

SUMMARY

Annual Action Programme 2025 in favour of the United Republic of Tanzania to be financed from the general budget of the European Union

1. Identification

Budget heading	14.020121- East and Central Africa
Total cost	EUR 156 000 000 of EU contribution
Basic act	Regulation (EU) No 2021/947 of the European Parliament and the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe.

2. Country background

Tanzania is a key strategic partner for the EU in East Africa, acting as both a regional stabiliser and a country undergoing significant economic reforms. Since 2021, Tanzania has launched major reforms to attract foreign direct investment (FDI) and promote the private sector as a key engine of growth. With its Vision 2050 aiming for upper middle-income status, the focus lies on industrialisation, value addition and value chain development in its key export-driving sectors (agriculture and mining) and harnessing the opportunities stemming from digitalisation. The recent rise in investment projects and business registrations reflects early success of those policies and creates a strong momentum for EU engagement.

The EU, through its Multiannual Indicative Programme (MIP) 2024–2027, is well positioned to support Tanzania’s Vision 2050 priorities, and at the same time implement the Global Gateway and EU’s new Foreign Policy Approach, which both prioritise competitiveness through sustainable investment and climate-conscious growth. Under the proposed Annual Action Programme 2025, the EU can play a catalytic role by supporting investment climate reforms and targeted investments along Tanzanian critical minerals and agricultural value chains and the expanding digital market.

3. Summary of the action programme

The proposed AAP responds to the strategic priorities defined in the Multiannual Indicative Programme (MIP) 2024-2027 for the United Republic of Tanzania namely: i) Green Deals; ii) Human Capital and Employment; and iii) Governance.

The AAP 2025 for Tanzania is composed of three actions:

Action 1: Together4Value - “Pamoja kwa Thamani”: Tanzania-EU partnership for integrated mineral and agricultural value chains: This action aims to strengthen Tanzania’s

natural resource-based value chains by mobilising responsible investments that serve the shared interests of the EU and Tanzania — notably economic growth, sustainability, climate resilience and strategic connectivity. It focuses on three specific objectives:

1. Catalysing responsible investments in Tanzania's critical minerals sector, fostering value chains integrated with European industries, enhancing ESG standards compliance and strengthening local value addition and beneficiation.
2. Enhancing competitiveness and sustainability of Tanzanian agricultural value chains, with increased linkages to EU markets and investment.
3. Improving the regulatory and investment climate supporting EU investment in Tanzania.

Action 2: Tanzania Digital Economy and Connectivity Initiative (TANTECH): The action will accelerate digital transformation and inclusion by supporting e-government, innovation ecosystems, and the digital economy (e-commerce & e-payments). The three specific objectives include:

1. Digital Governance – Enhanced e-government service delivery, cross-border data exchange, and last-mile connectivity (e.g. rollout of secure, accessible, citizen-centric services).
2. Digital Innovation and AI – Strengthened innovation hubs, open data platforms, and AI integration in public services (e.g. through pilot projects and AI curricula).

Digital Economy – Operationalisation of inclusive e-commerce ecosystems and cross-border payment platforms, including the expansion of the Tanzania Instant Payment Systems (TIPS), implementation of the African Continental Free Trade Area (AfCFTA) Digital Trade Protocol and the East African Community (EAC) e-commerce strategy. This EUR 20 million action will be implemented as a Team Europe Initiative (TEI), and possibly with Germany (BMZ), Finland (Ministry for Foreign Affairs), and Estonia (ESTDEV). Co-financing is expected but figures are yet to be confirmed. The action will also benefit from additional financial and technical inputs from other Team Europe partners and regional programmes, with the final composition and level of contributions subject to confirmation by the respective partners.

