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# TANZANIA COUNTRY SNAPSHOT



APRIL 2023

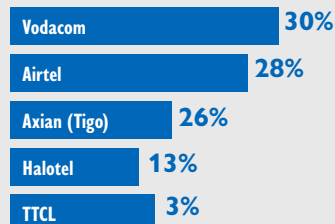
The [Digital Ecosystem Country Assessment \(DECA\)](#), a flagship initiative of the Digital Strategy, supports USAID Missions to better understand, work with, and support country digital ecosystems. The DECA looks at three pillars of a country’s digital ecosystem: (1) Digital Infrastructure and Adoption; (2) Digital Society, Rights, and Governance; and, (3) Digital Economy. The [Tanzania DECA](#) was carried out between May 2022 and October 2022. It included desk research, 76 key informant interviews and was guided by [USAID/Tanzania 2020-2025 Country Development Cooperation Strategy \(CDCS\)](#).

Tanzania’s digital ecosystem underwent considerable change during former President Magufuli’s 2015-2021 rule. Internet infrastructure expansion was prioritized, but last-mile connectivity gaps persist. Citizens [enjoy](#) more widespread 2G and 3G coverage, but Tanzania [lags behind](#) its regional counterparts. Low levels of digital literacy and a lack of locally relevant content undermine inclusive adoption of digital technologies. An important legacy of the Magufuli era was the constriction of civic and online spaces. While there has been greater openness over the past two years, nearly all of the restrictive laws remain in place and prospects for amending or repealing them are uncertain. How the draft November 2022 Personal Data Protection Bill is implemented could serve as a marker for regulation of the digital space under the Hassan administration. The digital economy is in early stages of development. Mobile financial services drive digital financial services (DFS) uptake. The payments infrastructure is well established, but growth is undermined by high and inconsistent taxes. The startup ecosystem requires additional funding sources, mentorship opportunities, and increased coordination among different actors.

## TANZANIA’S DIGITAL ECOSYSTEM AT A GLANCE

### INTERNET ACCESS & USE

MNOs: (market share 2022)



Smartphone penetration: (smartphones as a % of total connections; [GSMA 2021](#))



Active mobile broadband subscriptions: ([ITU 2021](#))



Population covered by at least 3G mobile network: ([ITU 2021](#))



Cost of 1GB of mobile broadband data as percent of GNI per capita: ([A4AI 2021](#))



### INTERNET AND DIGITAL GOVERNANCE

UN E-Government Development Index: (2022)

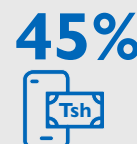


Global Cybersecurity Index: (2020)

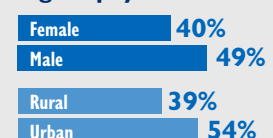


### DIGITAL FINANCIAL INCLUSION ([Findex 2021](#))

Mobile money account:

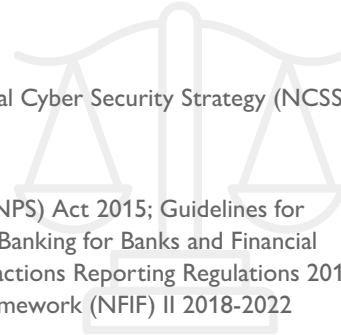


Made or received a digital payment: 50%



## RELEVANT GOVERNMENT ENTITIES, POLICIES, REGULATIONS, & LEGISLATION

- **Key government entities:** President's Office Regional Administrations and Local Government (PO-RALG); e-Government Authority (eGA); Ministry of Information, Communication, and Information Technology (MICIT); Tanzania Communications Regulatory Authority (TCRA); ICT Commission
- **Telecommunications:** Electronic and Postal Communications Act (EPOCA) 2010 (revised 2018, 2020); The Media Services Act, 2016; The Electronic Transactions Act 2015; anticipated ICT Act 2023
- **Universal Services Fund:** Universal Communication and Services Access Fund (UCSAF)
- **Cybersecurity/CSIRT:** Cybercrimes Act 2015; Electronic Transactions Act 2015; National Cyber Security Strategy (NCSS) 2018-2022; Tanzania Computer Emergency Response Team (Tz-CERT)
- **Data Protection:** pending Personal Data Protection Bill, 2022
- **Digital Finance:** Banking and Financial Institutions Act 2006; National Payment Systems (NPS) Act 2015; Guidelines for Electronic Payment Schemes 2015; Electronic Transactions Act 2015; Guidelines on Agent Banking for Banks and Financial Institutions 2017; Anti-Money Laundering (AML) Electronic Funds Transfer and Cash Transactions Reporting Regulations 2019; Restriction on Issuance of Electronic Money Licenses 2020; National Financial Inclusion Framework (NFIF) II 2018-2022



## KEY FINDINGS

**Cybersecurity:** Tanzania has made progress in cybersecurity with the existence of a national CERT, a few cybersecurity degree programs, and relatively strong cyber crime enforcement. However, the National Cyber Security Strategy (NCSS) 2018-2023 that outlines a framework for detecting, preventing, and combating cyber threats is not widely or publicly shared. There are cybersecurity skills, awareness, and hardware capacity gaps including in the government. The cybersecurity talent pool also faces a supply and demand mismatch.

**Connectivity:** Tanzania faces large urban-rural mobile broadband coverage gaps and trails its regional counterparts in 3G and 4G coverage. 64 percent of the population [lives in rural areas](#), but only 14 percent of residents in rural areas compared to 55 percent of those in urban areas [have access to the internet](#). Challenging topography and sparse population density in rural areas make it financially unattractive to deploy digital infrastructure. Many innovations are small-scale or face regulatory challenges. Examples include [World Mobile](#), [Konnect Tanzania](#), [Project Taara](#), and [community networks](#).

**Digital Financial Services (DFS):** Mobile money is a key driver of DFS adoption, [contributing over 60 percent](#) to its use compared to other channels. The payment infrastructure is well established including account-to-account interoperability, but taxes on DFS are detrimental to ecosystem growth. Mobile technology is one of the most heavily taxed sectors with at least [10 different taxes](#). While alternative distribution channels targeting the last-mile have increased DFS reach, rural areas remain underserved.

## RECOMMENDATIONS

**Strengthen cybersecurity through deepening the talent pool, raising public awareness, and providing technical assistance to the government.** Tanzania's cybersecurity talent pool can be strengthened by reviewing existing and developing new curricula. Public awareness campaigns can be targeted for the government, private sector, civil society organizations, and the general public. Improved government cybersecurity capacity is critical and can be supported through the creation of a cybersecurity cadre in public staffing. However, it can be hard to compete with the private sector to attract talent. This could be overcome through the creation of incentive structures and internships for public sector employment.

**Enable innovative solutions for last-mile connectivity through coordination and competition promotion.** There is a need for greater coordination around last-mile connectivity to identify context appropriate and cost effective models for improved last-mile connectivity. Increased technical assistance to UCSAF can support the success of innovative business models and there may be potential to work with the Rural Electrification Agency to combine last-mile connectivity with the rural electrification agenda. There may be an opportunity to spur pro-rural competition and collaboration in the telecom market by: setting targets for tower installation in rural areas; fostering collaboration between key players; and promoting shared passive infrastructure and roaming services.

**Support the enabling environment for DFS by strengthening regulatory capacity for oversight.** There may be opportunities for partnerships between the Bank of Tanzania and accredited local, regional, and global institutions that offer training on policy and regulatory best practices for emerging technologies in the financial sector. Key players from the financial sector can participate in a formal dialogue on ecosystem growth and development to help ensure more enabling policies.

For more information, please see the [Tanzania DECA](#) report.