

TANZANIA

Extreme poverty (defined in notes) has been decreasing but according to latest available data (2013), 44% of Tanzanians still live below the international poverty line. The poorest 20% of the population has 7.4% of total income.

- ODA accounted for 51% of international financing in 2015, followed by FDI at 29% of the total
- In 2015 government spending equated to PPP\$468 per person, among the 25 lowest amounts in the world
- IDA, the US and the UK are the three largest donors, together providing half of all ODA

Overview

HOW MANY OF THE
POOREST 20% OF
PEOPLE GLOBALLY LIVE
IN TANZANIA?

32.1m

WHAT RESOURCES
ARE AVAILABLE?

Domestic public

US\$5.5bn

International

US\$5.3bn

HOW MUCH DOES THE
GOVERNMENT SPEND
PER PERSON?

PPP\$468

See Notes

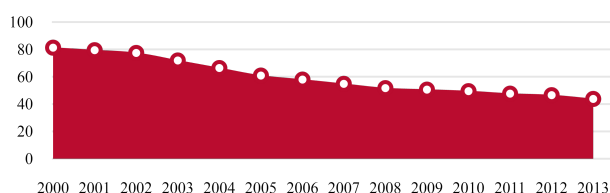
HOW DEEP IS
POVERTY?

13%

Depth of poverty

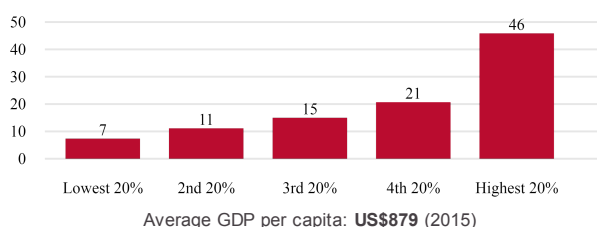
Since 2002 extreme poverty has decreased by over 40% but remains high at 44% in 2013

% of population living on under \$1.90 per day



The poorest 20% of the population has 7.4% of total income

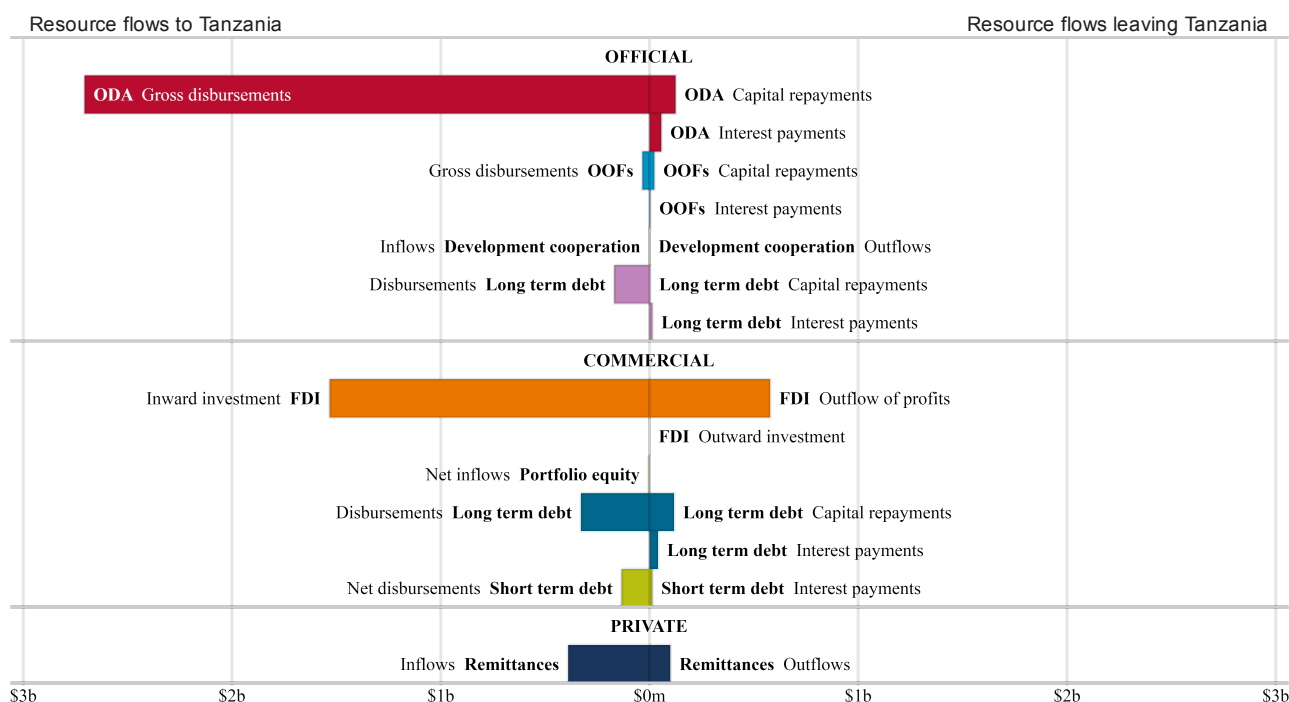
2011, share of income by quintile of population



