Summary

Tanzania is an East African country comprising a union of Tanganyika, the mainland territory, and the semi-autonomous Zanzibar archipelago. The United States has long considered Tanzania a partner in economic development and, increasingly, in regional security efforts. With more than 52 million people, Tanzania is one of the largest countries in Africa by population and is endowed with substantial natural resource wealth and agricultural potential. Over the past decade, it has experienced robust economic growth based largely on favorably high gold prices and tourism; growth has averaged nearly 7% annually. The ongoing development of large reserves of offshore natural gas discovered in 2010 has raised the prospect of substantial foreign investment inflows and export revenue. Nevertheless, corruption and poor service delivery have hindered efforts to curb widespread poverty, and extensive development challenges remain.

Since independence in 1964, Tanzanian politics have been dominated by the ruling Chama Cha Mapinduzi (CCM, Party of the Revolution), created through the merger of the ruling parties of the mainland and Zanzibar. Political pluralism is weak and opposition parties face periodic harassment and de facto restrictions on their activities. The government is led by President John Magufuli of the CCM, who was elected in late October 2015 and also heads the CCM. His predecessor, Jakaya Kikwete, also of the CCM, assumed power in 2005 and won reelection in 2010, but was constitutionally barred from running for a third term. The 2015 polls featured a close contest between the CCM and a coalition of the leading opposition parties.

Tanzania is generally stable and peaceful, but has seen sporadic threats to state and public security, including periodic but rare attacks on tourists in Zanzibar and several bombings of Christian churches attributed to Islamist radicals, as well as several unattributed armed attacks on police. Tanzania has occasionally arrested suspected Islamic extremists, as in April 2015, when a group of 10 alleged members of the Somali Al Qaeda-linked terrorist group Al Shabaab were taken into custody.

U.S.-Tanzanian relations are cordial, but have suffered tensions over the contentious 2015/2016 election in Zanzibar, restrictions on civil liberties, and other issues. President Kikwete was the first African head of state to meet with former President Obama after the latter took office, and President Obama stated that a “shared commitment to the development and the dignity of the people of Tanzania” underpins bilateral ties. Tanzania also maintains close economic and political ties with China.

Under the Obama Administration, aid cooperation was generally robust. How ties and assistance cooperation may proceed under the Administration of President Donald Trump and during the 115th Congress has yet to be determined. U.S. aid for Tanzania has focused primarily on health, food security, agricultural development, and infrastructure, largely under multiple major presidential initiatives. U.S. assistance has also supported Tanzania’s hosting of large numbers of refugees from the region. Tanzania is eligible for African Growth and Opportunity Act (AGOA) trade benefits and in September 2013 completed a $698 million Millennium Challenge Corporation (MCC) compact focused on poverty reduction and economic growth. The MCC has since suspended activity in support of a possible second compact, citing governance concerns.

U.S. security assistance increased after the 1998 Al Qaeda bombing of the U.S. Embassy in Dar es Salaam. Tanzania was one of six initial participants in the Obama Administration’s African Peacekeeping Rapid Response Partnership (APRRP), which aims to build the peacekeeping capacity of African militaries. Tanzania is a troop contributor to United Nations (U.N.) peacekeeping operations in multiple African countries and Lebanon.
Contents

Introduction ............................................................................................................................................... 1
Background ............................................................................................................................................... 2
Politics and Governance ....................................................................................................................... 4
  The 2015 Elections ............................................................................................................................... 5
  Zanzibar Election Controversy and Implications for Mainland Election ........................................... 6
  Magufuli Administration ..................................................................................................................... 7
  Corruption Challenges ......................................................................................................................... 10
  Security Challenges and Human Rights Trends ................................................................................ 10
The Economy ........................................................................................................................................... 11
  Energy Sector ..................................................................................................................................... 12
Foreign Affairs ........................................................................................................................................ 13
  Lake Malawi ....................................................................................................................................... 13
  Refugee Flows ..................................................................................................................................... 14
  Tanzania’s Contribution to Mediation in Burundi .............................................................................. 15
  China .................................................................................................................................................. 15
  International Security ......................................................................................................................... 17
U.S. Policy ............................................................................................................................................. 17
  U.S. Assistance .................................................................................................................................... 19
    Millennium Challenge Corporation Engagement ........................................................................... 20
    Security Cooperation ....................................................................................................................... 21
Outlook ................................................................................................................................................... 21

Figures

Figure 1. Tanzania at a Glance .............................................................................................................. 3

Tables

Table 1. State Department and USAID-Administered Bilateral Aid for Tanzania ................................. 19

Contacts

Author Contact Information .................................................................................................................. 22
Acknowledgments ................................................................................................................................. 22
Introduction

The United Republic of Tanzania, which last held national elections in late 2015, is an East African country about twice as large as California with roughly 52 million people. The International Monetary Fund (IMF) estimates it to have been the 25th-poorest country globally in 2016 when ranked by per capita gross domestic product (GDP). The country has substantial natural resource wealth and agricultural potential, however, and multiple socioeconomic development indicators have generally improved in recent years. Its relative political stability and government reforms have attracted substantial official development aid, although there are abiding concerns regarding corruption and a difficult business climate. Despite such challenges, some sectors of the economy, most notably extractive industry, are attracting private investment.

U.S.-Tanzanian ties have generally been cordial and have expanded in recent years, but since 2015 some tensions prompted by U.S. governance concerns have roiled the bilateral relationship. Such concerns, centering on the nullification of a 2015 election in the semiautonomous region of Zanzibar, a problematic rerun of that election in 2016, restrictions on civil liberties, and other issues, prompted the Millennium Challenge Corporation (MCC) to suspend MCC’s partnership with the Tanzanian government in March 2016. This effectively ended the potential for a second MCC compact with Tanzania, following its completion of an initial compact in 2013.

These developments ran counter to a prior narrative of improving governance and economic development in Tanzania and closer U.S. ties, underscored by former President Obama’s July 2013 visit to the country, during which he highlighted such progress, as well as growing U.S. trade and investment ties. Despite these tensions, the Obama Administration described bilateral ties as being characterized by a “strong” partnership focused on a “shared vision of improving the quality of life for all Tanzanians” in its FY2017 State Department/U.S. Agency for International Development (USAID) foreign aid budget submission to Congress.

In recent years, State Department and U.S. Agency for International Development (USAID) bilateral assistance to Tanzania has ranged between a low of $592 million (FY2014) and a high of $634.1 million (FY2015) (see Table 1). The Obama Administration requested $575 million for FY2017, which would make Tanzania the third-largest recipient of State Department/USAID development aid in sub-Saharan Africa, a position it has held for several years running. The Trump Administration requested $535 million of such aid for Tanzania in FY2018, the second-highest level requested for a country in the region. This reduction in requested aid for Tanzania would be modest compared to the roughly one-third decrease in overall global aid levels proposed by the Trump Administration.1

How bilateral ties may proceed under the Trump Administration and during the 115th Congress—and whether Congress may accept the Administration’s aid proposal and reduce the foreign aid appropriation levels and country allocation patterns that it has pursued in recent years—has yet to be determined. Some Members of Congress have suggested that they are unlikely to enact many of the cuts proposed by the President.2

---

1 The Trump Administration proposed a 28.7% cut in FY2018 funding for State Department, USAID, and Treasury international programs in its so-called “skinny budget,” America First: A Budget Blueprint to Make America Great Again (Office of Management and Budget, March 16, 2017).

The bulk of U.S. development aid for Tanzania in recent years has been provided under Obama Administration presidential development initiatives, including Feed the Future (FTF), the Global Health Initiative, the Global Climate Change Initiative, Power Africa, and Trade Africa. Tanzania was also chosen to be a Partnership for Growth (PFG) country, one of four worldwide, and in 2014 was announced as one of six initial partner countries under the Obama Administration's African Peacekeeping Rapid Response Partnership (APRRP). While most U.S. aid has focused on health and economic growth investments, bilateral security cooperation has also increased. Tanzania is a top African contributor of personnel to international peacekeeping operations.

While there is generally little Tanzania-focused congressional activity or legislation, Members of Congress occasionally travel to the country and periodically host visits from Tanzanian leaders, such as that of former President Jakaya Kikwete during the August 2014 U.S.-Africa Leaders Summit. Some Members have sponsored legislation advocating protections for albinos, who are the target of attacks, as discussed below.

