Transforming Tanzania's Cities

Harnessing Urbanization for Competitiveness, Resilience, and Livability

June 2021

WORLD BANK GROUP

1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

Table of Contents

Figures

Maps

Tables

Boxes

Photos

Preface

This report is part of a series of analytical studies under a global product, the Urbanization Review, developed by the Urban, Resilience, and Land Global Practice at the World Bank. The objective of the overall analytical program is to provide diagnostic tools to inform policy dialogue and investment priorities on urbanization. Urbanization Reviews have been initiated in several countries. These Urbanization Reviews share similar objectives but are tailored to the specific challenges of each country.

This Tanzania Urbanization Review comes at an opportune time, as Tanzania has recently graduated to Lower-Middle-Income Country status and aims to achieve Middle-Income Country status by 2025. The role of cities in enabling the country's transformation to an industrial economy cannot be overemphasized. It is crucial that Tanzanian cities urbanize and industrialize in a way that overcomes the challenges of poverty, inefficiency, congestion, pollution, and climate vulnerability that African cities face, which are often compounded by weak institutions and resource limitations.

This report provides a diagnostic of the current situation regarding urbanization nationally, conditions at the city level, and the policy and finance issues underpinning urban management. It identifies key constraints and bottlenecks restricting urbanization's ability to catalyze the country's development, and provides key policy recommendations for competitive, resilient, and livable cities. This report is not intended as a strategic plan, implementation plan, or feasibility study, but rather a basis for discussion between the Government of Tanzania and the World Bank on the topic of urbanization to inform potential future investments and technical assistance.

Acknowledgements

The Tanzania Urbanization Review was prepared by a core team led by Andre Bald (Lead Urban Specialist, Task Team Leader, SEAU1) and consisting of MaryGrace Lugakingira (Urban Planning Consultant, SAEU2), Hannah Kim (Urban Specialist, SAEU2), Amy Faust (Senior Urban Resilience Consultant, SAEU2), Kate Owens (Urban Planning Consultant, AFCE1), Rodrigo Deiana (Urban Analyst Consultant, SAEU2), John Morton (Senior Urban Specialist, SAEU2), Yohannes Kesete (Senior Disaster Risk Management Specialist, SAEU2), Kirsten Hommann (Senior Economist, SAWU1), and Juliana Aguilar (Urban Transport Economist Consultant, SMNDR).

The team is grateful to Mara Warwick (Country Director for Tanzania, Malawi, Zambia, and Zimbabwe), Bella Bird (Senior Adviser, AFWVP), Bernice K. Van Bronkhorst (Global Director, SCCDR), Yutaka Yoshino (Lead Country Economist, ESADR), Somik Lall (Lead Urban Economist, SURDR), Eric Dickson (Senior Urban Specialist, SAEU3), and Mussa Natty (Senior Urban Resilience Specialist, SAEU2) for their guidance throughout the preparation of the report.

The team worked under the guidance of Meskerem Brhane (Practice Manager, SAEU2). The report was enriched by thoughtful peer review and advice by Judy Baker (Lead Economist, SURDR), Peter Ellis (Practice Manager, SAEU3), Ellen Hamilton (Lead Urban Specialist, SCAUR), and Madhu Raghunath (Sector Leader, SEADR).

The Urbanization Review benefitted greatly from discussions and close collaboration with the Government of Tanzania. The team would like to express its sincere gratitude to Professor Riziki Shemdoe (Permanent Secretary) and Engineer Humphrey Kanyenye (Project Coordinator of World Bank Urban Projects) at the President's Office – Regional and Local Government (PO-RALG), as well as their respective technical teams.

The report was edited by Devan Kreisberg (Editor Consultant, SAEU2), Wayne Banks (Graphic Design Consultant, SAEU2) managed the design process, and Chris Morgan (Senior Digital Engagement Specialist Consultant, SAEU2) contributed photographs.

The work in this report was made possible thanks to the generous support from the Foreign, Commonwealth and Development Office of the Government of the United Kingdom. The Bank team thanks Jane Miller (Development Director, Head of FCDO Tanzania), Tim Green (Prosperity and Growth Team Leader, FCDO Tanzania), and Tim Bushell (Trade and Infrastructure Adviser, FCDO Tanzania) for their contributions and technical inputs.

Abbreviations

BRT	Bus Rapid Transit
CAG	Controller and Auditor General
CBD	Central Business District
D by D	Decentralization by Devolution
DART	Dar es Salaam Rapid Transit
DAWASA	Dar es Salaam Water Supply and Sanitation Authority
DAWASCO	Dar es Salaam Water and Sewerage Authority
DLA	Dar es Salaam Local Authorities
DMDP	Dar es Salaam Metropolitan Development Project
EWURA	Energy and Water Utilities Regulatory Authority
GDP	Gross domestic product
GIS	Geographic information systems
GNI	Gross national income
ICT	Information and communication technologies
ILMIS	Integrated Land Management Information System
LGA	Local government authority
LGCDG	Local Government Capital Development Grant
LGRCIS	Local Government Revenue Collection and Information System
LMIC	Lower-Middle-Income Country
MEM	Ministry of Energy and Minerals
MIT	Ministry of Industry and Trade
MLHHSD	Ministry of Lands, Housing, and Human Settlements Development
MOA	Ministry of Agriculture
MOE	Ministry of Education, Science, and Technology
MOF	Ministry of Finance
MOW	Ministry of Water
MTEF	Medium-Term Expenditure Framework
MWT	Ministry of Works and Transport
NBS	National Bureau of Statistics
NHC	National Housing Corporation
NIDA	National Identification Authority
NSSF	National Social Security Fund
OSR	Own-source revenues
PPP	Public–private partnerships
PO-RALG	President's Office – Regional Administration and Local Government
RAI	Rural Access Index
RAS	Regional Administrative Secretariat
SSA	Sub-Saharan Africa
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Roads Authority
TRA	Tanzania Revenue Authority
TSCP	Tanzania Strategic Cities Project
ULGA	Urban Local Government Authority
ULGSP	Urban Local Government Strengthening Program
URT	United Republic of Tanzania
VAT	Value-added tax
WDI	World Development Indicators

Executive Summary

Tanzania's growth and poverty reduction aspirations hinge on shifting from a reliance on agriculture toward greater productivity. Cities' key role in generating a more competitive economy is already apparent: in 2012, just four Tanzanian cities produced more than half of the country's GDP, and they are expected to represent almost 60 percent of the country's GDP in 2030 (Worrall et al. 2017). Urban areas also account for the majority of the country's physical, financial, human, academic, and technological capital.

Cities are integral for shaping Tanzania's development, but what shape are cities in now and where are they heading based on current trends? This report analyses the state of Tanzania's urbanization process and the condition of its cities and institutions through the lens of three main challenges that constrain the contribution of Tanzania's towns and cities to economic diversification and growth, reduce their resilience to shocks, and limit their livability and inclusivity. The report then offers a set of recommendations to guide policies and investments that will promote urban planning for inclusive and resilient urban development, stronger connections between cities and neighborhoods, and institutions and financing mechanisms that are well placed to scale up sustainable urban development.

Challenge #1: Tanzania's cities are experiencing rapid population growth, but with slow urbanization and limited agglomeration economies.

Tanzania's urban population is growing rapidly and is expected to increase even faster, from just over 30 percent of the population today to 49 percent in 2040 (UN-DESA 2018). This is one of the fastest urban population growth rates among ten Sub-Saharan African countries with comparable growth trends. Despite this strong population growth, urbanization – the process in which workers move from rural to urban areas in search of better paid and more productive jobs, and which, over time, creates cities – has been slow. In Tanzania, natural population growth tends to drive the growth of cities, with rural-to-urban migration less of a factor. Between 2002 and 2012, 5.4 million people were added to urban areas, of which an estimated 3 million are attributed to increases from natural population growth and the rest to migration and administrative changes to expand municipal boundaries.

While cities are growing fast, they are doing so with limited resources for capital investment. When East Asian countries were at Tanzania's current urbanization rate of about 30 percent, their average GDP per capita was US$2,600, compared to Tanzania's average GDP per capita of US$500. All other regions, even Sub-Saharan Africa, had, on average, higher GDP per capita than Tanzania at this point, and this gap has only widened over time. Tanzania is therefore urbanizing while poor – strikingly poorer than other developing regions with similar urbanization levels.

Tanzania's structural transformation from an economy reliant on agriculture to one based on productive sectors is in the early stages, though trends suggest cities are growing as consumption rather than production centers, and urban jobs are growing in sectors with low value-added. This too is in contrast with the cities of East Asia, where growth is driven by industrialization (Collier and Jones 2015). In Tanzania, urban job opportunities are still dominated by informal employment: in Dar es Salaam, for example, 47 percent of heads of households work in low-value-added services (World Bank 2019c).

Challenge #2: Cities are crowded, disconnected, and costly, and therefore risk falling into a low development trap.