Resource flows to and from Tanzania

ODA remains the largest international inflow of resources although available financing is varied overall

2015, international resource inflows and outflows (US\$ billions, constant 2015 prices)



Notes: We define extreme poverty as measured using the 2011 PPP\$1.90 extreme poverty line. Purchasing power parity (PPP) prices are the rate at which a country's currency would have to be converted into that of another country to buy the same amount of goods and services in each country. PPPs are constructed by comparing the cost of a common basket of goods in different countries. Depth of poverty is a measure of the average gap in incomes for people living below the poverty line spread across the population of the whole country, expressed as a percentage of the PPP\$1.90 a day poverty line. Poverty data in the overview boxes is for the year 2013. 'Domestic public resources available' refers to the total non-grant revenue either collected or projected to be collected by the government in the financial year 2015. Data on 'international resources available' also refers to the year 2015. Data on government spending per person is expressed in 2015 PPP\$, as estimated by the IMF, and refers to the year 2015 or most recent year prior. Acronyms: GDP: gross domestic product; FDI: foreign direct investment; IDA: International Development Association; IMF: International Monetary Fund; ODA: official development assistance.

Government finance

Income taxes provide almost a third of total revenue, with grants accounting for only 3%. Financing is an important component of the resource bundle, making up 19% of the total. Development expenditure accounts for 24% of total spending, with twice as much funding coming from domestic as international sources.

Grants received are a mix of budget support and project-related funding

2016, latest year of actual revenue (US\$ billions, constant 2015 prices)

| | | | |
|---|-----------------------------------|--|---|
| Total Revenue And Grants 100% of total US\$8bn | Revenue 97% of total US\$7bn | Tax Revenue 86% of total US\$7bn | Value-Added Tax 21% of total US\$2bn |
| | | | Import Duties 6% of total US\$489m |
| | | | Excises 15% of total US\$1bn |
| | | | Income Taxes 32% of total US\$2bn |
| | | Non-Tax Revenue 10% of total US\$793m | Other Taxes 13% of total US\$956m |
| | | | Other Nontax 7% of total US\$567m |

Domestic financing increased twelve-fold from 2015 to 2016, offsetting a shortfall in external financing from development partners

2016, latest year of actual financing (US\$ billions, constant 2015 prices)

| | | | |
|--------------------------------------|---|--|---|
| Financing 100% of total US\$2bn | Net External Finance 41% of total US\$751m | Loans 58% of total US\$1bn | Program Loans 13% of total US\$240m |
| | | | Non-Concessional Borrowing 22% of total US\$394m |
| | Net Domestic Finance 59% of total US\$1bn | Amortization -16% of total US\$-295m | Project Loans 23% of total US\$412m |
| | | Nonbank Financing 23% of total US\$412m | |
| | | Bank Financing 44% of total US\$807m | |
| | | Tanzania Petroleum Development Corporation -8% of total US\$-152m | |

Spending on wages (42%) and interest payments (11%) makes up over half of government recurrent expenditure