Background

Tanzania, formed in 1964, is a union of Tanganyika, the mainland territory, which gained independence from Britain in 1961, and the Zanzibar archipelago. Zanzibar, which gained independence from the United Kingdom in 1963, remains semiautonomous, with its own government. Julius Nyerere, Tanzania’s president from 1964 until 1985, remained influential until his death in 1999. Under Nyerere, Tanzania was governed as a socialist state, but maintained cordial, albeit tepid relations with the West. Nyerere advanced a set of national social policies known collectively as ujamaa (“socialism” in Swahili, the lingua franca), which centered on rural, village-based collectivism and self-reliance and the nationalization of key industries.

Ujamaa had a decidedly mixed record. At a national level, central state control of economic policy failed to spur transformative growth and industrialization and inhibited market-based economic transaction efficiencies and private sector growth, while at the village level, collectivization faced increasing resistance. Such factors, together with a range of global ones (e.g., the oil crisis of the 1970s and poor commodity prices for Tanzania’s core agricultural exports) led the country to seek credit and technical cooperation with international financial institutions in the mid-1980s. This led to the gradual liberalization of the economy and later of the state. In contrast to the economic effects of ujamaa, Nyerere’s leadership and policies are widely seen as having united an ethnically and religiously diverse population under a strong shared national identity. His leadership, by many accounts, spared the mainland from the ethnic tensions that have inhibited national unity or destabilized some other African countries. Predominantly Muslim Zanzibar, however, has experienced internal ethnic and religious frictions.

---


4 PFG was an initiative designed to increase bilateral cooperation with selected countries through a mix of aid, public-private partnership, and private sector investment with the aim of spurring sustainable, broad-based economic growth. In 2012 Tanzania and the United States signed a PFG Joint Country Action Plan. It prioritized shared efforts to develop national electrical capacities and rural roads. APRRP is discussed below; see “Security Cooperation.”
Population/Population growth rate: 52.5 million/2.8%
Youth (Persons Aged 0-24 as a Percent of Total Population of): 63.8%
Gross Domestic Product (GDP) Total/Per Capita: $47.2 billion/$9,700
External Debt Total/Public Debt as Proportion of GDP: $15.89 billion/36.6%
Ethnic Groups: Over 120 ethnic groups, the largest of which are the Sukuma and related groups
Languages: Kiswahili (official), Kiunguja (Zanzibari Kiswahili), English (official, primary commercial, administrative, and higher education language), Arabic (in Zanzibar); about 120 local languages, some tiny and endangered.
Religions: Mainland: Christian 58% (32% Catholic), Muslim 35%, local beliefs 5% (2010); Zanzibar: 99% Muslim (2015) (Religious demography estimates vary widely, and local beliefs often influence Christian and Muslim beliefs)
Literacy: Male: 75.9%; Female: 65.4% (2015)
Under-5 Mortality rate: 48.7 deaths/1,000 live births (2015)
Life Expectancy: Male, 60.8 years; Female, 63.6 years

Sources: CIA World Factbook; IMF; Ethnologue; Pew Forum on Religion and Public Life Tolerance and Tension: Islam and Christianity in Sub-Saharan Africa Topline Survey Results, 2010; and State Department, International Religious Freedom Report for 2015. Data from 2016 unless otherwise indicated. Map created by CRS.

Since the mid-1990s, successive governments have taken steps to further liberalize the economy, but Tanzania’s business environment remains challenging, which is, in part, an enduring effect of state-centric policies and bureaucratization during the socialist period. A 2016 State Department assessment observed that “in certain sectors the legacy of socialist attitudes has not fully dissipated, sometimes resulting in suspicion of foreign investors and slow decision making.”

5 State Department, 2016 Investment Climate Statement - Tanzania.
Despite a stated commitment to reform, corruption and poor service delivery have hampered Tanzania’s efforts to curb widespread poverty and reduce widespread reliance on subsistence agriculture. As is common in the region, Tanzania’s aging infrastructure has suffered from chronic underinvestment. Nevertheless, the Obama Administration viewed the Tanzanian government as committed to development and governance reform, and provided substantial aid to spur progress in these areas, and to invest in infrastructure.

Politics and Governance

Tanzania’s ruling party, Chama Cha Mapinduzi (CCM, Swahili for Party of the Revolution), was created by Nyerere in 1977 through the merger of the ruling parties of the mainland and Zanzibar. It has dominated Tanzanian politics since its inception, a key point of criticism by opposition parties. In the first multiparty elections in 1995, the CCM won a landslide victory in voting marred by irregularities. The party has continued to enjoy considerable electoral success on the mainland, in part due to the powers of incumbency, but opposition parties have won a growing share of legislative seats in successive elections. Still, opposition parties reportedly face periodic harassment and de facto restrictions on their activities. Increased political pluralism may distribute political power more widely, but it may also hold the potential to spur increasing ethnic, regional, and/or religious divisions, which the CCM long sought to avert.

The strength of electoral challenges to the CCM has grown during the past two national elections, in 2010 and in 2015 (see below), notably from Chadema (Chama Cha Demokrasia na Maendeleo, the Party for Democracy and Progress), which was formed prior to the 2000 elections. In recent years, CCM-opposition contention has revolved around efforts to replace the constitution, which was adopted during the one-party era in 1977, energy policy (see below), and other matters. In 2014, opposition parties boycotted the process of drafting of a new constitution, claiming the CCM had refused to include opposition proposals to limit the power of the executive and establish a federal government system. The CCM-dominated legislature then adopted a draft charter and the government scheduled a nationwide referendum for April 2015, but later postponed it indefinitely. Opposition parties had called on voters to boycott the referendum and legally challenged the reform process. Rivalry between the CCM and UKAWA (an opposition alliance made up of Chadema, the Civic United Front [CUF], and two smaller parties) remains a key focus of politics. The controversial 2015/2016 elections in Zanzibar have further aggravated interparty tensions (see below).

Zanzibar

Background. Zanzibar is made up of three islands—Unguja (also known as Zanzibar island), Pemba, and Mafia—and several islets. Its 1.3 million people mainly speak Kiswahili and are predominately Muslim. The islands offer protected

---

6 In 2010, then-incumbent President Jakaya Kikwete, in office since 2005, won around 60% of the vote against 26% for Wilbrod Slaa of Chadema. Despite some opposition charges of vote rigging and poor electoral administration, the State Department characterized those elections as “largely free and fair” in annual human rights reports on Tanzania, and other observers viewed them as an improvement over previous elections.

7 The opposition had called for a federal system comprising a union government and separate Zanzibari and mainland governments. The draft would have required winner of the presidential election winners to receive more than 50% of votes; allowed election results to be challenged in court; allowed independent candidates to run; and established a fully independent National Electoral Commission. Africa Confidential, “Unfinished constitutional business,” July 22, 2015; and Nick Branson, “What’s at stake in Tanzania’s constitutional referendum?,” Parts I-III, March 2015, Africa Research Institute blog, among others.

8 UKAWA is an acronym of Umoja wa Katiba ya Wananchi (roughly Union for a Citizens’ Constitution in Swahili).
The 2015 Elections

Tanzania held national and Zanzibari elections on October 25, 2015. Key electoral issues included access to land, poverty and unemployment, state service provision, corruption, and political dominance of the state by the CCM, as well as energy sector development. Then-President Kikwete was constitutionally barred from running for a third term, but his CCM party was widely tipped to win the polls, given its power of incumbency. The opposition, however, mounted a strong challenge, resulting in the closest presidential election in Tanzania’s history. The CCM chose as its candidate, Dr. John Magufuli, a long-time government minister (see profile below), while the main UKAWA opposition coalition candidate was Edward Lowassa, of the Chadema party. Lowassa’s candidacy was unusual, as he was a major CCM figure and former prime minister (2005-2008)—albeit a controversial one—who defected shortly before the election to become the main opposition candidate after not being selected in a contentious CCM nominating process, a major development in Tanzanian politics. Lowassa drew large crowds of


10 Lowassa was forced to resign as prime minister in the face of a corruption case, in which he denied culpability, pertaining to an emergency power generation contract linked to an opaque U.S. firm. Lowassa worked to expand an abiding core base of support within the CCM, but faced internal party leadership opposition and was sidelined in a (continued...)
supporters, and his challenge to the CCM was seen as energizing the 23 million-person electorate, especially among the large youth population, and as a credible threat to the CCM. The apparently close election contest raised tensions, and there was some limited campaign-period violence, notably between militant members of party youth wings and in Zanzibar, where opposition supporters were reportedly subject to intimidation. Opposition parties also complained of a few instances of police interference or limitations on assembly.