Action 3: Cooperation Facility (CF) 2025: This action supports the implementation of the MIP 2024-2027, ensuring its alignment with national development priorities and contributing across all MIP Priority Areas. It aims to:

1. Support all stages of the project cycle management (PCM), particularly the programming, identification, and formulation of MIP actions, Team Europe Initiatives (TEIs), and Global Gateway investments.
2. Enhance the leadership and coordination role of the Ministry of Finance and the Planning Commission in steering EU development cooperation and managing monitoring, reporting, and verification (MRV) systems.
3. Strengthen the institutional capacity of the Tanzania Civil Aviation Authority (TCAA) to improve air safety oversight, with a focus on implementing its EU-mandated Corrective Action Plan.

4. Promote Tanzanian exports and investment by organising targeted business missions and structured public-private dialogue, while strengthening the evidence base to support policy reforms in the business and investment environment.

The AAP 2025 is expected to deliver results across three strategic areas:

- *Action 1 – Together4Value* is expected to deliver results across three complementary dimensions. With respect to critical minerals sector, it will catalyse matchmaking between critical minerals-related project owners in Tanzania and European industrial and financial stakeholders; strengthen the ESG standards monitoring and enforcement ecosystem; enhance local beneficiation and value addition, improve geological intelligence and mapping of minerals. With respect to agricultural sector, the action will support adoption of sustainable, climate-resilient, and resource-efficient practices; improve supply and access to finance for investment in the development of sustainable value chains; improve preparedness of selected agricultural value chains for accessing EU and regional markets. The action will also improve the overall investment climate through regulatory reforms of doing business environment and enabling infrastructure supporting value chains.
- Inclusive digital transformation, under *Action 2 – TANTECH* will, in line with the Global Gateway Strategy, the International Digital Strategy and the EU Tech Business Offer, support Tanzania in building a resilient, inclusive, and competitive digital economy. This includes supporting the roll-out of inclusive e-government services, digital public infrastructure, innovation ecosystems, and interoperable e-commerce and digital payment platforms. It also promotes the adoption of AI and enhanced regional integration, aligned with the AfCFTA digital trade protocol and EAC e-commerce strategy.
- Improved public sector and regulatory capacity, through *Action 3 – Cooperation Facility 2025*, including strengthened coordination by the Ministry of Finance, better planning of Team Europe and Global Gateway initiatives, and improved air safety through targeted support to the Tanzania Civil Aviation Authority.
- Cross-cutting results include stronger gender equality, climate resilience, private sector mobilisation, and digital inclusion of women, youth, and people with disabilities—particularly in underserved rural areas.

4. COMPLEMENTARY actions / DONOR COORDINATION/ LESSONS LEARNED

The three actions under AAP 2025 are designed to be mutually reinforcing, aligned with Tanzania's national development strategies and EU policy priorities. They are implemented in close coordination with both national authorities and international partners through established platforms and its sector working groups.

- Action 1 – Together4Value builds on existing cooperation in agriculture and mineral value chains. It complements ongoing EU support under the AGRI-CONNECT programme and benefits from coordination with EU Member States's financing institutions and development agencies. It also reinforces Tanzania's integration in EU supply chains and supports compliance with the EU Corporate Sustainability Due Diligence Directive.
- Action 2 – TANTECH is part of a Team Europe Initiative on digital transformation and is jointly designed with EU Member States including Germany, Finland, and Estonia. It ensures complementarity with regional digital programmes led by the African Union

and EAC, as well as with the AfCFTA Digital Trade Protocol. It also links to the EU's Digital4Development agenda and leverages coordination under the Development Partners Group ICT Cluster.

- Action 3 – Cooperation Facility 2025 serves as an enabler for improved coordination of Team Europe and Global Gateway investments. It directly supports the Ministry of Finance and Planning Commission in leading donor coordination and monitoring, while reinforcing national platforms for public-private dialogue and investment facilitation.

The actions will also promote synergies with existing EU blending and budget support operations. Lessons from earlier interventions highlighted the importance of early alignment with national strategies, cross-ministerial coordination, and embedding private sector participation in programme design. These have directly shaped the structure and implementation modalities of the proposed actions.