2016, latest year of actual expenditure (US\$ billions, constant 2015 prices)

| | | | |
|--|---|--|--|
| Total Expenditure 100% of total US\$9bn | Development Expenditure 24% of total US\$2bn | Domestically Financed 16% of total US\$2bn | Other Domestically Financed 11% of total US\$1bn |
| | | Externally Financed 8% of total US\$760m | Clearance Of Arrears 5% of total US\$500m |
| | Recurrent Expenditure 76% of total US\$7bn | Wages And Salaries 32% of total US\$3bn | |
| | | Interest Payments 8% of total US\$787m | Domestic 6% of total US\$535m |
| | | Goods And Services And Transfers 36% of total US\$3bn | Other Goods And Services And Transfers 35% of total US\$3bn |

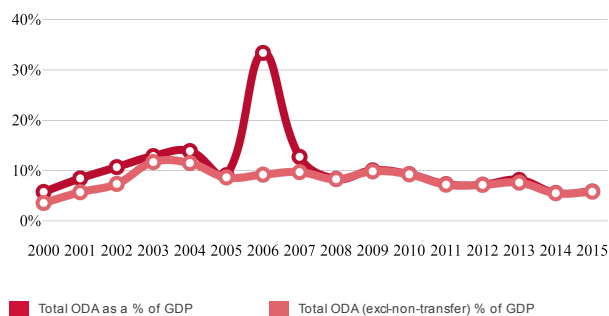
Notes: Year of data refers to the fiscal year 2016 running from July to June. The pink boxes represent negative values, typically showing repayments of loans under financing. Some labels have been omitted from these visualisations; for these, and those that are too small to read, please refer to the online country profile page on the Development Data Hub. For the specific source information see here: <https://github.com/devinit/digital-platform/blob/master/user-data/domestic/csv/domestic-sources.csv>

ODA

Gross ODA to Tanzania stood at US\$2.7 billion in 2015, up 9% from 2014, though lower than 2013 levels. Cash is the main form of aid to Tanzania, both as loans and equity investments (38%) and grants (19%). IDA, the US and the UK are the largest three donors. Almost half of aid to Tanzania goes to the health and infrastructure sectors. The US gives the largest amount to the former, while IDA and African Development Fund together provide 60% of infrastructure aid, mostly in loans and equity. Governance and security was the third largest sector, and IDA the largest donor to this sector.

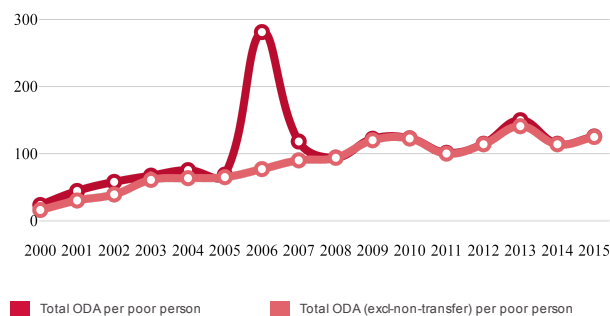
In 2015, ODA relative to GDP increased by 6% over its 2014 level

Gross ODA % of GDP



Excluding non-transferred, ODA per poor person has been increasing overall since 2000

ODA per person living under \$1.90 a day



The majority of ODA is in the form of cash; over a quarter is classified as mixed project aid