Urban areas are critical for Tanzania's economy and for job creation, but, to date, the benefits of agglomeration economies have yet to materialize. The interaction of factors contributing to agglomeration – the clustering of firms and the overall size and diversity of the urban economy – is limited. Rapid urbanization and increased population density have not translated to increases in economic density. Instead, low-density development and urban sprawl have prevailed, and there is poor connectivity

between people, industries, and markets. Cities in Tanzania, similar to other African cities, share three features related to urban form that limit their potential agglomeration benefits and perpetuate a "low urban development trap" (Lall, Henderson, and Venables 2017), meaning that the economy continues to rely on non-tradable goods and services. These three features are:

- **Cities are crowded with people, but not livable:** Despite increased population growth and density, Tanzania's cities are not economically dense – that is, investments in infrastructure development, industrial and commercial structures, protecting natural assets, and affordable housing have not kept pace with the concentration of people. Urban residents still have low access to most basic services, the environment has been degraded, and cities are vulnerable to disasters and climate-related hazards such as floods, which are increasing in frequency. When cities are not "dense with amenities," their livability is also limited.
- **Sprawling urban form disconnects people from jobs and hampers productivity:** Tanzania's cities have developed and function as a collection of small and fragmented neighborhoods. Urbanization benefits people and businesses by increasing economic density, but urban sprawl and fragmentation exacerbate poor connectivity within Tanzania's cities. Historically, with the absence of strong planning and enforcement controls, cities have expanded (rather than densified), with low-cost land becoming the key consideration for locational choices. Thus, there are long distances between neighborhoods, and transportation networks do not facilitate quick travel. Spatial fragmentation of urban areas is problematic because it disconnects people and firms: workers have more limited (geographic) access to job opportunities, with longer and more expensive commutes, while firms are prevented from reaping the scale and agglomeration benefits associated with urbanization.
- **Getting around, living, and doing business are expensive:** The sprawl that characterizes Tanzania's cities results in costly inefficiencies, and locks cities into an energy-intensive growth pattern that is expensive for service provision and unattractive for business. Good transportation networks are critical to match job seekers and employers, but high transportation costs, heavy congestion, and slow commuting speeds mean that jobs are not easily accessible, especially for the poor. Formal housing is also out of financial reach for the majority of Tanzanians, with limited action by both public- and private-sector developers to increase the supply of affordable housing. Businesses suffer from inefficient urban form as well: firms need to pay higher nominal wages to remunerate workers for the high living costs (food, commuting, etc.), and must compensate for scarce services and amenities.

Challenge #3: Tanzania's shift toward centralized service delivery and fiscal authority may complicate cities' ability to meet urban needs.

Since before Tanzania's independence in 1961, the country has had a history of promoting decentralized service delivery. However, recent years have seen a shift in responsibilities from local to central government. Since the 1990s, the decentralization of urban functions, such as planning, infrastructure, and services, has been accompanied by formula-based intergovernmental fiscal transfers and the harmonization of tax and revenue guidelines across local governments. Recent policies and practices suggest an approach with a stronger central government role in revenue collection and service delivery. For example, in recent years, functions such as roads, water, sanitation, health, urban planning, and land administration have been transferred from local governments to central agencies. Central agencies still recruit and allocate core staff in local government authorities, which suggests limitations on local government decision making and autonomy.

While implementation has traditionally been a local matter, financing of service delivery responsibilities has historically been centralized. Even though local government authorities have the ability to levy taxes, fees, and charges, the majority of local authorities' revenues come in the form of transfers from the central government. Property tax collection has improved over the past decade due to measures to improve the efficiency, transparency, and performance of not just property taxes but also other own-source revenues. Yet responsibility for revenue collection has transitioned between national and local governments over the past few decades; most recently, authority was returned to local governments in 2021.

The rapid growth of Tanzania's cities – with villages expanding to small towns, towns to cities, and cities into metropolitan areas – highlights the need to reevaluate and enhance existing institutional arrangements for urban management. While a more national approach could yield improved efficiencies in service delivery in the short term, it could also pose potential challenges, particularly for revenue collection and policy implementation. As the network of Tanzanian cities expands, it is important to ensure that institutional, planning, and delivery models fit the growing and complex needs of a country that is rapidly urbanizing.

Harnessing urbanization

To overcome these challenges and harness the potential of urbanization, a national agenda for urban development must include policy initiatives and investment priorities that focus on the following three key areas:

1. Plan for competitive, resilient, and livable cities. Strengthening planning systems is crucial in helping Tanzania's cities to keep up with urbanization while improving their ability to be competitive for businesses and trade, resilient to climatic and other shocks, and an attractive place to live and work.

Formalize land markets and strengthen urban planning. Improving the productivity of Tanzania's cities will boost competitiveness and catalyze economic expansion – especially in Dar es Salaam, the country's growth engine. Improving land administration and tenure systems can unlock the potential of land markets. Effective land-use regulations and enforcement are needed so that urban plans are translated into realities. Cities require improved resources and capacity for urban planning and enforcement, but also the ability to devolve some enforcement duties to lower levels of government. Cities will also need capacity to develop and implement local economic development initiatives.

Build resilience through integrated development and the protection of natural assets. Disasters such as floods or health emergencies are cross-sectoral and inter-jurisdictional in nature. To reduce the vulnerability of cities to climatic and other shocks, urban governments will need to develop integrated solutions and implement them through clearly defined institutional and financial mechanisms. Improving urban resilience to floods will require not only a combination of investments in drainage, but also the adoption of green infrastructure solutions such as wetlands, buffer zones, green roofing, detention ponds, street-side swales, rain gardens, and porous pavements.

Invest early in infrastructure and clearly demarcate public land resources. By prioritizing early infrastructure, cities can direct investments in basic services, housing, and industry, and shape urban development. Investments in connectivity infrastructure within and between medium-sized and small cities will determine the urban form for decades to come. "Sites and services" schemes, in which infrastructure is laid out in advance of development, are one tool used in the past that could be promising. Encroachment into hazardous areas and needed future infrastructure reserves can be avoided by protecting environmentally sensitive lands, reserving needed land and infrastructure rights-of-way early, and demarcating and enforcing no-build areas. Where unplanned development has already taken place, cities need fair, transparent, and clear processes to handle resettlement, or should work with communities to develop alternatives like in-situ upgrading to mitigate hazard risk. Cities are a natural location for industrial clusters given their proximity to services and access to labor and markets. A concerted effort is therefore needed to plan and protect industrial areas – not least because strategically located industrial clusters can promote economic diversification.

2. Connect cities, people, and neighborhoods. Integrated transport and land-use planning supported by strong systems for management and accountability can improve urban mobility and allow cities to take advantage of proximity to encourage economic development and livability. In addition, construction and improvement of priority roads will support industrial growth and job creation by addressing the skills gap in urban centers, thus increasing the supply of skilled labor and supporting economic opportunities for informal workers.

Better connect people to services, workers to jobs, and buyers to sellers. The construction and improvement of priority transport infrastructure – local and feeder roads in the urban core, as well as non-motorized transport infrastructure – accompanied by improved traffic management and public transport systems, will help alleviate congestion hotspots and support public transit, mobility, and access to opportunities for all, especially low-income communities. In Dar es Salaam, investments in local roads have improved connectivity, alleviated congestion, and enhanced livability. Dar es Salaam's Bus Rapid Transit (BRT) system also offers lessons for other Tanzanian cities: early investments in integrated transport can improve urban mobility and encourage sustainable development patterns, but they must be supported by strong systems for management and accountability, and be implemented in coordination with land-use policies. In addition to physical measures, cities can support industries with high potential for growth and job creation by addressing the skills gap in urban centers. More can be done to formalize and foster the informal sector, which makes up a significant portion of the local economy in many Tanzanian cities. Cities can support economic opportunities for informal workers, including by making infrastructure investments, upgrading and rehabilitating markets and small industrial areas, and building workers' skills.

Strengthen rural–urban linkages, including by enhancing trade and commuting flows. As the country's urban centers evolve to be the future drivers of national growth, Tanzania can accelerate inclusive economic growth in rural areas by better connecting them to domestic markets and beyond. Small cities can connect farmers to input and output markets, and medium-sized cities serve as logistical and transport hubs and host larger consumer markets. Supporting urbanization in small and medium-sized cities is thus central to improving agricultural output.

3. Strengthen institutions to manage and finance urban development. To keep up with the rapid growth of Tanzania's cities, municipalities need to be empowered to mobilize and manage their budget for the infrastructure and services they provide. Enhanced vertical and horizontal coordination among development actors will result in stronger development control, enabling cities to build out public service extensions before unplanned urban expansion takes place.

Reimagine institutional structures for Tanzania's expanding cities. Given the rapid growth of Tanzania's cities, institutional arrangements for urban management must be carefully evaluated. The practice of sub-dividing urban areas into separate municipal councils complicates coordination mechanisms, and tends to duplicate services, driving up inefficiencies and costs. The trend of centralization may reflect the perception and reality of the shortcomings of local government delivery. Nevertheless, as Tanzania's cities change and develop, municipalities need to be empowered to mobilize and manage their budget for infrastructure and services they provide. Strong coordination mechanisms among governments (at the district, city, and regional level) and other urban development actors are also critical for ensuring efficient urban infrastructure and land use, so that service extensions do not continue to chase unplanned development.

Enhance own-source revenues and leverage markets to finance urban infrastructure. The mandate for collection of property taxes and billboard fees was recently returned from the Tanzania Revenue Authority to local government authorities, presenting an important opportunity for local governments to bridge the gap between the cost of providing services and their income from intergovernmental transfers. Property taxation, while not historically a large source of local own-source revenue, has the potential to be a significant and dynamic source of revenue for urban areas, as it is directly linked to the local economy. If local governments can improve valuation and taxing systems for urban land (and the incentives for collection), they can unlock a major source of financing for municipal infrastructure and services. To enhance their own source revenue collection, local governments will also require a good understanding of the policy environment, current practices, and incentive structures surrounding revenue generation. Public-private partnerships offer an additional opportunity to mobilize financing for municipal infrastructure, although these arrangements are complex and require municipalities to have expert advice and additional capacity.

