European Community's Poverty Reduction Effectiveness Programme (EC-PREP) research project: Streamlining poverty-environment linkages in the European Community's development assistance

EP/R05/15

Poverty-environment analytical framework in EC Country Strategy Papers: Tanzania CSP Update¹ Activity 1.1 – 1.4

June 2004

Overview

The Tanzanian Country Strategy Paper (CSP) recently underwent a Mid Term Review (MTR). While conclusions have been drafted, these will not be finalized until October/November 2004² (Koehler-Raue, personal communication, 2004).

Few significant changes have been proposed in the draft MTR conclusions for the Tanzania CSP (Koehler-Raue, personal communication, 2004; Latif, personal communication, 2004; Woringer, personal communication, 2004). Transport, macro support, and good governance will remain the three key focal areas that will receive 9th European Development Funding (EDF) (see details in the "Proposed core area revisions" section).

As indicated in the previous Tanzania CSP evaluation (Snel, 2004), the Tanzanian CSP (for 2001 – 2007) - as with many other EC Country Strategies - did not include a Country Environmental Profile (CEP). Guidelines for the Mid Term Review (2003), however, required that all Country Strategies include a CEP (Le Grand, personal communication, 2003). While not yet formalized, a CEP was drafted for Tanzania (Latif, personal communication, 2004) (see details below under "Country Environmental Profile").

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² The draft MTR is still an internal document. Once finalized the MTR conclusions may be available to the public.

Country Environmental Profile

The draft CEP describes a number of future environmental needs in which the EC could orient future efforts. These include:

- continued support to improve environmental policies (e.g., Tanzania's Environment and Natural Resources Policy Framework and the Environmental Management Act);
- development of a National Natural Resource Management Strategy that articulates a strategy to link the range of natural resources that Tanzania's population depend upon;
- review and update of the National Environmental Policy (published in 1997) to integrate key aspects of new policies, strategies, and legislation;
- support the development of a mechanism to regularly and effectively monitor and report on Tanzania's natural resources;
- develop local government environmental and poverty strategies (e.g., within district development plans);
- support work to resolve current land tenure uncertainties (e.g., between farmers and agropastoralists) and implement a nation-wide land tenure programme;
- review environmental impacts of the mineral and energy sectors, sectors that are rapidly becoming key pillars to Tanzania's economy;
- review agriculture and livestock taxes and levies;
- promote environmental integration in the subsequent Poverty Reduction Strategy (being developed in 2004);
- strengthen environmental accounting; and
- review private sector capacity to implement environmental management.

The draft CEP acknowledges that there are clear linkages between environmental degradation and poverty and emphasizes that Tanzania's natural resources provide a principle source of income generation. Key environmental issues in Tanzania are summarized in the draft CEP as: water shortages (drought); land degradation; urbanization (poor waste management and water supply leading to cholera and typhoid outbreaks); and coastal zone deterioration (e.g., due to an expanding tourism industry and illegal activities such as dynamite fishing and mangrove harvesting).

Proposed core area revisions: draft MTR conclusions

Macro support: Due to good performance, EC funding for *macro support* will be extended and will continue to support PRSP priority sectors.

Good governance: Good governance initiatives will continue to focus on a Capacity Building and Participatory Development programme. In addition, the draft MTR conclusions propose to support a Local Governance Reform Programme: prior to the MTR, funding had not yet been secured for this programme.

Transport: EC funding for *transport* will continue to emphasize road maintenance although the EC is moving towards sectoral support that will emphasize building national capacities to maintain roads versus supporting the development or rehabilitation of specific roads. This will be done by, for example, providing funds directly to the Road

Fund and Tan Roads' budget. The following EC funds are envisioned to be used to support the transportation core area in Tanzania:

- 30 million Euro for rehabilitation of paved/trunk roads;
- 30 million Euro for maintenance of regional/rural roads;
- 30 million Euro for direct support to the Roads Fund; and
- 5 million Euro for institutional strengthening (Woringer, personal communication, 2004).

Research implications

The proposed changes in the transport core areas of the Tanzania CSP do have implications for conclusions drawn in the recent environment-poverty evaluation conducted for the Tanzania CSP (Snel 2004). In particular it may not be assumed that EC funds will go towards the continued development and/or rehabilitation of the Central and Lake Circuit corridors, more specifically to the Mwanza and Mwanza Regional Border-Nzega/Isaka roads. The government may or may not prioritise the maintenance (or development) of these roads once EC funds are, for example, allocated in the Road Fund and Tan Roads' budgets. While it may then not be assumed that market access about the Lake Victoria area will improve, the Lake Victoria region does remain a "hot spot" area for potential negative environmental impacts due to its concentration of mining, fishing, tourism, and agricultural activities. As indicated in Snel (2004) many of these sectors are undergoing rapid and unregulated growth that has been prompted by privatization and liberalization - key objectives of Tanzania's PRSP and supported by numerous donors including the EC. The opening of the Geita mine in 2000 – located in the Lake Victoria Basin catchment area and East Africa's biggest gold producer – has, for example, already been associated with various negative environmental/livelihood impacts ranging from water contamination, loss of biodiversity (especially of fish), and human health consequences.

It is recommended that once the MTR draft conclusions have been finalized, that additional reference is made to the final MTR/CSP revisions in further refining priorities for environment-poverty research being funded by the European Community's Poverty Reduction Effectiveness Program (EC-PREP) on "Streamlining poverty-environment linkages in the European Community's development assistance."

References:

- Koehler-Raue, Gabriela, 2004. Personal communication. Brussels: EC DG-Development (Tanzania desk officer).
- Latif, Razi, personal communication, 2004. Dar es Salam: Tanzania EC Country Delegation (Country Environmental Profile).
- Le Grand, Simon, 2003. Personal communication. Brussels: EC DG-Development.
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- Woringer, Frederic, 2004. Personal communication. Dar es Salam: Tanzania EC Country Delegation (transport).