



## **PRESS RELEASE**

U.S. contributions to Tanzania are estimated at \$2.8 billion annually, according to research by REPOA and AidData

The report is the first to provide a whole-of-society perspective on U.S. contributions to Tanzania's development.

Dar es Salam, Tanzania, June 18, 2024 – New research finds that the United States' relationship with Tanzania delivered an estimated USD 2.8 billion per year in tangible benefits to the Tanzanian people and economy from 2012 to 2022. The report, Investing in Tanzania's People | Kuwekeza kwa Watu wa Tanzania, is available online in Kiswahili and English and was produced by AidData, a U.S.-based research lab at William & Mary's Global Research Institute, in close collaboration with REPOA, a leading Tanzanian policy research organization. The two organizations will co-host an event on June 18th to present the research findings and moderate a panel discussion on key themes from the report.

Tanzania and the U.S. have partnered on economic and development initiatives across multiple sectors since Tanzania's independence, with significant U.S. government assistance from 2012 to 2022 in agriculture (\$546 million), infrastructure (\$579 million), and health, particularly around HIV/AIDS (\$3.8 billion) and malaria (\$533 million). The <u>AidData-REPOA report</u> finds that the U.S. was the single largest provider of HIV/AIDS-related funding by far during the period, helping Tanzania save roughly three-quarters of a million lives.

"Despite an enduring relationship, Tanzanian leaders and the public have little information readily available to assess the value of this partnership, particularly as they measure progress toward achieving the goals the country set for itself in Tanzania's Development Vision 2025," said <u>Samantha Custer</u>, AidData's Director of Policy Analysis. "Our hope is that this report helps inform policymakers by illuminating whether and how the U.S.-Tanzania partnership contributes to Tanzania's growth and prosperity, as well as paving the way for future evidence-based research into this important topic."

"The report uncovers and provides a broader picture of aspects arising from the long-standing partnership that may have been overlooked and unnoticed by the Tanzanian community at large," added Dr. Jane Mpapalika, a Senior Researcher at REPOA. "The identified contributions and challenges will inform and ensure the partnership continues and improves to promote Tanzania's growth and prosperity."

Researchers at AidData and REPOA analyzed financial flows from the U.S. to Tanzania from 2012 to 2022. The report also incorporates the perspectives of 150 Tanzanian government and private-sector leaders, who were surveyed by AidData and interviewed by REPOA on how they view the U.S. impact on Tanzania's development. Ninety-six percent of leaders surveyed agreed with a statement that the U.S. made meaningful contributions to Tanzania's development. Sixty-six percent agreed that partnership with the U.S. was improving economic conditions in Tanzania.

The report not only tracks direct U.S. government assistance, but also quantifies the value of indirect benefits from trade and other channels, such as foreign direct investment (FDI); contributions from U.S.-based NGOs in Tanzania, private foundations, and individual donors; revenue from American tourists; and remittances from Tanzanians working in the United States.

Just over a third of the total American contribution to Tanzania—roughly \$1 billion per year—comes from aid. The rest includes benefits from favorable trade policies and broader engagement with U.S. society.

"Due to the difficulty in measuring non-official investments and financial flows, our estimate of \$2.8 billion per year is likely conservative, and the overall U.S. contribution to Tanzania's growth and development could be significantly higher," noted Divya Mathew, Senior Policy Specialist.

The report highlights shifts in the U.S.-Tanzania partnership. Agricultural aid is a case in point. In the early 2000s, emergency food relief constituted nearly all U.S. agricultural aid to Tanzania. Today, the figure is less than 5%, with the rest funding investments in resilient food systems in response to the country's prioritization of locally sustainable agriculture.

FDI and trade underscore the shift to long-term growth. In 2012, the United States passed the African Growth and Opportunity Act. From 2012 to 2022, Tanzania increased its textile exports to the U.S. 45-fold, while total exports to the U.S. increased from \$146 to \$170 million. The report finds U.S. companies now hold \$1.3 billion in FDI-related stocks, and U.S. support to investment guarantees has enabled Tanzania to attract an estimated \$93 million in private sector investments since 2012.

Tanzanian leaders interviewed for the report routinely cited U.S. government and private foundation investments in building their capacity to prevent and treat HIV/AIDS, malaria, tuberculosis, and other diseases as some of the most successful examples of the U.S.-Tanzania partnership. From 1990 to 2021, average life expectancy jumped from 51 to 66 years, while neonatal mortality rates dropped by half. In addition to health, Tanzanian leaders gave high marks to the U.S. for improving governance (61 percent) and environmental conditions (59 percent).

REPOA's Director of Collaborations & Capacity Building, Dr. Lucas Katera, affirmed, "We at REPOA hope that this report will trigger meaningful dialogue and engagement, providing Tanzanian leaders and the public with valuable insights into the benefits of the U.S.-Tanzania partnership. By highlighting both the successes and areas for improvement, the report aims to foster informed policymaking and future research, ensuring that the partnership continues to support Tanzania's growth and prosperity."

Aside from aid and trade-related investments, additional examples of broader engagement with U.S. society include:

- **Remittances**: The Tanzanian diaspora living and working in the United States sends home \$103.7 million annually to their families and communities.
- **Tourism**: Visiting American tourists generate \$317.7 million in annual revenues.
- **Philanthropy**: Twenty-two U.S. private foundations and philanthropies fund development activities worth \$96.3 million annually.
- **Individual donations and microloans**: Americans gave \$0.3 million annually in private donations and microloans for development projects in Tanzania.

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