1 Tanzania's Cities:

Booming Urban Population with Limited Agglomeration Economies

Tanzania experienced strong and rapid economic growth prior to the COVID-19 pandemic, with GDP growth averaging around 6 percent in the last decade while inflation remained modest. Tanzania is among the top-three growth performers in East Africa: between 2013 and 2018, its average GDP growth (6.5 percent) was behind only Ethiopia (9.5 percent) and Rwanda (6.7 percent). In 2019, Tanzania's GNI per capita reached US$1,080, surpassing the US$1,035 threshold for lower-middle-income status. This is a substantial achievement, reflecting sustained macroeconomic and political stability as well as the country's rich natural endowments and strategic geographic position.

The coronavirus pandemic has dramatically undercut Tanzania's growth outlook and has resulted in increasing poverty. Tanzania's real GDP growth rate fell from 5.8 percent in 2019 to 2.0 percent in 2020, and per-capita GDP growth turned negative for the first time in over 25 years. The annual GDP growth rate is projected to rise to 4.5 percent in 2021, but this forecast hinges on a strong and consistent recovery in global economic activity (World Bank 2021a). Following a decade of slow income growth among low-income households, a large share of Tanzania's population is close to the poverty line. Based on the current data, the COVID-19 crisis could increase Tanzania's poverty rate by 2.5 percentage points or more (World Bank 2021a).

Poverty reduction has been low, with approximately 14 million people still living below the poverty line in 2018. Despite Tanzania's strong economic performance between 2011 and 2018, almost half the population remains below the international poverty line of US$1.90 per day (World Bank 2019a). Poverty declined by 0.25 percentage points per year, compared to a Sub-Saharan African average of 0.72 in recent years. As a result of rapid population growth, the number of poor in Tanzania rose from 12.3 million in 2011 to about 14 million in 2018.

Tanzania's urban population is growing rapidly, and urban areas are critical to national economic growth and poverty reduction. The national population, currently around 59 million, is expected to exceed 102 million by 2040 (UN-DESA 2019). The urban population is expected to increase even more quickly, from just over 34 percent of the population in 2018 to 49 percent by 2040 (UN-DESA 2018). In 2012, four Tanzanian cities produced more than half of the country's GDP, and are expected to represent almost 60 percent in 2030 (Worrall et al. 2017). Urban areas also account for the majority of the country's physical, financial, human, academic, and technological capital.

However, Tanzania's institutional systems and infrastructure have not kept pace with urban population growth. Service delivery and the management of related infrastructure requires that the responsible local institutions develop sufficient capacities and systems to take on these roles effectively. The infrastructure investment needs of urban areas are significantly higher than those of rural areas, particularly in sectors like transport and sanitation. However, Tanzania does not have a governmental program that targets these needs effectively. Rapid urbanization and increased population density have not translated to increases in infrastructure and economic density. Tanzanian cities are therefore dense with people but not with capital. There is a growing risk that a poorly managed urbanization process may begin to constrain growth and worsen, rather than improve, social and service delivery outcomes in Tanzania's cities.

1.1 Rapid urban growth, but slow urbanization

Tanzania's urban population growth is the second-fastest among eleven Sub-Saharan African countries with comparable urbanization trends. In terms of population growth, Tanzania outperformed countries such as Kenya and Mozambique (Figure 1). However, urbanization – the process in which people move from rural to urban areas in search of better-paying and more-productive jobs, and which, over time, creates cities – has been relatively slower in Tanzania. The share of the urban population was found to increase from 23 percent to 35 percent between 2002 and 2019 (Figure 2).

Figure 1: Average Annual Urban Population Growth (2005–2015)*

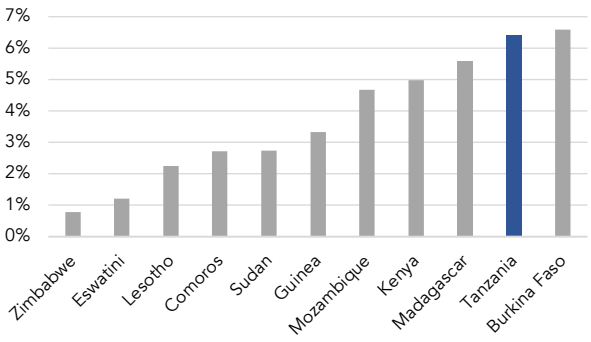
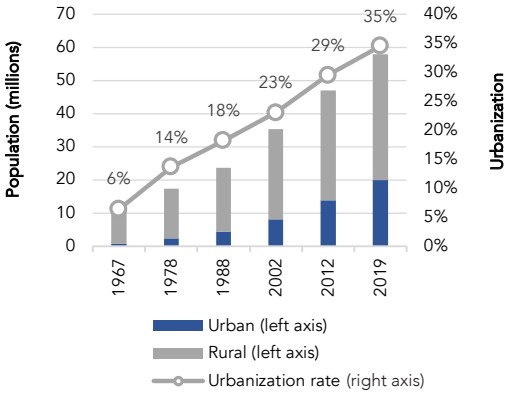


Figure 2: Urbanization Trends in Tanzania (1967–2019)



Source: World Development Indicators Database (World Bank 2021c).
** Sub-Saharan African countries with urbanization between 25 percent and 40 percent*

Tanzania's cities include Dar es Salaam and medium-sized and small cities with high growth rates (Photo 1). Tanzania's urban areas currently consist of a primary city of Dar es Salaam, seven medium-sized cities with populations between 250,000 and 1 million, and 37 smaller urban areas (referred to throughout this report as small cities or towns).[1] Dar es Salaam has been Tanzania's largest city since before Tanzania's independence in 1961 and continues to dominate the urban landscape today. As of the most recent census (NBS 2013), Dar es Salaam's population was 4.4 million and it is currently estimated at over 6 million. If historic growth trends continue, Dar es Salaam is expected to reach megacity status of more than 10 million residents by 2030.[2] The development of one very large city, or primary city, while other cities and towns remain much smaller by comparison is a prevalent trend in Sub-Saharan Africa. Dar es Salaam's population is over six times larger than that of Mwanza, Tanzania's second-largest city.

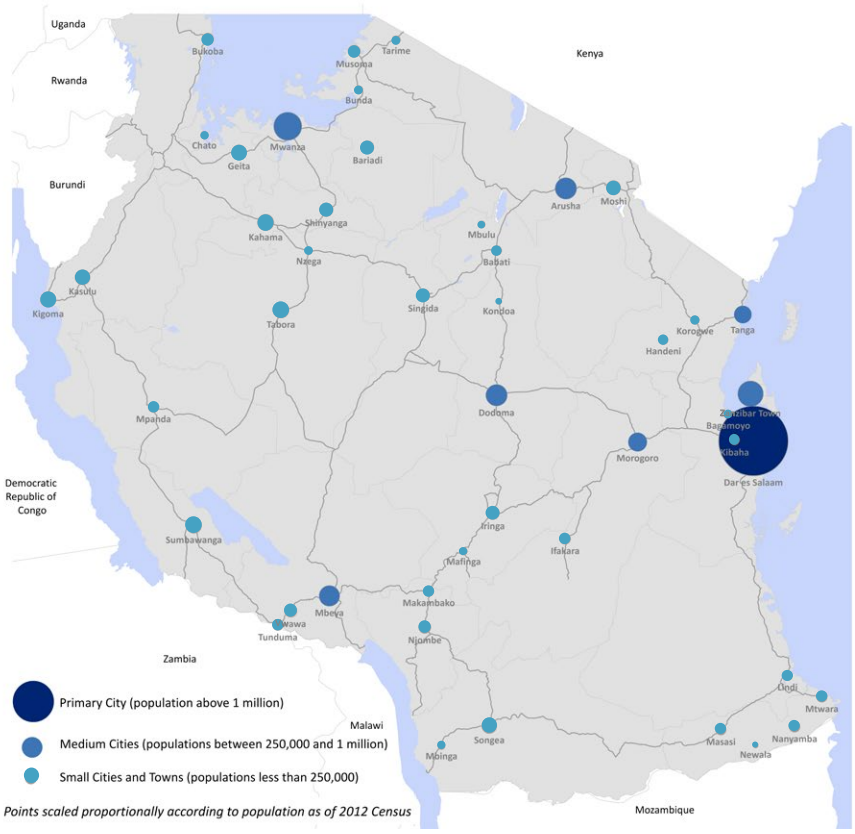
Unlike in other parts of the world, the distribution of the urban population across Tanzanian cities has been very stable. In other regions and countries, the predominance of large cities as population centers has reduced with the growth of medium-sized cities. In contrast, Dar es Salaam's share of the total urban population has remained relatively constant: from 32 percent in 1978, it decreased slightly to 28 percent in 1988, and increased again to 31 and 32 percent in 2002 and 2012, respectively. The share of the total urban population in medium-sized cities has also remained stable over the same period, hovering around 22 percent. The share of total urban population in small cities and towns fluctuated more: from 50 percent in 1988 to 41 percent in 2002 and 45 percent in 2012 (Map 1). Urban areas are growing in number as well as size. According to the President's Office – Regional Administration and Local Government (PO-RALG), urban areas have increased from just 11 in 1978 to more than 50 by 2021.[3]

[1] The definition of "urban" used in this report is that of PO-RALG (President's Office – Regional Administration and Local Government), which is responsible for classification of local government authorities. Population data is from National Bureau of Statistics from 2012, the year of the most recent Population and Housing Census.