In the presidential race, Magufuli won a 58.5% vote share, while Lowassa won 40%. The CCM also won 74% of elected seats for which results were announced, while Chadema won just under 13%, the CUF 12%, and two minor parties less than 1% each. Due to additional indirect elections and seat apportionment, the CCM holds 69% of parliamentary seats, Chadema just under 19%, the CUF just over 11%, and the two minor parties each old one seat.\(^\text{11}\)

**Zanzibar Election Controversy and Implications for Mainland Election**

An October 27, 2015, European Union Election Observation Mission (EUEOM) characterized the national election as “largely well administered” but asserted that “insufficient efforts at transparency meant that both the National Electoral Commission (NEC) and the Zanzibar Electoral Commission (ZEC) did not enjoy the full confidence of all parties.”\(^\text{12}\) In Zanzibar, this finding was strongly substantiated the next day, when the ZEC chairman announced a unilateral decision to nullify the Zanzibari elections while vote-counting was underway. His action came after soldiers reportedly “stormed the collation centre” and evicted journalists and observers, and two days after CUF candidate Seif Sharif Hamad had announced that he had won the Zanzibar presidency with 52% of votes. The ZEC chair later announced that new elections would be held.\(^\text{13}\)

The ZEC chief’s decision raised questions over the credibility of the Zanzibari vote and spurred electoral violence in Zanzibar. A string of small bombings using homemade devices occurred days after the annulment, along with some youth protests. The ZEC’s actions also cast a shadow over the Union elections, since the latter took place in concert with the Zanzibar polls and at the same polling stations. Tanzania’s NEC, however, did not take account of the Zanzibari poll nullification in its vote tallies, and counted Zanzibari votes in determining the outcome of the presidential election. The NEC decision also came despite opposition calls for a recount of the Union presidential vote, based on alleged voting irregularities and vote-tallying fraud. While the

\(^{11}\) National Election Commission, “Matokeo ya Uchaguzi Mkuu wa Bunge, 2015,” *Gazeti la Jamhuri ya Muungano wa Tanzania*, October 28, 2015; and Inter-Parliamentary Union, Tanzania entry in *Parline* database.


\(^{13}\) Hamad based his claim upon the CUF’s own assessment of vote return tallies reported by CUF election monitors, who were present at every polling place in Zanzibar. CRS discussion with CUF deputy leader, March 7, 2017. Quote from BBC, “Tanzania election: Government ministers suffer shock defeat,” October 27, 2015; see also Andrea Schmidt, “Why Is Tanzania's Peaceful Election Suddenly Unravelling?,” *Deutsche Welle*, October 30, 2015.
NEC’s Union decision did not draw international concern, the ZEC’s nullification did, along with criticism and calls for its reversal.\textsuperscript{14}

There were several late 2015 ad hoc dialogue and mediation efforts involving the CUF and parties interested in finding a resolution to the CUF-ZEC dispute, including figures in the CCM and foreign missions. Details about the focus and outcomes of these efforts were not made public, however, and they resulted in no changes to the electoral outcome. Instead, despite CUF opposition, on March 21, 2016, the ZEC held a rerun of the Zanzibar vote, which the CUF boycotted. The ZEC subsequently announced that the CCM candidate, Ali Mohamed Shein, had won the election—with 91.4% of votes—and that his party had also won a majority in the House of Representatives and local councils. In a joint declaration on the election, the United States, 14 European governments, and the European Union stated that

> We regret the Zanzibar Electoral Commission’s decision to hold a rerun of the 25 October 2015 election, without a mutually acceptable and negotiated solution to the current political impasse. In order to be credible, electoral processes must be inclusive and truly representative of the will of the people. We reiterate our call on the Government of Tanzania to exercise leadership in Zanzibar, and to pursue a negotiated solution ... with a view to maintaining peace and unity in ... Tanzania. We commend once again the population of Zanzibar for having exercised calm and restraint throughout this process, and call on all parties and their supporters to re-start the national reconciliation process to find an inclusive, sustainable and peaceful resolution.\textsuperscript{15}

As discussed elsewhere in this report, due to the outcome of the Zanzibar vote and due to concerns over freedom of expression, in March 2016, the U.S. MCC Board voted to suspend the MCC’s partnership with Tanzania.\textsuperscript{16} Since the vote there have been periodic acts of aggression against putative CUF supporters by so-called “Zombies,” informal pro-CCM youth militia, and in the latter half of 2016, several opposition politicians were reportedly arrested. The CUF advocates the creation of a caretaker interim government of national unity, akin to one that existed between 2010 through 2015, and that it conduct new, fully legitimate elections.\textsuperscript{17}

### Magufuli Administration

President Magufuli, 57, who is also the chair of the CCM, is a former MP who held several government ministerial posts, notably including two stints as public works minister, leading to him being nicknamed the “Bulldozer.” He came to office with a generally positive reputation for public service, based especially on his road building and infrastructure project leadership, and other work during over two decades in public office. He also had a reputation as a loyal, mainstream party member not allied to any particular factions, rather than as a charismatic

\textsuperscript{14} A U.S. statement said that the nullification “gravely alarmed” the U.S. government and undermined what had been “an orderly and peaceful election”; it called for the announcement to be reversed. State Department, “U.S. Embassy Statement on Elections in Zanzibar,” October 28, 2015. This view dovetailed with statements by the Tanzania’s governmental Commission for Human Rights and Good Governance and a former Zanzibar Attorney General indicating that they viewed the nullification as illegal, and critical statements by the EAC and the EUEOM, Commonwealth, Southern African Development Community, and African Union (which issued a joint statement).


\textsuperscript{16} The agency stated that the March 2016 rerun of the elections “was neither inclusive nor representative,” and flew in the face of the repeated stated “concerns of the U.S. Government and the international community.” MCC, “MCC Statement on Decision of Board of Directors to Suspend Partnership with Tanzania,” March 28, 2016.

\textsuperscript{17} Economist, “Zanzibar: Trouble in paradise,” October 6, 2016; and CRS discussion with Zanzibari opposition politician, March 2017.
leader. Magufuli’s running mate, Samia Hassan Suluhu, 55, a former minister of state in the vice president’s office, became Tanzania’s first female vice president.

Upon taking office, Magufuli took a tough, proactive line against corruption and state agency inefficiency, promoted civic service, and advocated state spending austerity and cost-saving measures. These actions initially drew a degree of public support—and humorous social media commentary centering on Magufuli’s reputed penchant for thrift, frugality, and micromanagement—as well as provisional support from western donors. These actions also signaled the start of a now well-established pattern of populist, often top-down leadership by the president in diverse issue areas. While his emphasis on austerity has reportedly caused some apprehension within the political establishment and others who have traditionally influenced or benefited from state funding, he reportedly has remained popular. His unilateral decisionmaking—often sans consultation with other relevant policymakers, absent the involvement of functional ministries and, in some cases, in an arguably procedurally or even legally irregular manner—has, however, prompted observers to raise concerns about an autocratic, and even semiauthoritarian governance pattern under his presidency. This has particularly been the case with respect to statements and actions he has made that bear on freedom of expression.

Magufuli: Priorities in Action

**Economy.** Some of Magufuli’s actions have targeted the economy. In early 2017, Magufuli dismissed the head of TANESCO, the national power utility, after it raised electricity prices, a decision that Magufuli later reversed. His action flouted IMF advice to the government regarding efforts to reform and financially stabilize TANESCO, which is burdened by a reported $300 million debt and has sought emergency World Bank loans. Also in early 2017, during an address to the judiciary, Magufuli—who has sought to reduce tax evasion—“ordered the courts to enforce payment of tax claims worth more than 7.5 trillion Tanzanian shillings from big firms” in cases in which he said firms contesting tax assessments had lost. He also called for greater judicial accountability, pointing out that during the past year, of 28 magistrates prosecuted for “various criminal offences, mostly corruption,” all had been acquitted.

In March 2017, he ordered the seizure of the passports of foreign staff of an Indian firm managing a water project facing delays. In April 2017, he fired nearly 10,000 civil servants, whom he asserted had submitted fake education certificates as part of their job credentials. In May 2017, he said his government would enforce a rule requiring mining firms to register on a local stock bourse and, in a separate development, dismissed his mining minister and the chief of a state-run mineral audit agency following a probe into tax-avoiding, undeclared mining firm exports. He had earlier called for a halt to copper concentrate exports, and in response the energy and minerals ministry immediately banned such exports, as well as mineral sand exports. In late 2016, Magufuli’s government banned imports of coal and gypsum—of which Tanzania reportedly has abundant reserves—in an attempt to expand the mining sector. In late 2016, Magufuli also alarmed major foreign gold mining companies when he called for Tanzania’s gold to be smelted in a state certificate as part of their job credentials. In May 2017, he said his government would enforce a rule requiring mining companies to pay of tax claims worth more than 7.5 trillion Tanzanian shillings from big firms.