2015, gross disbursements

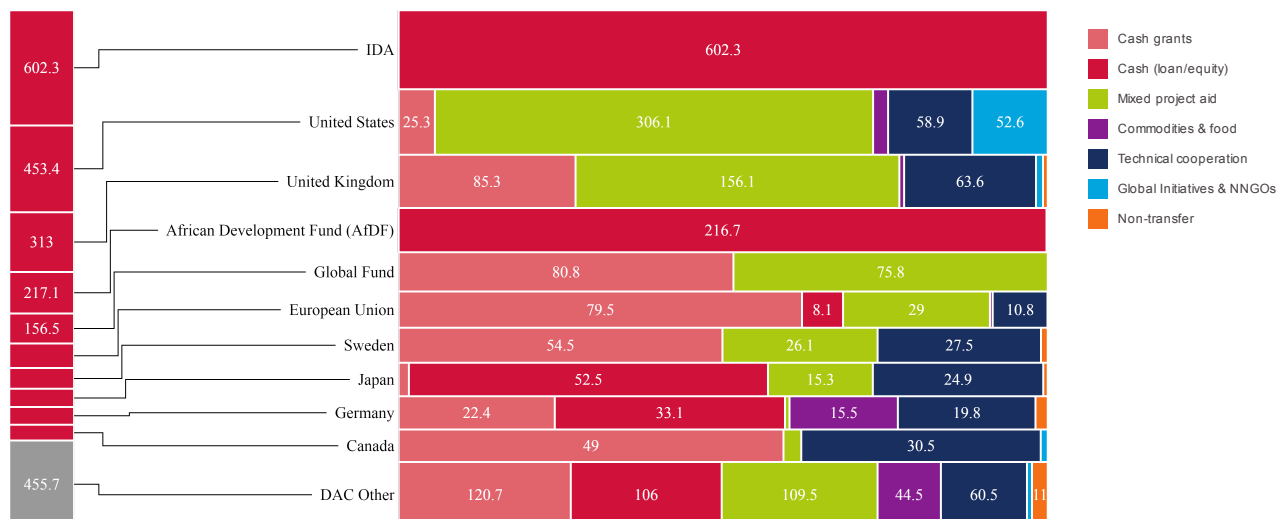


Note: NNGOs, Northern non-governmental organisations.

Over a tenth of ODA from the US goes to global initiatives, including malaria and HIV/AIDS control

2015, US\$ millions, gross disbursements

Aid from the ten largest donors



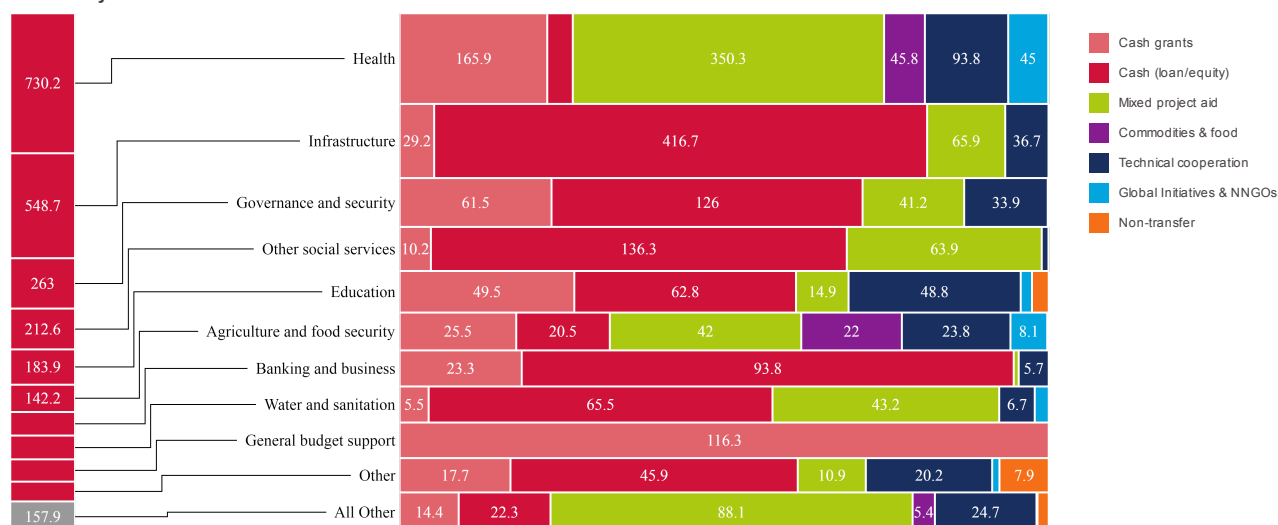
Note: Note: ODA is equivalent to 0.48% of GDP in all developing countries and 2.8% in sub-Saharan Africa in 2015. ODA per capita is equivalent to US\$44 in sub-Saharan Africa. Acronyms: NNGOs, Northern non-governmental organisations; UK: United Kingdom; US: United States.

What is aid spent on?