[2] Original calculation for this publication, using 2012 Population and Housing Census population statistics and the 2002–2012 growth rate for Dar es Salaam.

[3] Some cities are divided into multiple municipal councils (Dar es Salaam – 5, Zanzibar Town – 2, and Mwanza – 2, as of April 2021).

Map 1: Relative Populations of Major Urban Areas



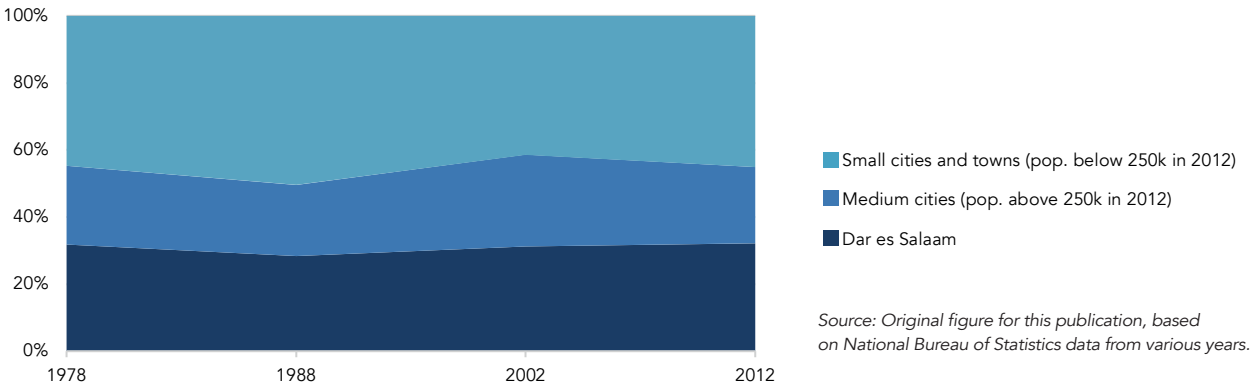
	Local Government Authority	2012 Population
Primary City	Dar es Salaam	4,279,032
Medium Cities	Mwanza	706,453
	Zanzibar	586,882
	Arusha	416,442
	Dodoma	410,956
	Mbeya	385,279
	Morogoro	315,866
	Tanga	273,332
Small Cities & Towns	Kahama	242,208
	Tabora	226,999
	Kigoma	215,458
	Sumbawanga	209,793
	Kasulu	208,244
	Songea	203,309
	Geita	192,707
	Moshi	184,292
	Shinyanga	161,391
	Bariadi	155,620
	Iringa	151,345
	Singida	150,379
	Vwawa	140,536
	Musoma	134,327
	Njombe	130,223
	Bukoba	128,796
	Kibaha	128,488
	Mtwara	108,299
	Nanyamba	107,060
	Ifakara	106,424
	Mpanda	102,900
	Masasi	102,692
	Tunduma	97,562
	Makambako	93,827
	Babati	93,108
	Handeni	79,057
	Lindi	78,841
	Bagamoyo	74,788
	Korogwe	68,308
	Tarime	66,346
	Bunda	58,390
	Chato	52,443
	Mafinga	51,902
	Mbulu	48,976
	Mbinga	46,419
	Nzega	41,832
	Kondoa	27,383
	Newala	26,402

Source: Original analysis for this publication, based on data from the 2012 Census (NBS 2013) and classification of local government authorities provided by PO-RALG.

Photo 1: Aerial Views of Selected Urban Areas

Photos of Dar es Salaam and Mwanza by Chris Morgan. Photo of Mpanda by PO-RALG.

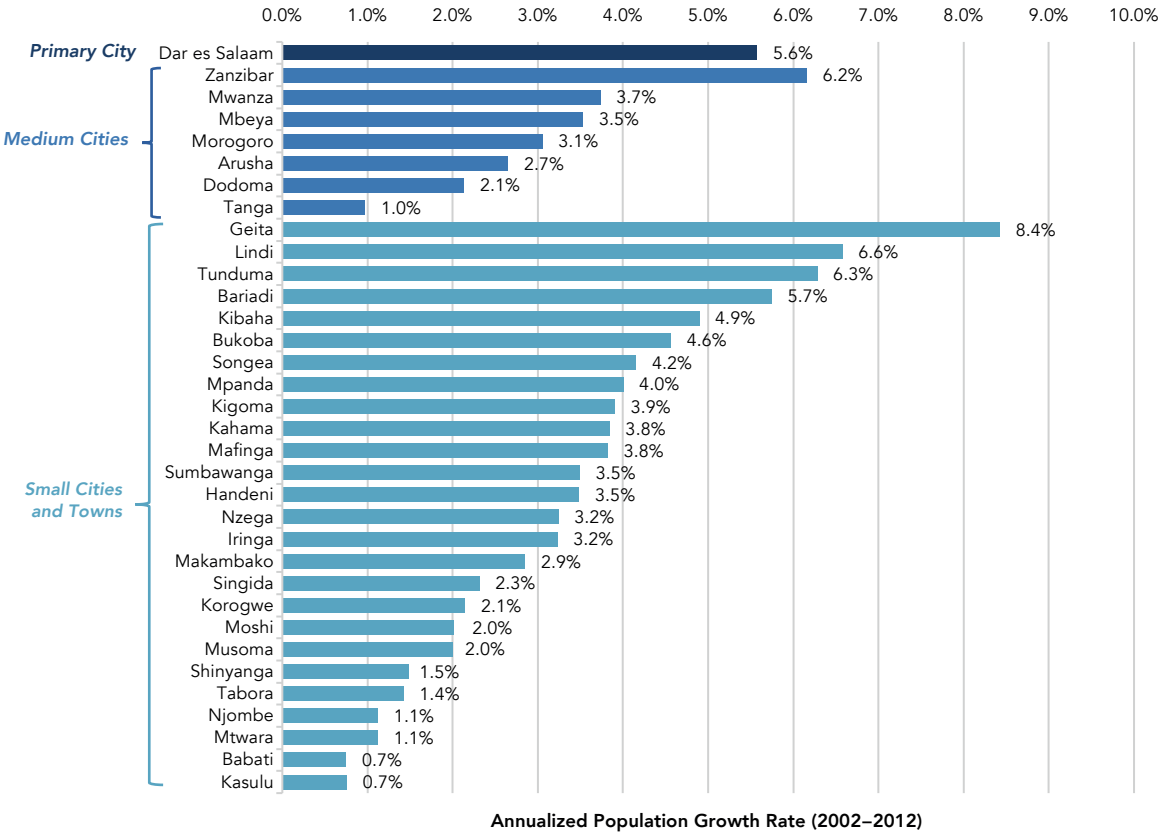
Figure 3: Share of Urban Population



Source: Original figure for this publication, based on National Bureau of Statistics data from various years.

Urban growth rates vary widely between cities (Figure 4). Dar es Salaam and Zanzibar City experienced higher-than-average growth between 2002 and 2012; however, several small cities and towns had even higher growth rates than Dar es Salaam's rate of 5.6 percent. Rapidly growing towns included Geita (a mining boomtown in the Lake Victoria region), Lindi (a coastal town which experienced a boom following the discovery of offshore natural gas), and Tunduma (an agriculture and trading center near the Zambian border). Variation in growth rates is largely explained by migration rates: Dar es Salaam and most medium-sized cities experienced net in-migration between 2002 and 2012. Tanga and Dodoma experienced net out-migration over the same period (although it is anticipated that this trend will have since reversed for Dodoma, which has grown rapidly in the last several years – as of 2018, most central government functions have moved from Dar es Salaam to Dodoma). Small cities and large towns that experienced out-migration of young people included Kasulu, Babati, Njombe, Shinyanga, Tabora, Musoma, and Singida. Out-migration, particularly of young people, implies that these urban centers may not be able to provide productive jobs or sustainable livelihoods.