Magufuli also took other economic measures. In early 2017, during an address to the judiciary, Magufuli—who has sought to reduce tax evasion—“ordered the courts to enforce payment of tax claims worth more than 7.5 trillion Tanzanian shillings from big firms” in cases in which he said firms contesting tax assessments had lost. He also called for greater judicial accountability, pointing out that during the past year, of 28 magistrates prosecuted for “various criminal offences, mostly corruption,” all had been acquitted.

In March 2017, he ordered the seizure of the passports of foreign staff of an Indian firm managing a water project facing delays. In April 2017, he fired nearly 10,000 civil servants, whom he asserted had submitted fake education certificates as part of their job credentials. In May 2017, he said his government would enforce a rule requiring mining firms to register on a local stock bourse and, in a separate development, dismissed his mining minister and the chief of a state-run mineral audit agency following a probe into tax-avoiding, undeclared mining firm exports. He had earlier called for a halt to copper concentrate exports, and in response the energy and minerals ministry immediately banned such exports, as well as mineral sand exports. In late 2016, Magufuli’s government banned imports of coal and gypsum—of which Tanzania reportedly has abundant reserves—in an attempt to expand the mining sector. In late 2016, Magufuli also alarmed major foreign gold mining companies when he called for Tanzania’s gold to be smelted in a local stock bourse.

18 Magufuli, whose full name is John Pombe Joseph Magufuli, was born in 1959. He holds several university chemistry degrees, including a PhD from the University of Dar es Salaam. In addition to serving three terms as an MP, served two separate terms as the public works minister, and as Minister of Lands and Human Settlements and Minister of Livestock and Fisheries Development, and in capacities in the World Road Congress and U.N.-HABITAT.

19 For instance, he reduced parliamentary inaugural and Independence Day celebration funding, calling them wasteful; also i


21 TANESCO’s fiscal status has been seen as a potential hindrance to a state plan to sell $800 million in Eurobonds, as well as borrow billions more from other sources, including a Turkish construction firm and the World Bank. Omar Mohammed, “Tanzania Power Issues Casts Shadow on $12 Billion Debt Plan,” *Bloomberg News*, February 16, 2017.

Tanzania prior to export. According to a Reuters report, “some foreign investors have expressed concern about what they say are unpredictable government policies and actions, while some big mining companies feel they are being unfairly targeted by Magufuli’s administration.”

**Law Enforcement.** The president has also focused on law enforcement issues. In early 2016, Magufuli suspended two senior immigration officials “at the beginning of an investigation into allegations of corruption, mismanagement and poor revenue collection.” In late 2016, asserting that the ruling CCM “party is among institutions accused of rampant corruption,” Magufuli pledged to strongly combat CCM corruption, notably during electoral periods, saying there would be “no mercy” for corrupt officials. In February 2017, he ordered security forces to crack down on illicit drug trafficking and “said no one should be spared, even if they are top politicians or their relatives.”

**Freedom of Expression.** Perhaps most troubling for foreign observers have been a number of actions by Magufuli or officials in his government limiting or prospectively curtailing civil liberties, notably freedom of expression. In early 2017, Magufuli warned that the “days were numbered” for “newspapers deemed to incite dissent,” an action targeted at press criticism and documentation of his administration’s economic and governance record. His warning followed the late 2016 arrest of a founder of a corruption-reporting and whistle-blowing website, Jamii Forums, and a police demand that the site reveal its users’ names. The web site’s cofounder was charged on several counts of obstructing justice and running an unregistered website. In March 2017, a day after Magufuli had again warned of limitations on freedom of expression—in an example of a statement that critics see as “curbing dissent and stifling free speech”—a rap musician was arrested after he released “a song deemed insulting to the government.”

Also in March, Magufuli fired his information minister, Nape Nnauye, after Nnauye defended a radio/TV media outlet, Clouds FM, in its dispute with a reputed Magufuli ally, Dar es Salaam regional commissioner Paul Makonda. The government also closed down two private radio stations in August 2016, and in April 2016 had halted live coverage of parliament—citing inordinate costs, despite a reported private media offer to pay for the service. Critics charged that the move reduced citizen participation in governance and amounted to official censorship on matters of public concern. These moves came after other government media firm closures, as well as threats by the Tanzania Communications Regulatory Authority (TCRA) to suspend multiple television and radio stations if they failed to pay license fees. Civil society critics asserted that TCRA’s action curtailed the public right to information, amid reports that such regulatory actions have been applied selectively, notably against government critics.

Related developments have included the legislature’s passage in November 2016 of the Media Services Act, which introduces a comprehensive regulatory framework on media production and sanctions for outlets found to violate the act. Critics charge that the act “will negatively impact press freedom and was passed hastily, without proper discussion” and may require private media to act as an arm of the state, given an act requirement that licensed media “broadcast or publish news or issues of national importance as the Government may direct.” In 2015, Tanzania also enacted a Cybercrimes Act, under which the state has prosecuted several persons, including some on charges of insulting the president. It sets out punishments of up to three years in jail. In March 2016, the MCCC warned that the

---

23 Quote from Fumbuka Ng’wanakilala, “Tanzania’s Magufuli orders seizure of expatriate construction workers’ passports,” Reuters, March 3, 2017; events set out in Reuters and other wire service stories.


27 Makonda, backed by security personnel, had reportedly “raided” Clouds FM and demanded that it broadcast material designed to discredit a popular local evangelist preacher who had accused Makonda of claiming fake education credentials and abuse of public office, including a false claim that the preacher was party to illegal drug deals. The demand came in the wake of mutual criticism of one another by Makonda, and the preacher’s effort to force Makonda’s removal by Magufuli, which the president refused to do. Manda, “It’s not just a rapper’s arrest…,” op. cit.

government had “not taken measures to ensure freedom of expression and association are respected in the implementation of the Cybercrimes Act.”

Corruption Challenges

Corruption—a key Magufuli target—is a long-persistent problem in Tanzania. A 2012 public audit revealed widespread corruption in several ministries and state entities, and six cabinet ministers resigned in connection with the controversy that year. Other scandals have arisen since, including, notably, the illicit diversion by senior government officials of $122 million in central bank funds, ostensibly to pay for energy contracts, to overseas accounts—a finding which led international donors to suspend $490 million in budget support in October 2014 pending an investigation, and culminated in the resignation of three government ministers. Tanzania's ranking in Transparency International’s Corruption Perception Index (CPI) has slipped in recent years (from 100th in 2011 to 116th in 2016, slightly up from its 119th place ranking in 2014).

Security Challenges and Human Rights Trends

While Tanzania is generally stable and peaceful, there are periodic, usually generally limited threats to state and public security. There have been sporadic attacks on tourists in Zanzibar attributed to Islamist radicals, and there have been several unattributed armed attacks on police stations in which weapons have been looted, as in early July 2015. There have also been occasional bombings of Christian churches, among other targets, that analysts have speculatively attributed to Islamic radicals. Tanzania has occasionally arrested Islamic extremists, including 10 alleged members of the Somali Al Qaeda-linked terrorist group Al Shabaab, who were arrested in April 2015. In May 2015, Tanzanian authorities also arrested Jamil Mukulu, the leader of the Allied Democratic Forces (ADF), a rebel group of Ugandan origin that is made up of Islamist extremists whom Uganda claims have ties with Al Shabaab. In July 2015, Tanzania extradited Mukulu—who is also wanted in the Democratic Republic of the Congo, where the ADF is currently based—to Uganda.

Tanzania has a mixed human rights record. Freedom House rates Tanzania as “partly free” due to various legal restrictions on the press and nongovernmental organization operations, media bias favoring the CCM, and crackdowns on opposition protests. According to Tanzania’s independent, nonprofit Legal and Human Rights Centre (LHRC) and other sources, key issues include a lack of capacity and institutional weakness in providing access to justice, as well as the conduct of security and law enforcement agencies. The U.S. State Department, in its 2016 Country Report on Human Rights on Tanzania, states:

The most widespread human rights problems in the country were use of excessive force by security forces, resulting in death and injury; restrictions on assembly and political expression; and gender-based violence, including rape, domestic violence, and female genital mutilation/cutting. Other major human rights problems included harsh and life-

---


31 The CPI presents composite scores for countries derived from 13 regularly published corruption assessments.

threatening prison conditions, lengthy pretrial detention, limits to freedom of expression on the internet, restrictions on religious freedom, restrictions on the movement of refugees, official corruption at many levels nationwide, child abuse, discrimination based on sexual orientation, mob killings and injuries, and societal violence against persons with albinism. Trafficking in persons, both internal and international, and child labor were also problems.

