships between government, the private sector, and rural communities. Principal contractors and grantees: AWF; WWF; Africare.

Support Environmental Education (\$250,000 DA): USAID will support efforts to build a broad-based constituency for environmental management by conducting environmental education and communication (EE&C) campaigns in target areas of the country. Principal contractor: Academy for Educational Development.

FY 2005 Program:

Improve Coastal Resources Conservation (\$750,000 DA): USAID plans to continue to support the implementation of key components of the NCS in up to three target districts. Same implementers as above.

Improve Protected Area Management (\$150,000 DA): USAID anticipates continuing to provide limited, strategic support to protected area managers in its target areas, as sustainable management capacities have been transferred to Tanzanian managers. Focus will be on strengthening community outreach services, anti-poaching, and tourism services. Same implementers as above.

Promote Community-Based Natural Resource Management (\$1,300,000 DA): USAID hopes to continue community-focused economic and conservation activities as a central program component, with an emphasis on matching CBNRM approaches with community needs and resource opportunities. USAID plans to continue its support to wildlife management areas as a high-yield CBNRM approach. Same implementers as above.

Support Environmental Education (\$300,000 DA): USAID plans to continue funding EE&C activities in its target conservation areas. Same implementers as above.

Africa Education Initiative (\$500,000 DA): USAID anticipates implementing a teacher training program for marginalized communities to improve the quality of teaching in needy districts. Implementer to be determined.

Performance and Results: USAID has helped Tanzania put in place a progressive environmental and NRM policy framework, including the Wildlife Policy of Tanzania, and the NCS. New, promising work has been initiated that focuses on the integration of environmental concerns into the Tanzanian Government's Poverty Reduction Strategy and through a new environmental bill. Efforts to promote investment in emerging coastal economic opportunities, including mariculture and coastal tourism, are beginning to demonstrate results. New WMA Regulations passed last year are under active implementation, which will ultimately allow rural communities to manage and benefit from Tanzania's considerable wildlife resources. Rural communities continued to accrue significant economic benefits from successful USAID efforts to promote environmentally sustainable micro-enterprise and partnerships with the private sector in tourism ventures. In target national parks and reserves, improved management capacities and infrastructure investments have resulted in increased tourist visitation and higher revenues. USAID's environmental education and communication campaign was expanded to include both coast and inland terrestrial target areas (reaching over 290,000 Tanzanians), building a constituency for the sound management of Tanzania's valuable natural resource endowment.

By the end of the program, USAID expects to have placed approximately 1.5 million hectares of land under conservation management. Conservation management mechanisms will include government-managed protected areas; community-managed WMAs, village forests, conservation areas, and village lands; and areas managed by private trusts or businesses. Sound management of these lands will be supported by an enabling legal framework that promotes productive uses of natural resources and conservation management. Within this framework, communities, government, and private land managers will realize increased economic benefits from their conservation efforts, through sustainable use of coastal and wildlife resources. In the long-term, these benefits will help to sustain long-term conservation management of the SO's targeted ecosystems.

Data Sheet

USAID Mission:	Tanzania
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	621-009
Proposed FY 2004 Obligation:	\$1,900,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$3,142,000 DA
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: USAID's economic growth program aims to increase micro and small enterprise (MSE) participation in the Tanzanian economy by improving the policy environment for MSEs, strengthening MSEs as value-adding businesses, and providing targeted technical assistance to improve the overall environment for business. Business skills training and technical assistance are supplied to increase farm yields and product quality, as well as the competitiveness of agricultural enterprises. Most of these efforts will center on producer associations, improving their effectiveness and ability to provide member services.

Inputs, Outputs, Activities:

FY 2004 Program:

Improving the MSE Policy Environment (\$400,000 DA). USAID will work with its contractors and grantees to provide technical assistance in three key areas: strengthening business associations; promoting private-public policy dialogue; and augmenting capacity of selected government agencies. Specific interventions will include developing policy advocacy capacity within producer associations by giving them necessary skills and assisting them to become effective lobby groups. The membership of agriculture-related associations already involved in these USAID-supported efforts totals approximately 17,000 individuals. USAID will use a combination of commodity-specific and broader national policy approaches to forge effective public-private partnerships. Emphasis will be on commodity sectors that show high potential for growth such as coffee, cashews, and citrus fruit. To encourage reforms, USAID will provide targeted and limited technical support to strengthen government's ability to implement policy-related changes, particularly in implementing its National Small and Medium Enterprises policy and National Agricultural Policy. An "Investors Road Map" will be used to identify strategic USAID intervention points for strengthening the capacity of government agencies charged with regulating and facilitating agricultural production and trade. Principal contractors and grantees: Development Alternatives Inc. (DAI) (prime), Management Systems International (MSI)(sub), Technoserve.