Figure 4: Variation in Annualized Urban Growth Rates (2002–2012)

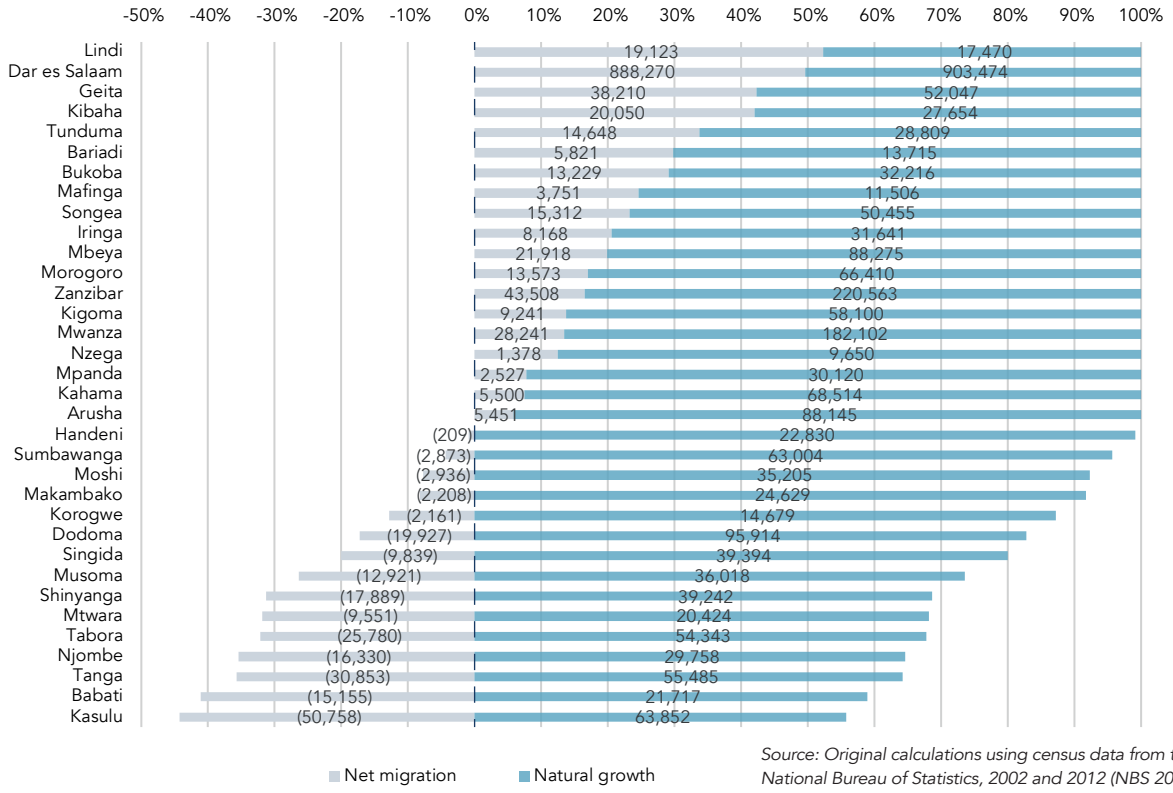


Source: Original calculations for this publication, based on census data from the National Bureau of Statistics, 2002 and 2012 (NBS 2006, 2013).

Note: Growth rate for the Vwawa, Nanyamba, Ifakara, Masasi, Bagamoyo, Tarime, Bunda, Chato, Mbulu, Mbinga, Kondoa, and Newala local governments unavailable due to absence of 2002 population data. These local governments were carved out from rural districts, and 2002 census population figures are not disaggregated according to the urban boundary.

In Tanzania, natural population growth largely drives the growth of cities; rural-to-urban migration is also a growth factor, though to a lesser extent. There are three sources of urban growth: changes in the administrative boundaries, natural population growth, and rural–urban migration. Between 2002 and 2012, 5.4 million people were added to urban areas, of which an estimated 3 million can be attributed to natural population growth and the rest to migration and changes in municipal boundaries. For cities with more than 200,000 inhabitants, natural urban population growth contributes around 70 percent of total urban growth (Figure 5).

Figure 5: Urban Change Resulting from Natural Growth and Migration (2002–2012)



Source: Original calculations using census data from the National Bureau of Statistics, 2002 and 2012 (NBS 2006, 2013).

Dar es Salaam is an exception: the city's population increase of 1.8 million between 2002 and 2012 was driven evenly by net migration and natural population growth. Economic opportunities are more diverse and abundant in Dar es Salaam than in any other Tanzanian city. Data from the 2014/15 Statistical Business Register Report (NBS 2016) shows 18.8 percent of business establishments are concentrated in Dar es Salaam. These economic opportunities helped attract almost 900,000 migrants between the 2002 and 2012 censuses. This was by far the largest flow into one single urban destination, and among the highest as a share of urban population increase (Figure 5 above).[4] Among the other towns and cities, Lindi is the only urban areas for which net migration is estimated to be larger than natural growth.[5] No city or town had declining population numbers, though some (Kasulu, Babati, and Tanga) experienced slower gains than would have been expected from natural growth projections (which account for birth and death rates) due to out-migration.

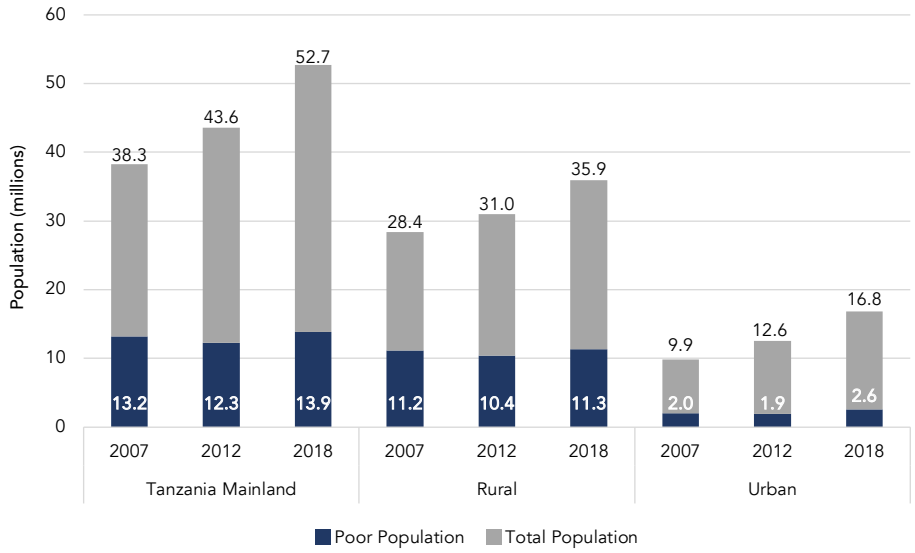
While urbanization has been accompanied by a faster increase in the urban population, and consequently the number of urban poor, over 80 percent of Tanzania's poor are still rural (World Bank 2019a). From 2007 to 2018, the urban population increased by about 7 million (70 percent) and the number of urban poor grew by 600,000 (34 percent) (Figure 6). The increases are the result of both urbanization and the slow pace of urban poverty reduction.[6] Most of the changes occurred outside Dar es Salaam, where the population has gone up by nearly 5 million (72 percent) and the number of poor by nearly 700,000 (45 percent). Over 80 percent of Tanzania's poor (11.3 million) continue to live in rural areas, where 3.5 million of them suffer from extreme poverty; in urban areas, 2.6 million live in poverty and 745,000 in extreme poverty.

[4] The finding of significant migration into small towns is supported by Christiaensen et al. (2017), which concluded that focusing public investments on these small towns could more significantly reduce poverty. Moreover, Wenban-Smith (2015) confirms urban growth outside of the main urban centers and explains the extent of administrative changes over the various census periods.

[5] Prior to 2002, Lindi actually experienced negative population growth, with strong out-migration toward other cities in the country (IGC 2014). The discovery of gas reserves was expected to attract investments and an inflow of people, but the project for the liquefied natural gas export facility in Lindi has been held up and is now set to begin in 2022 (Ng'wanakilala and Dausen 2019).

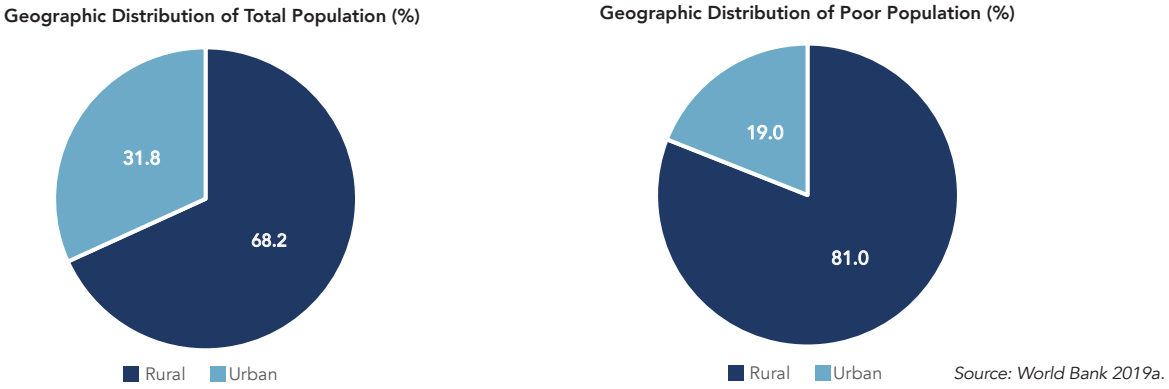
[6] The urbanization rate rose from 26 to 32 percent from 2007 to 2018.

Figure 6: Total Population and Poor Population (2007, 2012, and 2018)



Source: World Bank 2019a, based on HBS 2011/12 and 2017/18 (NBS 2014, 2019).

