



**USAID**  
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## PRIVATE SECTOR ENGAGEMENT

### TANZANIA

**The Tanzanian government's ambitious plans for expanded prosperity hinges on a thriving private sector.** As the engine of economic growth, private companies are vital for innovation, job creation, and tax revenue. On average, in low- and middle-income countries, 90 percent of income flows from - and nine out of 10 jobs stem from - the private sector, highlighting its critical role in Tanzania's development.

USAID recognizes the transformative power of the private sector and actively supports Tanzania's efforts to create a more conducive business environment. Challenges include infrastructure and resource limitations and a lack of access to finance for small and medium businesses, hindering their growth and job creation potential. Unreliable power supply and insufficient distribution capacity also act as bottlenecks, impeding economic activity and hindering investment opportunities. We work with the Tanzanian government, private sector actors, and civil society organizations to:

- Enhance the capacity of the Tanzania Investment Centre to support long-term investors.
- Advocate for clear, consistent policies, regulations, and tax administration.
- Facilitate constructive communication between the public and private sectors on tax policies.

USAID actively supports investments in crucial infrastructure and resources such as:

- Encouraging partnerships between the public and private sectors to leverage private sector expertise and resources for infrastructure development.
- Partnering with financial institutions and stakeholders to develop innovative solutions and expand financing options.

By working collaboratively on these critical areas, Tanzania and USAID unlock the full potential of the private sector. This will translate into sustainable development, increased tax revenue for vital services, and thus a brighter future for Tanzanian citizens.

USAID support to Tanzania's private sector has focused on several sectors:

## HEALTH

- Private Sector Health: Faith-based health facilities have historically provided healthcare to more than 40 percent of the population. With USAID technical support, this health provider network is developing innovative market-oriented business strategies, strengthening financial and management systems, and mobilizing capital to enhance operational self-reliance. Capacity building will improve service delivery in HIV/AIDS and reproductive, maternal, newborn, child and adolescent healthcare.

**PRIVATE SECTOR OVERVIEW**

**RELATED USAID ACTIVITIES**

**Health**

- m-mama
- Sustaining Health Outcomes through the Private Sector (SHOPS Plus)
- Health Electrification and Telecommunications Project

**Agriculture**

- PrivateSector Strengthening Project
- Feed the Future Kilimo Tija

**WASH**

Maji na Usafi wa Mazingira

**Finance**

- Development Finance Corporation loan guarantees
- USAID Agrifinance

**Trade**

Africa Trade and Investment Project

**Policy**

SERA BORA

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- m-mama, a partnership between USAID, the government of Tanzania, and Vodafone helps save the lives of mothers and babies by training dispensary staff and providing emergency transportation for expectant mothers or newborns at risk of severe complications. Thus far, 53,000 expectant mothers and newborns at risk of death received emergency transportation.

- Health Electrification and Telecommunications Activity: USAID supports Maisha Meds and Zola to install solar energy systems and internet connectivity for rural pharmacies, which allows them to more actively participate in the local economy. As of September 2023, 83 facilities had been electrified and 155 facilities digitally connected.

## AGRICULTURE

- USAID developed the SAGCOT Center, a public-private partnership that generated \$50 million in sales in FY2022, positioning Tanzania as a regional food supplier.
- USAID's investments in the avocado industry resulted in an income for more than 35,000 households, 500,000 jobs, and more than \$800 million to the economy.

- In 2023, USAID support helped agriculture firms realize \$80 million in sales and assisted 63,000 smallholder producers in applying improved management practices or technologies to increase productivity.
- Between 2017 and 2023, USAID empowered more than 100,000 young people to become successful entrepreneurs. This comprehensive program offered training in agribusiness along the entire value chain, support for establishing youth-led enterprises, improved access to financial services, and networking, growth, and development opportunities. As a result, participants established or improved more than 5,200 micro, small, and medium enterprises.

## **WATER, SANITATION, AND HYGIENE (WASH)**

- Market systems: USAID expanded its capacity building and mentorship program for small, community-based businesses that play a key role in the local sale and provision of WASH products. In FY 2021, more than 400 business representatives received training and support to link their microenterprises with WASH product suppliers, with 160 entrepreneurs receiving direct connections.

## **ENVIRONMENT**

- From 2022 - 2024, USAID awarded \$7.5 million in grants to support public-private partnerships focused on conserving key wildlife corridors in seven critical biodiversity hotspots across Tanzania. These partnerships, involving companies, local organizations, and village savings and loan groups, achieved conservation goals through collaboration with local tourism and other private sector actors. By working collaboratively with diverse stakeholders, this USAID-funded initiative secured the future critical ecological landscapes, promoting biodiversity conservation and fostering sustainable economic development through responsible tourism.

## **ACCESS TO FINANCE**

- Through a range of programs, USAID facilitated more \$300 million in financing for businesses, in sectors like agriculture and healthcare. By facilitating access to finance, reducing risk for lenders, and promoting financial literacy, USAID's programs are empowering underserved Tanzanian businesses. This contributes to economic growth, increased job creation, and improved livelihoods across the country.
- Development Finance Corporation: Between 2008 and 2023, USAID mobilized more than \$70 million in lending to support businesses in health, agriculture, and renewable energy, the education sector, small and medium businesses, and the informal sector.

## **INFRASTRUCTURE AND TRADE**

- To advance renewable energy utilization, USAID collaborated with the Government of Tanzania to incorporate solar, wind, geothermal, and small hydro projects into its National Power Sector Master Plan. This shift toward cleaner and more sustainable energy sources represents a significant step toward environmental protection and long-term energy security.
- Power Africa, a USAID-led initiative, and its partners significantly boosted power generation in Tanzania by 430 megawatts.
- USAID's collaboration with the Rural Energy Agency resulted in a dramatic increase in rural electrification. Since 2017, more than 2 million new connections have been established, with an average of 400,000 connections per year since 2021.
- USAID's trade facilitation efforts contributed to more than \$400 million in increased trade activity.
- Through initiatives like Prosper Africa, USAID supports two-way trade and investment between the United States and African nations, including Tanzania.