The State Department also reports that while the government took some steps to “investigate and prosecute officials who committed abuses ... generally impunity in the police and security forces was widespread”; and that while “security forces reported to civilian authorities ... there were instances in which elements of the security forces acted independently of civilian control.”

A particular human rights challenge faced by Tanzania is witchcraft-related killings and mutilation. Albinos are a particular target of such acts by attackers who reportedly harvest their body parts for use or sale in traditional witchcraft rites. There have been multiple reports of such albino murders and attacks in recent years. The problem has attracted the attention of some Members of Congress supportive of efforts to end such acts. In March 2017, four Tanzanian albino children who have lost limbs in attacks and had been living in so-called “safe houses” in Tanzania arrived in the United States to receive medical treatment and a “respite from a homeland where they are persecuted and feared.”

Lesbian, gay, bisexual, and transgender (LGBT) persons also face discrimination. Homosexuality is illegal in Tanzania, and homosexuals have been the focus of threatening comments by government officials. In late 2016 the Tanzanian government halted “U.S.-funded programs that provide testing, condoms and medical care to gays,” on an interim basis, pending a review.

The Economy

Tanzania’s GDP stood at about $47.2 billion in 2016, and has grown at an estimated 6.6% annually, on average, over the past decade. This growth was based largely on earnings from traditional exports, such as coffee, tea, and cotton; revenues from tourism, which has steadily increased and is a key source of hard currency; and exports of gold, the price of which rose over the past decade and spiked in 2011, but has since declined. Gradual diversification into manufactured goods exports is occurring, and development of uranium and gemstone mining is under way. Industry contributes about 26% of GDP. Tanzania also has coal, iron, and nickel

resources. The communications, transport, financial services, construction, manufacturing, and retail sectors are also growing rapidly. Services contribute about 43% of GDP. Agriculture, however, remains a mainstay of the economy, contributing about 31% of GDP. Roughly 68% and by some estimates up to 77% of Tanzanians engaged in agriculture in 2014, but agricultural growth has been relatively slow, at 3.1% between 2010 and 2015.

The benefits of growth often have not reached the large rural population or been evenly distributed. Tanzania’s per capita GDP, estimated at $970 in 2016, ranks low globally but higher than roughly half of countries in sub-Saharan Africa. Poverty is widespread; nearly 47% of Tanzanians live on $1.90 or less per day. Key barriers to economic development include poor infrastructure, low productivity growth, a high population growth rate, and a cumbersome and uncertain regulatory environment that deters foreign investment. Tanzania ranked 132nd out of 190 countries surveyed in the World Bank’s 2017 Doing Business index, notwithstanding marked recent improvements in ensuring access to credit. Tanzania’s overwhelmingly youthful population, 71% of which is under the age of 30, poses a major challenge for development prospects. If unmet, growing demand for health and education services could stir unrest.

Tanzania is eligible for trade preferences, including apparel benefits, under the African Growth and Opportunity Act (AGOA, Title I, P.L. 106-200, as amended) and is a member of the East African Community (EAC) along with Burundi, Kenya, Rwanda, and Uganda. The EAC has taken several steps to promote regional integration: a customs union was formed in 2005, followed by a common market in 2010 and, in 2013, an agreement to establish a monetary union within the next decade. The bloc seeks to adopt a single currency by 2024.

**Energy Sector**

Since late 2010, the discovery of large reserves of natural gas off the southern coast, in a region near far larger reserves in Mozambican territory, has increased foreign investment inflows and raised the prospect of export revenue. The government estimates that the country has 57 trillion cubic feet of natural gas reserves, and it may also have additional onshore resources. Key firms that have been active in exploring and/or developing Tanzania’s reserves have included U.S.-based Exxon Mobil and several European firms, including Statoil (Norway), Eni (Italy), and BG Group (United Kingdom), as well as several smaller ones.

Many Tanzanians have welcomed the discoveries, especially as the resources at issue, notably gas, are slated to be used to supply electricity generating stations, potentially vastly increasing Tanzania’s limited supply of power. There have been sometimes violent protests against a natural gas pipeline in the southern port city of Mtwara, however, due to local fears that gas revenues from the Mnazi Bay gas field along the shore zones south of the city may not benefit the gas-rich region. The sector has been the subject of substantial periodic political controversy. In 2015, for instance, the CCM-dominated parliament overwhelmingly passed an oil and gas development and regulation bill after the speaker of the parliament suspended 40 opposition MPs for shouting during an earlier debate on the matter. The bill was controversial because it has important

---

38 GDP value and growth figures from IMF, World Economic Outlook Database (WEO), April 2017; contributions to GDP data from World Bank, World Development Indicators database (WDI).
39 WDI; WEO and State Department, *Investment Climate Statement for Tanzania*, op. cit.
implications for future revenue earnings, state-corporate relations, and the role of the sector in helping to spur development, and transparency advocates asserted that its passage was rushed without adequate public scrutiny.42

Despite such controversies, many Tanzanians are generally likely to benefit from gas development and gas-fueled electricity generation. Transmission of gas has begun along a 330-mile natural gas pipeline run by Tanzania’s state-run Petroleum Development Corp (TPDC). The line links gas reserves in Mnazi Bay area, along the southern coast, to gas-fired power plants near the commercial capital, Dar es Salaam. The government hopes to greatly expand gas-fired electricity generation capacity. Tanzania is also expanding its use of significant national coal reserves to fuel power production, and plans to construct a geothermal power plant within the next decade.43 A planned cross-border oil pipeline, which will carry crude oil from Western Uganda to a port in northern Tanzania, is scheduled to be completed by 2020. The expansion of gas-fueled, coal-fired, and geothermal power generation is in part intended to diversify the country’s hydroelectricity-dependent energy mix, which is periodically hamstrung by recurrent droughts. In late 2015, for instance, drought conditions caused all of Tanzania’s hydroelectric plants, which provide a reported 35% of power supplies, to temporarily suspend production.

The manner in which a key 2015 oil and gas bill was enacted may raise questions among some analysts regarding whether Tanzania has adequately developed its energy governance capacity, as may its mixed record of implementing the Extractive Industries Transparency Initiative (EITI), an international effort to foster transparent and accountable governance in resource-rich countries. Under EITI, countries voluntarily agree to abide by EITI reporting guidelines, most notably including the public release of government revenues from extractive industry firm payments. While Tanzania is implementing EITI, it was suspended by the EITI Board in September 2015 for failing to issue a mandatory EITI transparency report. That suspension was lifted in late 2015. Tanzania has since complied with EITI reporting requirements, and began a new process of “validation” (i.e., proof of compliance with EITI standards) under the 2016 EITI Standard, an updated set of benchmarks that compliant countries must meet.44

Foreign Affairs

Lake Malawi

Malawi and Tanzania have been engaged in a long-running dispute over competing sovereign claims to Lake Malawi (also known as Lake Nyasa); the dispute has periodically flared since the mid-1960s but never been resolved. The dispute reemerged in 2012, in part due to the prospect that the lake may contain deep-water fossil fuel reserves. Malawi has claimed the entire lake as its own—based in part on mappings and the administrative history of the lake during the colonial period—while Tanzania has claimed half of the lake zone, based on different interpretations of

42 Under the law, which was signed into statute by then-President Kikwete in August 2015, energy firms are to pay a 12.5% royalty for onshore oil and gas production and 7.5% for offshore gas output, while the state would realize between 60% and 85% of the natural gas production profits.

43 Major projects under development include a 1,500 megawatt (MW) natural gas-fired power plant expected to be operational by late 2018 and a planned 1,000 MW plant announced in May 2016. Sumitomo Corporation, “Construction begun on Tanzania’s first natural gas-fired combined cycle power plant,” March 17, 2016; and Reuters, “Tanzania says Japan’s Koyo Corp plans to build $1 bln power plant,” May 13, 2016.