Figure 7: Urban and Rural Population and Poverty Distribution (2018)



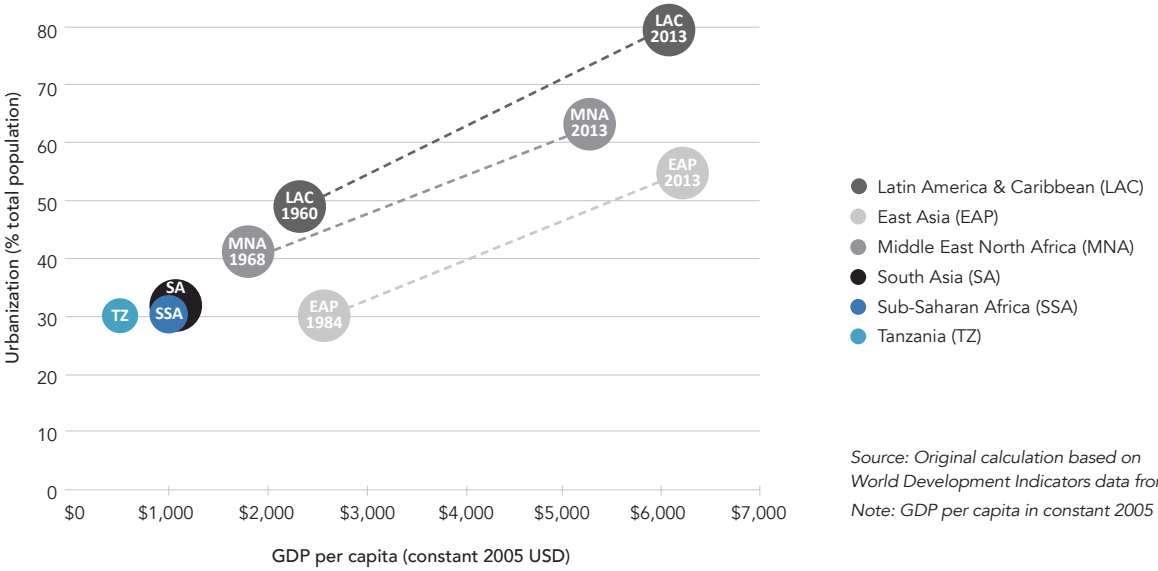
Source: World Bank 2019a.

1.2 Urbanization, but limited benefits of urban growth

Urbanization is key to accelerating structural transformation – the transition of an economy from low productivity and labor-intensive economic activities to higher productivity and skill-intensive activities. By enabling agglomeration economies, cities can be instrumental in structural transformation by enhancing productivity, spurring innovation, and promoting economic diversification. One of the benefits of agglomeration economies is reduced costs due to greater density (e.g., more efficient transport of goods and people). The density and size of cities can also create markets for specialized services, including legal support, advertising, logistics, and management consulting. The larger the cluster, the more specialized the service providers can be. Cities are also instrumental in matching skills with job opportunities, and their density allows for a larger and more integrated labor market. Skills-matching will gain much more importance in coming years as the current generation of Tanzanian children achieve higher educational attainment and search more intensively for jobs that fully reward their skills. Greater economic agglomeration in urban areas increases the "pull" forces that accelerate rural–urban migration.

While Tanzanian cities are urbanizing fast, they are doing so with limited resources for capital investment. When the East Asian countries reached urbanization levels comparable to Tanzania's current rate (approximately 30 percent), their average GDP per capita was US$2,600, compared to Tanzania's US$500 (Figure 8). All other regions, even Sub-Saharan Africa, had, on average, higher GDP per capita than Tanzania, and the gap has only widened over time. Tanzania is therefore urbanizing while poor – strikingly poorer than other developing regions with similar urbanization levels. Thus, Tanzania will need to make strategic use of its finances and balance the costly 'fixes' to address existing problems, with forward-looking investments to ensure future urban areas are developed economically.

Figure 8: GDP per Capita vs. Urbanization Rate

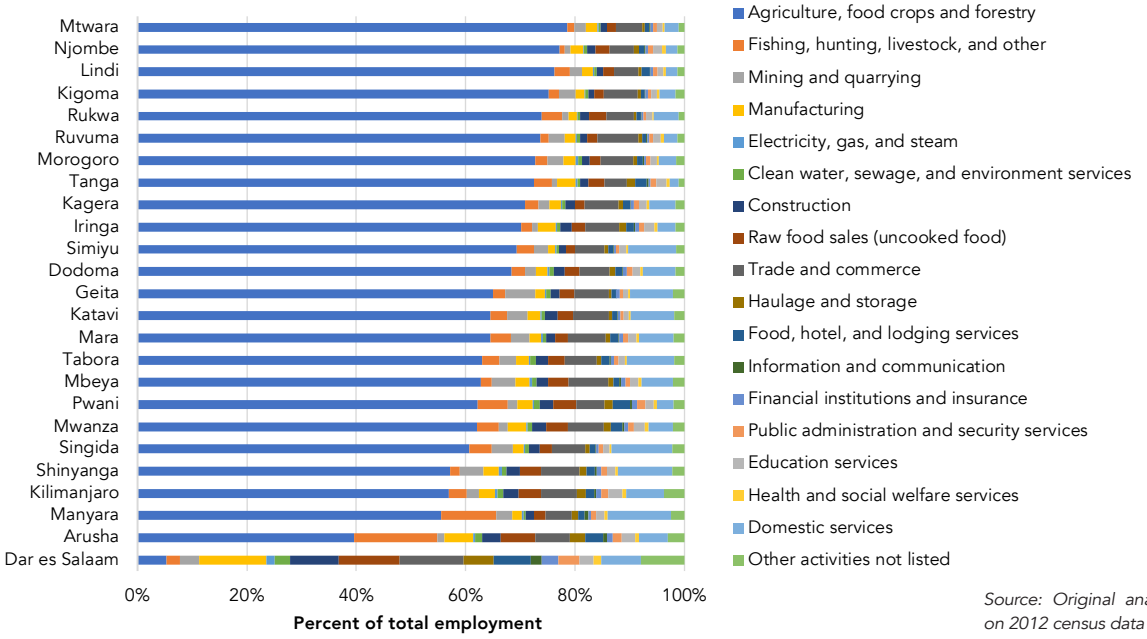


Source: Original calculation based on World Development Indicators data from 2014.
Note: GDP per capita in constant 2005 US dollars.

There are encouraging trends in Tanzania's agricultural transformation, which is an important catalyst for structural transformation (World Bank 2019b). Tanzania is experiencing a labor shift away from agriculture, which is consistent with the early stages of structural transformation. From 2008 to 2014, the share of households engaged in agriculture activity fell from 82 to 73 percent. Household income portfolios are also increasingly leaning away from agriculture, with the average share of income derived from on-farm production falling from 47 to 37 percent (World Bank 2019b). These trends are associated with agricultural transformation, as farms become more specialized and food markets more reliable, with growing demand for consumption in cities. Until 2016, agricultural productivity had grown marginally, mostly due to a reduction in agricultural employment (World Bank Group 2019a). Boosting the sector's productivity growth remains key to stimulating the rural nonfarm economy through local multiplier effects. This will raise the demand for nonfarm jobs and spur a shift toward nonfarm employment, particularly within the agri-food system.

However, rural workers remain largely concentrated in agriculture, with jobs gradually moving from low-productivity agriculture to low-productivity services. The majority of these low-productivity jobs are within the informal sector, producing only locally traded goods and services, with limited returns to scale. Given the high levels of agricultural employment in the cross-sectional data, a key question is the extent of structural change taking place over time. Agri-processing activities have the potential to absorb rural migrants into jobs that provide value-added to raw commodities, but the available data does not show agri-business yet being established at significant scale (Figure 9).

Figure 9: Jobs Are Concentrated in Agriculture and Informal Services

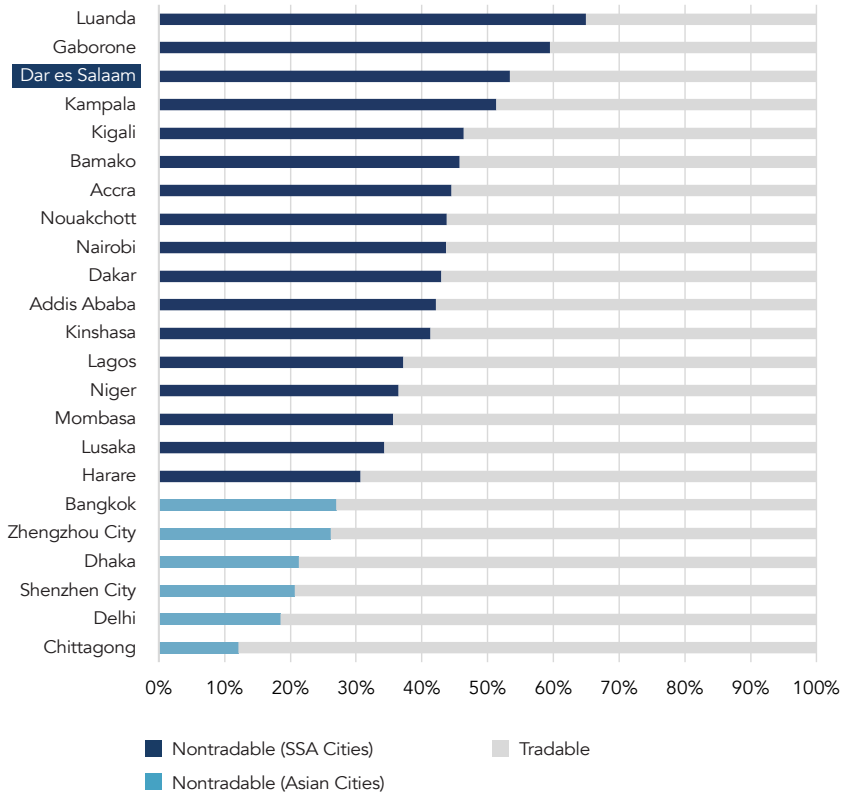


Source: Original analysis based on 2012 census data (NBS 2013).