47% of all ODA goes to health and infrastructure; 10% goes to governance and security, mostly as loans and equity

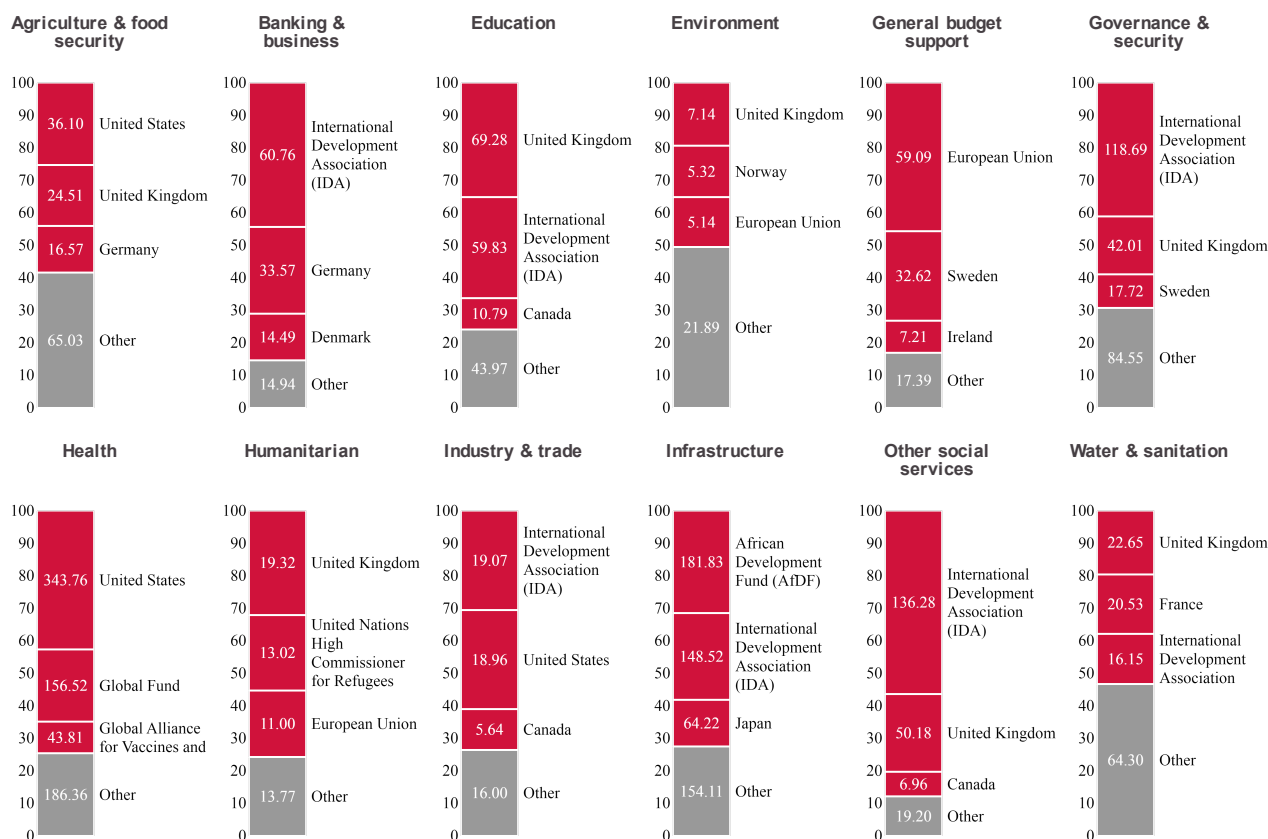
2015, US\$ millions, gross disbursements

Total aid by sector



The US, the Global Fund to Fight AIDS, Tuberculosis and Malaria and GAVI account for 74% of health ODA; EU institutions provide 51% of budget support aid

2015, gross ODA, % of total (US\$ millions disbursements in columns)



Notes: Data is from the OECD Development Assistance Committee (ODA and other official flows data), the World Bank (long-term debt, remittances, gross national income (GNI) and poverty), the UN Conference on Trade and Development (FDI), IMF article IV publications (domestic revenue and expenditure). Other official flows (OOFs) are typically loans that are either not sufficiently concessional to count as ODA, or are mainly in support of commercial objectives, such as donor exports. All data in US\$ is in 2015 prices. 'Other' sector aid includes multisector ODA, administrative costs, support for refugees in the donor country and unallocated or unspecified ODA. Acronyms: OECD: Organisation for Economic Co-operation and Development.