44 On Tanzania’s EITI implementation record, see EITI, “Tanzania,” as of June 2017.
this history. Regional efforts to mediate the dispute, which had stalled in recent years, have been facilitated by Mozambique’s former president, Joaquim Chissano.

The dispute recommenced in early 2016, when Malawi lodged a diplomatic protest with Tanzania’s government after the latter published an official map showing the international border equally splitting the lake zone between the two countries. In February 2017, President Peter Mutharika of Malawi announced that mediation efforts would resume, but in May 2017, his government announced that it would lodge a legal case over the dispute with the International Court of Justice in the Hague.  

Meanwhile, Malawi’s government has allowed exploration for oil and gas in the lake to continue, drawing criticism from environmentalists and UNESCO. Some analysts contend that economic plans for the lake, including oil development and shipping projects, may remain stymied by uncertainty linked to the ongoing border dispute.

Refugee Flows

Tanzania has for decades periodically hosted refugees from various conflicts and political crises in the region, some for extended periods, and has played a mediational role in attempts to resolve such crises. In 2014, Tanzania naturalized a large number of refugees from Burundi. In September 2016, Tanzania participated in the Leaders’ Summit on Refugees, an event hosted by then-President Obama and intended to increase shared global efforts to aid refugees worldwide. At the summit Tanzania agreed to “continue to receive persons running from wars, conflicts, political instability and persecution as defined under the international instruments to which the country is a party,” among other related pledges.  

Tanzania faced a renewed influx of refugees from Burundi both ahead of and following a highly contested, controversial July 2015 election in that country and an attendant, ongoing political and security crisis.  

The number of refugees has grown steadily since April 2015, reaching 331,300 by early April 2017. Despite its 2016 pledges at the Leaders’ Summit on Refugees, the refugee inflow has prompted Tanzania’s government to try to curtail entry of refugees from Burundi; according to UNHCR, in January 2017, the Tanzanian government stopped providing prima facie

46 Malawi also shares a border with Mozambique that includes territory within the southern portion of the lake, but that frontier is not contested. Lucky Mkandawire, “World Heritage demands report on Malawi oil exploration,” The Nation, November 26, 2016; and Economist Intelligence Unit (EIU), “Malawi: The government has grand ambitions for Lake Malawi,” December 19, 2016.
47 The event was cohosted by the United States and took place a day after a broader high-level U.N. summit on refugees. On Tanzania’s pledges, see Summary Overview Document Leaders’ Summit on Refugees, available online at https://refugeesmigrants.un.org/. On the Leaders’ Summit, see White House, Fact Sheet on the Leaders’ Summit on Refugees, September 20, 2016. Information on the related September 19, 2016 U.N. Summit for Refugees and Migrants is online at http://refugeesmigrants.un.org/summit.
48 On Burundi’s crisis, see CRS Report R44018, Burundi’s Political Crisis, by Emily Renard and Alexis Arieff.
49 In March 2017, according to the U.N. High Commissioner for Refugees (UNHCR), an average of 190 Burundians were entering Tanzania daily, with surges of up to 480 arrivals a day. Some estimates of the inflow are higher; in March 2017, the European Commission/Humanitarian Aid and Civil Protection Department (ECHO) reported that there were 700 daily arrivals in Tanzania from Burundi. ECHO, “Burundian Regional Crisis,” ECHO Factsheet, March 2017.
50 As of April 3, 2017, Tanzania was hosting roughly 59% of all refugees from Burundi. This population included roughly 90,000 households and more than half of the population was under the age of 17. Of all refugees in Tanzania, about 73% of this population was Burundian, while 21% was Congolese. The remaining balance consisted of a residual pre-1972 Burundian refugee population awaiting naturalization in Tanzania, and a small number of other refugees. UNHCR, “Burundi Situation,” Operational Portal, https://data2.unhcr.org/en/situations/burundi; and State Department Bureau of Population, Refugees, and Migration (PRM) response to CRS inquiry, April 6, 2016.
refugee recognition of Burundian refugees. Almost all of Tanzania’s refugee population resides in Kigoma Region, adjacent to Burundi, in three large camps supported by Tanzanian and international public and nongovernmental humanitarian and social services agencies. The United States and other donors provide funding to support these camps (see “U.S. Assistance,” below).

**Tanzania’s Contribution to Mediation in Burundi**

Tanzania is involved in halting regional mediation efforts aimed at resolving the Burundian crisis. In March 2016, the East African Community (EAC) appointed former Tanzanian President Benjamin Mkapa to facilitate an “inter-Burundian dialogue,” although President Yoweri Museveni of Uganda technically remains the chief EAC mediator. After consultations, Mkapa set out a plan of action at an EAC summit in September 2016 and then presented Museveni with a more detailed roadmap in November. It provided for a series of engagements between late 2016 and 2017 culminating in a “final agreement” in mid-2017. That outcome, however, has not been achieved, due in part to doubts over Mkapa’s credibility and neutrality by Burundi’s opposition, some elements of which have accused him of siding with the government. This is, in part, based on Mkapa’s repeated assertion that Burundian President Pierre Nkurunziza’s 2015 election—a highly contentious key factor driving the ongoing crisis—was legitimate.

In mid-March 2017, the U.N. Security Council (UNSC) endorsed Mkapa’s efforts and the overall “inter-Burundian dialogue”—which the UNSC called “the only viable process for a sustainable political settlement”—but also expressed “deep concern over slow” dialogue progress and a range of related human rights, political, and other developments inside Burundi. In May 2017, an EAC summit heard a progress report on Mkapa’s efforts and the broader dialogue, but took no substantive actions to enhance its conflict mitigation approach. Individual EAC leaders, including President Magufuli, did, however, issue statements opposing European Union (EU) sanctions on Burundi, angering the Burundian opposition. An EAC summit communiqué also tied the EU’s sanctions on Burundi, among other issues of concern, to an ongoing EU-EAC negotiation over a proposed EU-EAC regional Economic Partnership Agreement.

**China**

China and Tanzania have a long history of warm political relations and close trade and economic development cooperation dating back to the early postcolonial period and, notably, China’s construction in the 1970s of the Tanzania–Zambia Railway (TAZARA). China is Tanzania’s largest trading partner, and several large Chinese firms are active within Tanzania. China is also a

---

51 In brief, *prima facie* recognition refers to a government's presumptive acknowledgement that persons fleeing a country are at risk of harm in their country of origin and qualify for refugee status. In practice in Tanzania, it has been applied to both individuals and groups. UNHCR has reported that in the wake of Tanzania’s actions, guidance on refugee status determination (RSD) has been unclear. In mid-March 2017, UNHCR reported that some asylum-seekers were facing ad hoc screening by Tanzanian immigration officers inhibiting their entry into the country.

According to the UNHCR, Tanzania’s action involved its revocation of its Refugee (Declaration) Notice No. 54. In January 2017, by Emily Renard and Alexis Arieff.


key security partner for Tanzania; the two militaries share long ties and retain a close relationship. After Chinese President Xi Jinping took office in 2013, Tanzania was the first country he visited.

The natural gas pipeline project noted above was financed by a $1.23 billion Chinese loan. Construction is also underway on a $10 billion mega-project at Bagamoyo, former President Kikwete's home town, which includes a multipurpose deep water port, special economic zone, and linked railway. The multiyear project is financed by China Merchants Holdings-International (CMHI), China's largest port operator, and Oman's State General Reserve Fund. CMHI is the designated construction manager and, according to some reports, may have multidecade concession rights to the facility. The Bagamoyo development—with a planned annual 20 million container throughput capacity—is projected to dwarf ports in Dar es Salaam and Mombasa, Kenya, and provide access to multiple countries in East and Southern Africa. In mid-2016, Tanzania’s government also reported that China's Export-Import Bank had agreed to provide Tanzania with a $7.6 billion loan to fund construction of a railroad to boost linkages between Tanzania to its EAC neighbors. Other major deals in recent years include a $500 million housing project between Tanzania's SOE National Housing Corporation and China Railway Jianchang Engineering signed in 2013; several power project deals signed in 2013 worth more than $828 million; an integrated coal mine and power plant project; and an integrated iron ore mine and steel mill project worth up to a total investment of up to $3 billion.

Tanzanian-Chinese bilateral trade reached a reported $4.67 billion in 2015, but fell to $4 billion in 2016. The balance of this trade varies considerably year to year, but in recent years has grown exponentially in favor of China (e.g., Chinese exports were almost 12 times larger than its imports from Tanzania in 2016). U.S.-Tanzanian trade, in comparison, is much lower, with U.S.-Tanzania trade totaling $278 million in 2015 and $309 million in 2016. While Chinese-Tanzanian economic ties have generally been positive, they have periodically prompted acrimonious responses by Tanzanians negatively affected by Chinese business, such as communities displaced during large construction projects or Tanzanian traders hurt by direct competition from Chinese retail rivals.