In Tanzania, firms and urban jobs are highly concentrated in low-value-added services. The growth of locally consumed, or non-tradable, goods and services limits the scale of economic benefits of urban areas. The consumer base of one city, however large, is much smaller than a regional or global market. Specializing in non-tradable products for local consumption leads to diminishing returns, because prices are set locally and decline as supply increases. In contrast, export markets are key to a dynamic industrial sector. The price of imports is set largely by the possibility of supply from the rest of the world (Lall, Henderson, and Venables 2017). In Tanzania, 57 percent of firms in the formal sector and 52 percent of firms in the informal sector are engaged in wholesale or retail trade. This percentage rises to almost 75 percent when food service is included (NBS 2012). Manufacturing accounts for only 6 percent of formal-sector firms and 1 percent of micro and small firms. In Dar es Salaam, the plurality of heads of households (47 percent) work in low-value-added services, followed by high-value-added services (28 percent), but manufacturing barely accounts for 7 percent of total jobs (World Bank 2019c).

In Dar es Salaam, less than half of firms are in tradable sectors, compared to 70 percent in many South and East Asian cities (Lall, Henderson, and Venables 2017; Figure 10). In Tanzania, as in much of Africa, the natural-resource sector has grown rapidly, in part due to new discoveries of minerals such as gold and rare-earth metals.[7] This expansion has attracted workers into the sector from both agriculture and manufacturing. Meanwhile, the income generated from the resource sector has been spent disproportionately on manufactured goods that are imported and services that cannot be exported (i.e. non-tradable goods and services). These services are produced in Tanzania's cities and account for the rapid urban growth. Tanzanian cities are therefore growing as consumption rather than production centers, essentially catering to consumer demand generated by the success of the resource sector, rather than generating productivity. This is in contrast with the cities of East Asia, where growth is driven by industrialization (Collier and Jones 2016).

Figure 10: Production Mix in Selected Cities



Source: Lall, Henderson, and Venables 2017.

[7] See, for example, Ng'wanakilala 2020.

2 The Urban Challenge:
Crowded, Disconnected, and Costly Cities

Urban areas are critical for Tanzania's economy and for job creation, but the benefits of agglomeration economies have yet to materialize. The interaction of factors contributing to agglomeration – the clustering of firms and the overall size and diversity of the urban economy – is limited. Rapid urbanization and increased population density have not translated to increases in economic density. Instead, low density development and urban sprawl has prevailed, and there is poor connectivity between people, industries, and markets. The challenge for policymakers is to harness the growth potential of cities and transform them into more livable, resilient, and competitive environments. But cities in Tanzania have shared characteristics that limit their potential. This chapter outlines these existing city-level constraints.

Like other African cities, Tanzania's cities are crowded, disconnected, and therefore costly. These three features of the urban form limit potential agglomeration benefits and perpetuate a "low urban development trap," meaning that the economy continues to rely on non-tradable goods and services (Lall, Henderson, and Venables 2017). More specifically:

- **Cities are crowded with people, but not livable:** Despite increased population growth and density, Tanzania's cities are not economically dense – that is, investments in infrastructure development, industrial and commercial structures, protecting natural assets, and affordable housing have not kept pace with the concentration of people. Urban areas still offer residents low access to most basic services; moreover, because cities are not "dense with amenities," their livability is also limited. Environmental degradation is occurring at a largely unchecked and rapid pace, and cities are also vulnerable to disasters and climate-related hazards such as floods, which are increasing in frequency. The ability of cities to adapt to, mitigate, and learn from acute shocks and chronic stresses resulting from climate change will be critical for their ability to prepare for and respond to rapid urban growth.
- **Sprawling urban form disconnects people from jobs and hampers productivity:** Urbanization benefits people and businesses by increasing economic density, but urban sprawl and fragmentation exacerbate poor connectivity within Tanzania's cities. Historically, with the absence of strong planning and enforcement controls, cities have expanded (rather than densified), with low-cost land becoming the key consideration for locational choices. Thus, there are long distances between neighborhoods, and transportation networks do not facilitate quick or affordable travel. Spatial fragmentation of urban areas is problematic because it disconnects people and firms: workers have more limited (geographic) access to job opportunities, with longer and more expensive commutes, while firms are prevented from reaping the scale and agglomeration benefits associated with urbanization.
- **Getting around, living, and doing business are expensive:** The sprawl that characterizes Tanzania's cities results in costly inefficiencies, and locks cities into an energy-intensive growth pattern that is expensive for service provision and unattractive for business. Formal housing is out of financial reach for the majority of urban Tanzanians, and especially the poor, who also struggle to access jobs through transportation systems that are expensive, congested, and scarce for non-motorized commuters. Businesses suffer from these inefficiencies, as well: not only do their employees live far from work, but the high cost of living and scarcity of services drive up nominal wages.

Tanzania risks falling into a low urban development trap because its economy is largely limited to non-tradable goods and services that are consumed locally – and the current urban form keeps it that way. As discussed above, natural resource–led growth has created high demand for non-tradable goods and services, which can crowd out demand for manufacturing (Lall, Henderson, and Venables 2017). But another cause of Tanzania's predominantly "local urban economies" is related to urban form. The configuration of Tanzanian cities raises significant barriers (inefficient land markets, unclear property rights, poor planning, and zoning enforcement, etc.) to achieving the dense, connected, and efficient concentration of structures that reaps agglomeration benefits.

Without density and mobility, urban areas cannot offer firms the cost efficiencies and job-matching advantages that can enable regional and international trade – which is sub-optimal even for local producers. Ultimately, this deters most types of investment. Urban form is not the only constraint on international competitiveness, however. The business climate, access to finance, low agricultural productivity, and the general macroeconomic context also play a role.

Crowded, disconnected, and costly: this narrative sheds light on Tanzania's urbanization story to date, but also on how the country can reverse these trends. To avert the low development trap, cities will need to improve urban planning practices, address the informality of land markets, coordinate more effectively, sequence investments, maximize financing sources, improve mobility, and increase resilience.

2.1 Cities are crowded with people, but not livable

Increased population growth and density have not translated into increased capital investment to improve the livability of cities. Tanzania has urbanized at lower GDP per capita compared to other countries. Investments in infrastructure development, industrial and commercial structures, protecting natural assets, and affordable housing have therefore not kept pace with the concentration of people. Environmental degradation is occurring at a largely unchecked and rapid pace. The ability of cities to adapt, mitigate, and learn from acute shocks and chronic stresses resulting from climate change will be critical for their ability to prepare for and respond to rapid urban growth.

2.1.1 Low access to basic services constrains livability

Access to services in urban Tanzania has not kept pace with population growth. Service levels in cities are generally higher than in rural areas; however, household access to improved drinking water, electricity, improved toilet facilities, and solid waste collection varies considerably across municipalities (Table 1). As cities grow, they need to implement appropriate expansions of service networks to close the gap and keep up with rapid urbanization.

Table 1: State of Infrastructure and Services for Households in Selected Cities (2018)

Municipality	Access to improved water sources[a] (%)	Access to electricity as primary source of lighting (%)[b]	Access to improved toilet facilities (%)	Access to solid waste collection (%)[c]
Arusha	80.5	33.0	30.2	60.0
Dodoma	73.3	22.7	23.0	12.6
Kigoma	83.2	19.2	25.8	25.5
Mbeya	87.7	34.7	32.1	28.0
Mtwara	59.9	22.4	28.4	14.8
Mwanza	73.8	31.4	22.6	20.8
Tanga	58.7	27.8	25.4	26.9
National urban average	**87.6**	**63.7**	**41.2**	**24.7**
National average	**73.0**	**29.0**	**25.3**	**8.3**

Source: Household Budget Survey 2017/18 (NBS 2019); 2012 census (NBS 2013).