5. Communication and visibility

Communication and visibility actions will be financed under consolidated Cooperation Facilities established by support measure action documents. This centralised approach enables the Delegation to plan and implement multiannual, professionally designed strategic communication campaigns, with a focus on enhancing the visibility and perception of the EU in Tanzania, particularly in relation to Global Gateway investments.

These campaigns are data-driven and target new and EU-neutral audiences, focusing on key citizens priorities such as job creation, digital connectivity, infrastructure, and economic opportunity, as identified in the 2023 perception survey. Where appropriate, AAP 2025 actions may support these broader campaigns by showcasing results and impact on the ground.

In parallel, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

6. Cost and financing

Indicative Budget components	EU contribution (amount in EUR)
Action 1 - Action Document for Together4Value - “Pamoja kwa Thamani”: Tanzania-EU partnership for integrated mineral and agricultural value chains	129 000 000
Implementation modalities – cf. section 4.4	
Objective 1: Critical Mineral VC	39 500 000
Indirect management with an entrusted entity - cf. section 4.4.3.1	39 500 000

Objective 2: Agricultural VC	54 500 000
Indirect management with an entrusted entity- Specific Objective 2-cf. section 4.4.3.2	44 500 000
Contribution to the Africa Investment Platform – Outputs 2.1, 2.2 and 2.3 – c.f. section 4.4.4 -	10 000 000
Objective 3: Investment Climate	34 000 000
Direct Management (Procurement) – cf. section 4.4.2	1 000 000
Grants (direct management) – cf. section 4.4.1	13 000 000
Indirect management with an entrusted entity- -cf. section 4.4.3.3	20 000 000
<i>Grants – total envelope under section 4.4.1</i>	13 000 000
<i>Procurement – total envelope under section 4.4.2¹</i>	1 000 000
Evaluation – cf. section 5.2	500 000
Audit – cf. section 5.3	
Contingencies	500 000
Action 2 - Tanzania Digital Economy and Connectivity Initiative (TANTECH)	20 000 000
Implementation modalities – cf. section 4.4	
Objective 1: Digital Governance	9 500 000
Grants (direct management) – cf. section 4.4.1	1 500 000
Indirect management with an entrusted entity - cf. section 4.4.2	8 000 000
Objective 2: Digital Innovation and AI	5 000 000
Indirect management with an entrusted entity - cf. section 4.4.2	5 000 000
Objective 3: Digital Economy	5 000 000
Indirect management with an entrusted entity - cf. section 4.4.2	5 000,000
Grants – total envelope under section 4.4.1	1 500 000
Evaluation – cf. section 5.2	300 000
Audit – cf. section 5.3	
Contingencies	200 000
Action 3 - Cooperation Facility (CF) 2025	7 000 000
Implementation modalities – cf. section 4.4	
Objective 1- Support of the PCM, programming, identification and formulation of MIP, Team	1 000 000

Europe Initiatives (TEIs), and Global Gateway actions - composed of:	
Procurement (direct management) – cf. section 4.4.2	1 000 000
Objective 2 - Enhance the leadership role of the Ministry of Finance and Planning Commission - composed of	2 500 000
Grants – total envelope under section 4.4.1	2 500 000
Objective 3 - Support the capacity of the Tanzania Civil Aviation Authority (TCAA) - composed of	2 000 000
Procurement (direct management) – cf. section 4.4.2	2 000 000
Objective 4 - Promote Tanzania exports and investment - composed of	600 000
Procurement (direct management) – cf. section 4.4.2	600 000
Grants – total envelope under section 4.4.1	2 500 000
Evaluation – cf. section 5.2	200 000
Audit – cf. section 5.3	
Contingencies	700 000
TOTAL	156 000 000

The committee is invited to give its opinion on the attached annual action programme 2025 in favour of the United Republic of Tanzania.