Broadening MSE Market Access (\$800,000 DA). Rural incomes will be enhanced through USAID activities aimed at creating and strengthening farmer businesses. USAID partners will analyze market supply and demand characteristics of particular commodities, then organize and develop commodity-based sub-sector alliances. This work is already underway. These alliances will work to improve and broaden access to inputs and markets for agriculture entrepreneurs. During the previous year, five high potential commodities were identified: cashews, cotton, horticulture, oranges, and rice. USAID will continue to work with producer associations. One grantee, Technoserve, is already working with coffee producer associations. USAID will assist producer associations and MSEs in identifying export opportunities for various products, including coffee, horticulture, tree crops, and oilseeds. USAID will also support market analyses to identify opportunities and bottlenecks, and sharpen MSE competitiveness. Particular emphasis will be placed on improving the ability of rural producers to meet market quality standards. Principal contractors and grantees: DAI (prime), Technoserve, EnterpriseWorks, ACDI/VOCA, Tuskegee/Sokoine Universities.

Strengthening MSE Capacity (\$700,000). USAID will strengthen the capacity of MSEs through a combination of formal skills training courses and selected technical assistance in applying improved technology. Training will also be provided for producer groups and for their board members to improve the capacity of these associations. Business courses will cover such topics as: how to start a business; accounting; market development; and business planning. Technology improvements will include: better cropping techniques; sorting and grading; processing and storage; and marketing strategies. Principal contractors and grantees: DAI (prime), Technoserve, EnterpriseWorks, ACDI/VOCA.

FY 2005 Program:

Improved Policy Environment (\$720,000 DA): Under the new USAID Country Strategic Plan, now under design, the economic growth component will shift its focus to the agriculture sector, including small producers, but also encompassing larger producers who have the capacity and resources to grow high value commodities for export. USAID plans to further consolidate its efforts in improving the policy environment, working through a network of producer associations who serve as advocates of an improved climate for investment. At the national level, again in conjunction with key producer/agribusiness organizations, USAID will work with its partners to increase the government's ability to implement specific business friendly policies and strategies. Same implementers as above.

Increased Productivity (\$1,220,000 DA): USAID intends to provide technical support to promote activities that have potential to raise agriculture productivity. This will build on the successes in specific commodity sectors during the previous two years and will include both food crops and cash crops produced for sale. In addition to improved production and processing techniques, additional technical areas could include post-harvest handling and marketing. USAID hopes to increase resources available for food production and trade through the Initiative to End Hunger in Africa. Same implementers as above.

Increased Access to Markets (\$1,202,000 DA): USAID expects to continue to facilitate the growth and maturation of producer associations at all levels, from local to national. Through the associations, we will support a broad range of interventions such as: the promotion of quality standards; improved market information systems; the organization of producers into larger marketing units to facilitate sale of their products; limited work on improving market infrastructure; and increasing regional trade capacity. Same implementers as above.

Performance and Results: USAID activities in this SO have achieved important results in all three of the major components. The most striking policy accomplishment involves coffee, one of the most valuable export crops. Due to USAID efforts, the Tanzania Coffee Board recently agreed to allow the direct export of premium, specialty coffee without using the state-run auction. As a result, the coffee association, which now has 7,000 members, has just been issued the first direct export license for coffee. Coffee producers were able to increase the quality and therefore the value of their product, selling 38% of their coffee as specialty grade, contrasted to only 2% in prior years. Work with producer associations continues. An estimated 17,000 members are registered with producer associations assisted by USAID. Finally, there are impressive results to report at the individual producer level. As a direct result of successful efforts to increase productivity in the Southern Highlands, incomes of its member farmers will increase by over \$3.7 million, or over 200%, as a result of the activity.

Tanzania PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Child Survival and Health Programs Fund	16,700	25,040	21,200	19,856
Development Assistance	8,108	12,769	7,000	7,132
Economic Support Fund	0	800	0	0
PL 480 Title II	4,827	22,535	5,813	0
Total Program Funds	29,635	61,144	34,013	26,988

STRATEGIC OBJECTIVE SUMMARY				
621-001 Family Health and HIV Prevention				
CSH	16,700	25,040	21,200	19,856
ESF	0	500	0	0
621-003 Democracy and Governance				
DA	1,334	3,846	2,600	990
621-008 Natural Resource Management				
DA	3,017	3,910	2,500	3,000
ESF	0	300	0	0
621-009 Economic Growth				
DA	3,757	5,013	1,900	3,142

Mission Director,
Ray Kirkland