Focus on Wildlife Trafficking and Alleged Chinese Involvement

The problem of wildlife trafficking—a focus of U.S. concern in Africa under the Obama Administration—poses key threats to Tanzania, both with respect to its environmental conservation efforts and to its crucial wildlife-centered tourism industry, and has worsened in recent years. Chinese actors have been implicated in such trade and the reported involvement of Chinese nationals in illegal ivory trafficking from Tanzania has introduced some tension into Chinese-Tanzanian relations. In 2015, the Tanzanian government reported that its elephant population had dropped by more than 60% in the previous five years, from 109,051 animals in 2009 to 43,330 at the end of 2014. Within Africa, Tanzania, which has for many years hosted some of the largest elephant populations in Africa, is both a key ivory source country and trafficking export exit point. Tanzania has periodically prosecuted Chinese nationals for wildlife trafficking or interdicted illicit wildlife exports destined for China. In 2014, the UK-based environmental advocacy group Environmental Investigation Agency alleged that members of a delegation accompanying Chinese President Xi Jinping during a 2013 visit purchased illicit ivory.

55 Fombuka Ng’wanakilala, “Tanzania gets $7.6 bln loan from China’s Exim Bank for railway,” Reuters, July 20, 2016.
56 Data from Global Trade Atlas using Chinese and U.S.-reported trade data.
driving up the domestic black-market price of ivory prior to and during the visit. The Chinese government rejected the allegation.59 In 2015, a Chinese businesswoman active in Tanzania was charged with large-scale trafficking and illicit purchases of elephant ivory, allegedly in collaboration with well-placed Tanzanians, reportedly worth millions of dollars, and a week later Chinese officials made a large wildlife trafficking seizure that included 804 kilograms of African ivory. The seizure came several months after Tanzania’s natural resources and tourism minister had publicly called on China to reduce Chinese demand for ivory.60 In response to increasing international pressure to crack down on illicit ivory imports from Africa, China has restricted ivory imports and is endeavoring to entirely end them by late 2017.61

International Security

Tanzania actively contributes to regional and international peace and security efforts. In addition to being a troop contributor to United Nations (U.N.) peacekeeping operations, with personnel deployed in multiple African countries and Lebanon, Tanzania hosts large numbers of refugees from the region, including from Burundi and the Democratic Republic of the Congo. The International Criminal Tribunal for Rwanda, which tries Rwandan genocide suspects, is located in the northern Tanzanian city of Arusha, as is the African Union’s African Court on Human and Peoples' Rights (AfCHPR), a continental court with a mandate to protect human rights.

U.S. Policy

U.S.-Tanzanian ties have been robust and grown in recent years, despite tensions since 2015 related to Tanzanian governance patterns, as discussed in this report’s introduction. Another irritant in bilateral relations has been a contract dispute between TANESCO, the national power utility, and Symbion Power, a U.S. firm. Along with partners, Symbion received more than $110 million in MCC procurement awards to help improve Tanzania’s electrical power sector and later reportedly expanded its business beyond its initial MCC contract.62 Notwithstanding these tensions, in late 2016, the State Department portrayed the bilateral relationship as “an established partnership characterized by mutual respect, shared values, and aspirations for a more peaceful and prosperous future.”63 Such sentiments had been reflected in cordial high-level engagements over several years. Former President Kikwete was the first African head of state to meet with former President Obama after Obama took office in 2009. Later, in 2013, then-President Obama visited Tanzania, and in August 2014, President Kikwete attended the U.S.-Africa Leaders

60 Kevin Sieff, “Prosecutors say this 66-year-old Chinese woman is one of Africa's most notorious smugglers,” Washington Post, October 8, 2015; and Reuters, “Tanzania urges China to curb ivory demand to save elephants,” June 18, 2015.
63 U.S. Department of State, U.S. Relations with Tanzania, Fact Sheet, November 1, 2016.
Summit. President Obama’s 2013 trip followed prior high-profile visits (e.g., by then-Secretary of State Hillary Clinton in 2011 and then-President George W. Bush in 2008).

Under the Obama Administration, Tanzania was a beneficiary of several major bilateral and regional assistance programs, most of which were initiated under the Obama Administration, including the Partnerships for Growth (PFG), and was one of six initial partner countries under the Obama Administration’s African Peacekeeping Rapid Response Partnership (APRRP). Tanzania has also received assistance through Power Africa, which aims to double access to electricity in Africa and is being maintained by the Trump Administration. It is also a participant in Trade Africa, a partnership to increase trade between the United States and Africa and among African countries focused, in particular, within the EAC. U.S. bilateral and regional assistance also supports Tanzanian efforts to combat wildlife trafficking. Tanzania is also a participant in the U.S. Young African Leaders Initiative (YALI), initiated during the Obama Administration and being maintained by the Trump Administration (albeit potentially at a reduced level and under a different title). Tanzanians also participate in several other educational or professional State Department exchange programs. There is also a Peace Corps program in Tanzania, with roughly 220 volunteers as of September 2017, who work in various areas, such as agriculture, education, and health.

In 2012, U.S. and EAC officials agreed to pursue a trade and investment partnership under which they will explore a potential U.S.-EAC Investment Treaty and discuss a possible Trade Facilitation Agreement and a U.S.-EAC commercial dialogue, among other ends. Toward such ends, the U.S. Department of Commerce opened a new office in Tanzania in 2014. How U.S.-Tanzanian relations may change under the Trump Administration, if at all, has yet to be determined.

---

64 PFG was designed to increase bilateral cooperation with selected countries, through a mix of aid, public-private partnership, and private sector investment, to spur sustainable, broad-based economic growth. In April 2012 Tanzania and the United States signed a PFG Joint Country Action Plan that prioritizes joint efforts to develop national electrical capacities and rural roads.

65 APRRP provides targeted assistance to enhance the international peacekeeping deployment capacity of selected African countries seen as possessing relatively high-level military capabilities and with a record of contributing to international peacekeeping operations. Examples of capabilities targeted for improvement may include military logistics, airlift, field hospital operation, and formed police units. Equipment transfers may comprise another key APRRP aid component. Other APRRP countries include Senegal, Ghana, Ethiopia, Rwanda, and Uganda. White House, “Fact Sheet: U.S. Support for Peacekeeping in Africa,” August 06, 2014, and “Fact Sheet: U.S. Support for Peace, Security, and Countering Violent Extremism in Africa,” July 27, 2015, among other sources.


67 In 2013, President Obama issued Executive Order (EO) 13648 on “Combating Wildlife Trafficking” and pledged to boost regional and bilateral training and technical aid funding in Africa to combat wildlife trafficking. EO 13648 established an inter-agency Presidential Task Force on Wildlife Trafficking and a non-governmental Advisory Council on Wildlife Trafficking, and issuance of a National Strategy for Combating Wildlife Trafficking, which was issued in February 2014. A year later, the Presidential Task Force released a Strategy implementation plan.

68 YALI, a presidential initiative begun in 2010, fosters the development of emergent young African business, civic, and public management leaders through exchange-based fellowships and follow-up support. The State Department primarily administers the U.S.-based portion, while USAID implements most Africa-based activities. Under YALI, USAID provides online information on networking, professional opportunities, and sources of seed funding and mentoring support for community service for Fellows, including through regional leadership centers.

69 The agency’s Tanzania program is funded at $3.3 million in FY 2017, and it requested $3.5 million in FY2017.
U.S. Assistance

U.S. assistance to Tanzania focuses primarily on health, food security and agricultural development, and infrastructure, largely under major presidential initiatives. In addition to a substantial, now completed MCC Compact (see below), the State Department and U.S. Agency for International Development (USAID) have administered significant amounts of aid in Tanzania in recent years.

Table 1. State Department and USAID-Administered Bilateral Aid for Tanzania
(in millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY 2014 (Actual)</th>
<th>FY 2015 (Actual)</th>
<th>FY 2016 (Actual)</th>
<th>FY 2017 (Request)</th>
<th>FY 2018 (Request)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>591.5</td>
<td>634.1</td>
<td>626.3</td>
<td>575.3</td>
<td>535.3</td>
</tr>
<tr>
<td>DA</td>
<td>115.7</td>
<td>122.0</td>
<td>96.5</td>
<td>80.7</td>
<td>-</td>
</tr>
<tr>
<td>ESDF</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23.0</td>
</tr>
<tr>
<td>GHP-USAID</td>
<td>98.3</td>
<td>98.3</td>
<td>99.3</td>
<td>100.4</td>
<td>41.5</td>
</tr>
<tr>
<td>GHP-STATE</td>
<td>372.4</td>
<td>409.4</td>
<td>415.4</td>
<td>393.6</td>
<td>470.0</td>
</tr>
<tr>
<td>INCLE</td>
<td>0.5</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NADR</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>IMET</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>FMF</td>
<td>0.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FFPa</td>
<td>3.8</td>
<td>3.1</td>
<td>14.2</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: State Department, Congressional Budget Justifications for Foreign Operations (CBJ), FY2015-FY2018.

Notes: DA-Development Assistance; GHP-Global Health Programs; IMET-International Military Education and Training; FFP-Food For Peace (P.L. 480 Title II). FMF: Foreign Military Financing; INCLE: International Narcotics Control and Law Enforcement; and NADR: Nonproliferation, Anti-Terrorism, Demining and Related Programs. ESDF or Economic Support and Development Fund, is a merger of the DA and ESF accounts proposed in the FY2018 Trump Administration request. Figures do not include emergency humanitarian assistance or certain types of aid provided through regional programs. Totals may not add up due to rounding.

a. The Trump Administration did not request FFP aid in FY2018, and instead seeks to fund all emergency food aid under the International Disaster Assistance (IDA) account. FFP aid may be used for developmental purposes and for emergency food need.

Health funding has comprised the bulk of such aid, and accounted for $497 million of the FY2017 request. This health aid has been largely devoted to fighting HIV/AIDS and malaria, and is channeled primarily through the President’s Emergency Plan for AIDS Relief (PEPFAR) and the President’s Malaria Initiative. Tanzania is also a partner country under the Administration’s Global Health Security Agenda (GHSA), which seeks to mitigate the impact of disease outbreaks, notably those that threaten global health.70

Agriculture development aid, which constituted $54 million of the FY2017 request, has been the second-largest form of aid in recent years.71 Such aid has been channeled primarily through Feed the Future, a major global U.S. food security and agricultural economic growth initiative. In Tanzania, it has focused on improving agricultural

70 CRS In Focus IF10022, The Global Health Security Agenda and International Health Regulations, by Tiaji Salaam-Blyther.

71 Other foci have included agricultural finance; research and development; leadership training; agriculture and water management-focused climate change adaptation; and enhanced private sector investment policies, among other goals.
productivity and rural infrastructure, including roads and irrigation; bolstering staple food and horticulture commodity value chain efficiency; improving nutrition for children and mothers; and improving private and public sector policymaking.\(^{72}\) Feed the Future activities involve collaboration with U.S. global health programming. Tanzania is also a participant in the New Alliance for Food Security and Nutrition, a Feed the Future-supported, G8-led global agricultural investment initiative in Africa. It has also received U.S. assistance under the Scaling Seeds & Other Technologies Partnership, a project of the Alliance for a Green Revolution in Africa, an international multistakeholder initiative that seeks to boost African farm production.

U.S. assistance has also supported strengthening of governance, including efforts to expand civic participation and transparency; infrastructure building (roads, power, water, and sanitation); the creation of sustainable, inclusive economic growth; improved primary education; law enforcement capacity-building; and biodiversity preservation.

The U.S. Department of Labor (DOL) Bureau of International Labor Affairs also funds projects aimed at combatting child labor in Tanzania, particularly in agricultural and domestic service contexts.\(^{73}\) U.S. assistance to support Tanzania’s hosting of refugees is administered by the State Department’s Bureau of Population, Refugees, and Migration (PRM), which reports that U.S. funding for refugee support in Tanzania totaled roughly $1.2 million in FY2014, $16.7 million in FY2015, $36.2 million in FY2016, and $12 million in FY2017 to date.\(^{74}\)

### Millennium Challenge Corporation Engagement

In September 2013, Tanzania completed a $698 million, five-year MCC compact. Awarded in 2008, this compact sought to reduce poverty and stimulate economic growth through targeted investments in roads and access to electrical services and potable water. In late 2014, the MCC agreed to provide an additional $9.78 million to support further feasibility studies and other work linked to the development of a second compact focused on the power sector.\(^{75}\)

In June 2015 the MCC Board stated that a second compact “will not be considered for approval until, among other pending items,” Tanzania’s government “makes progress on energy sector reform commitments made in 2014.” The agency stated that once a compact was prepared, the MCC would again “scrutinize the government’s track record on good governance, including control of corruption and freedom of expression.”\(^{76}\)

In March 2016, as discussed previously in this report, the MCC Board suspended the MCC’s partnership with Tanzania, precluding a compact that would reportedly have been worth $472 million. It did so on the basis that Tanzania had “moved forward with a new election in Zanzibar that was neither inclusive nor representative, despite the repeated concerns of the U.S. Government and the international community,” and because Tanzania had “not taken measures to ensure freedom of expression and association are respected in the implementation of the


\(^{74}\) This funding is drawn from the Migration and Refugee Assistance (MRA) account except some FY2015 funding, which included some Emergency Refugee and Migration Account (ERMA) funds from a prior year. MRA is the main account that funds refugee operations; ERMA is available for unexpected and urgent refugee and migration needs globally on an as-needed basis. PRM response to CRS query, April 6, 2017.


Cybercrimes Act,” which had also been the focus of repeated U.S. expressions of concern. In addition to stating that the elections in Zanzibar had not been credible, the Board stated that “Tanzania has taken no measures to ensure freedom of expression and association are respected in the implementation of the Cybercrimes Act.”

Security Cooperation

U.S. security cooperation and assistance has grown since the 1998 Al Qaeda bombing of the U.S. Embassy in Dar es Salaam, but it remains limited compared to that pursued with Tanzania’s East African neighbors. Peacekeeping support is the main focus of military cooperation and aid ties, and rose under APRRP. APRRP assistance in Tanzania has centered on command control communication and information systems (C3IS) capacity-building; logistics, with a focus on vehicles and troop provisioning; and soldier and medical staff training.” Tanzanian troops have also received training under the U.S. Global Peace Operations Initiative (GPOI) and its train-and-equip African Contingency Operations Training and Assistance (ACOTA) program, which seek to increase available international peacekeeping troops. Such assistance is complemented by a U.S. International Military Education and Training (IMET) program, which supports military professionalization and institutional reform in the Tanzanian military.

Tanzania receives some counterterrorism assistance through the State Department-led, multicountry Partnership for Regional East Africa Counterterrorism (PREACT). It also hosts the regional East and Southern Africa Anti-Money Laundering Group, in which the United States has observer status, and receives U.S. regional funding to combat terrorist financing. Smaller U.S. security aid programs center on strengthening border security and improving police capacity to deter crime and terrorism.

Outlook

Tanzania is likely to remain a generally stable but poor developing country for the foreseeable future. Increasing multiparty competition may contribute to gradual growth in demand for political change, democratic accountability, improved governance, and greater political pluralism—but potentially also to increased political tension. Growing access to information, notably via mobile phones, may spur similar trends by increasing exposure to information on current events, and global social and governance norms. It may also contribute to market growth through increased information to pricing data and improved social services. Such changes, along with continuing infusions of foreign assistance, including from the United States, and gradually improving public infrastructure and government services, are likely to spur increasing economic activity, production, and trade, thus improving quality of life for the Tanzanian people. The United States, while expressing periodic concern over issues such as corruption, appears likely—as suggested by bilateral relations trends and aid levels in recent years—to continue to

78 State Department, Factsheet: U.S. Peacekeeping Capacity Building Assistance, January 25, 2017
79 According to the State Department, PREACT focuses on “reducing the operational capacity of terrorist networks; developing a rule of law framework for countering terrorism in partner nations; enhancing border security; countering the financing of terrorism; and reducing the appeal of radicalization and recruitment to violent extremism.” State Department, Programs and Initiatives, Bureau of Counterterrorism.
support the strengthening of Tanzania’s democratic system and the socioeconomic development of its people, and to look to Tanzania as a key development partner in East and Southern Africa.

Author Contact Information

Nicolas Cook
Specialist in African Affairs
ncook@crs.loc.gov, 7-0429

Acknowledgments

Former CRS Research Associates Tomas F. Husted and Thomas Coen helped co-author this report.