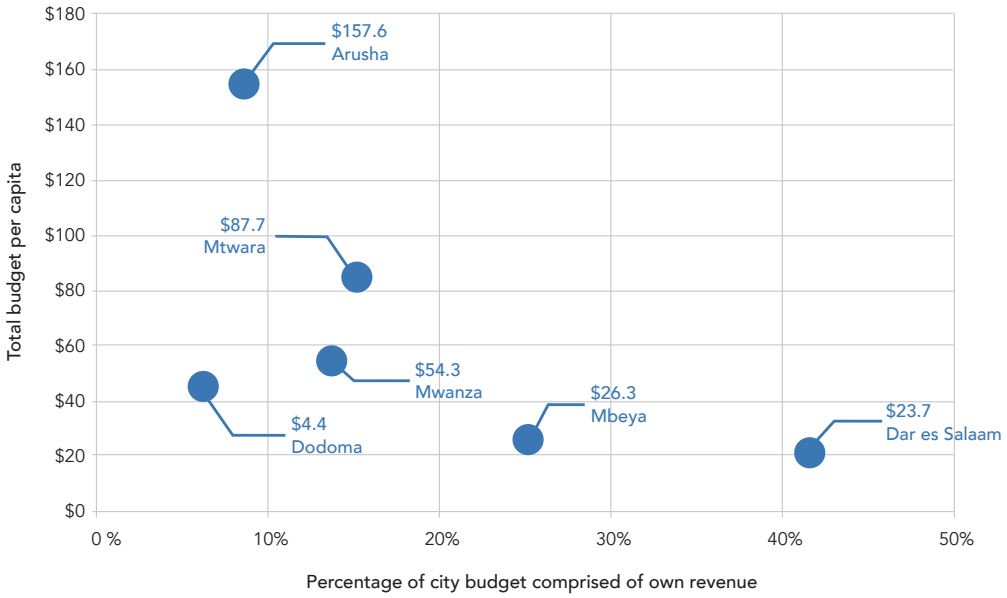
[a] *Figures refer to access to improved water during the dry season, which tends to be lower than during the rainy season. "Improved drinking water sources" refers to piped water on premise, such as: piped water into dwelling, piped water into yard/plot, public taps/standpipes, tube wells/boreholes, protected dug wells, and protected springs.*

[b] *Does not include solar energy.*

[c] *"Solid waste collection" refers to both regular and irregular collection of refuse disposal. Figures are for 2012.*

Local governments have limited resources to finance basic services. Even when own-source revenue collection, central government transfers, and donor contributions are aggregated, Tanzania's seven largest urban local government authorities (LGAs) have only US$23.70–US$157 per capita to spend (Amani et al. 2018). Relative to, for example, the city of Johannesburg, which can spend US$950 per capita, the municipal budget range in Tanzania makes it difficult to invest adequately in master plans, service delivery, or curtailing urban sprawl (TULab 2019).

Figure 11: Budget per Capita vs. Own-Source Revenues in Selected Municipalities

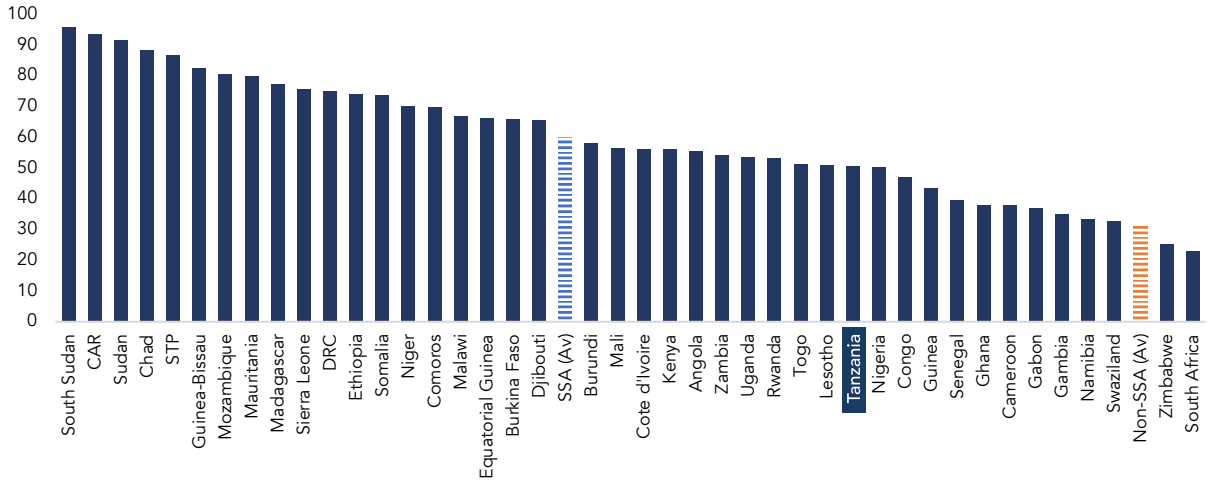


Source: TULab 2019 using data from Amani et al. 2018.

Unplanned development results in neighborhoods that are perpetually without basic infrastructure, translating into lower living standards. Formal planning and development in Tanzania's cities have not kept pace with population growth, leaving booming urban populations with infrastructure networks designed for much smaller cities. Unplanned and un-serviced development is the norm. While statistics vary by city, on average, unplanned neighborhoods account for over 70 percent of the land in urban areas (Lupala, Namangaya, and Mbogoro 2013). A close examination of the changes in planned and unplanned settlements in three case cities – Arusha, Dodoma, and Kigoma – between 2005 and 2015 showed that all saw significant expansion of unplanned areas (the largest being in Arusha, where such areas grew by around 30 percent, followed by around 25 percent in Dodoma and 18 percent in Kigoma). There is observable expansion in planned settlements as well, but only significantly so (around 13 percent) in Dodoma (Huang et al. 2018).

More than half of Tanzania's urban population resides in settlements that lack one or more of the following conditions: access to improved water, access to improved sanitation, sufficiency of living space, and durability of housing stock (Lall, Henderson, and Venables 2017). This share compares relatively favorably to the Sub-Saharan African average of 60 percent, though in South Africa and Zimbabwe only a quarter of the urban populations live in such conditions (Figure 12). In African countries outside the Sub-Saharan region, an average of only 31 percent of the urban population resides in slums. It should be noted, however, that the quality of the housing stock in Tanzania's unplanned settlements differs from that of typical squatter settlements in other Sub-Saharan African cities. Areas characterized by highly insecure land tenure are rare; and even in unplanned settlements where most residents lack official forms of land tenure, the majority of homes are constructed with cement block, as opposed to the impermanent materials (such as tarps or scraps of sheet metal) that characterize informal settlements in other cities in the region (Photo 2). Recent research confirms this observation: there is not a significant difference in mean roof size (used as a proxy for property size) between houses that are on formally versus informally owned land (Panman and Lozano-Gracia 2021b).

Figure 12: Percent of Urban Population Living in Areas with Slum Characteristics



Source: Original figure using data from UN-Habitat 2014.

Photo 2: Comparison of Building Materials in Informal Settlements of Mwanza and Nairobi

Informal settlement in Mwanza, Tanzania (left), constructed of more permanent cement bricks, versus informal settlement in Nairobi, Kenya, constructed of semi-permanent materials. Photo of Mwanza by Chris Morgan. Photo of Nairobi by St. Aloysius Gonzaga High School Journalism Club.

While access to piped water in Tanzania's cities has improved, access is unequal across income groups and service is unreliable. Overall, all-season improved water access in urban areas of Tanzania currently stands at 87.6 percent, far above the national average of 73 percent and higher than many other countries in the region (NBS 2019). The dominant source of drinking water is piped water (26.3 percent); those without connections rely on sources including neighbors, protected wells, or a public tap or standpipe (DHS 2016). A relatively small percentage relies on other sources, both improved (e.g., boreholes or tube wells, 5 percent) and unimproved (e.g., unprotected wells, 4.4 percent). While the coverage gap between rich and poor households narrowed between 2005 and 2016, as of 2016, households in the top 60 percent of the income distribution have three times the coverage of the bottom 40 percent, with poorer households relying mostly on sources such as public standpipes and protected and unprotected wells (World Bank 2018a). For those who do have piped water, service continuity is poor, so households often rely on multiple sources, including tanker delivery and digging their own wells.

Demand for water is outstripping supply, and water quality is at risk. Larger cities like Dar es Salaam, Arusha, and Morogoro extract water from stressed rivers that do not yet have adequate source protection in place. Dodoma, the rapidly expanding capital, currently relies almost entirely on groundwater for its supply. Most aquifers in Tanzania are not sufficiently mapped, so planners are uncertain if groundwater extraction is occurring at a sustainable pace (World Bank Group 2017b). Water scarcity issues are compounded by surface and groundwater pollution, which is steadily impacting water quality across the country. Concentrations of sediment, salinity, fecal matter, and chemicals are increasing in rivers and aquifers. For example, less than half of Dar es Salaam's population has access to the main water network and instead use private and unlicensed boreholes; the resulting overuse of shallow aquifers has led to contamination due to sea water intrusion and infiltration of sewage (2030 WRG 2014). Reliance on storage due to unreliable piped water supply poses additional risks of contamination, as do unregulated water vendors.

Sanitation coverage has also improved but remains low, which comes at a staggering cost to public health. Between 2005 and 2016, Tanzania's urban areas have seen a 30 percent increase in access to improved and unshared sanitation facilities. However, the distribution of better sanitary options is skewed toward better-off households even more drastically than water supply: more than half of the bottom 40 percent of urban households still use some form of unimproved pit latrine or open defecation (World Bank 2018a). Less than 2 percent of urban households are connected to sanitary sewer systems, and what is collected is often not treated; even a primary city like Dar es Salaam does not yet have wastewater treatment facilities operating at scale. Lack of sanitation is a major underlying cause of poor ground and surface water quality due to direct discharge and leaching of fecal matter from septic tanks and toilet facilities. In 2013, health-related costs associated with unsafe water and sanitation in Tanzania were estimated to be about US$10 billion and US$7.6 billion, respectively (Roy 2016).

Facing increasingly severe flood events, cities are working to improve drainage infrastructure to capture, treat, and drain stormwater. Tanzania's climate features intense rainfall during one or two rainy seasons, depending on the region. Natural drainage courses, such as rivers and streams, and stormwater attenuation areas, such as wetlands and forests, are highly degraded.[8] Drainage infrastructure in Tanzania tends to be old or non-existent, and due to the minimal coverage of wastewater infrastructure, stormwater mixes with untreated sewage and other pollution, resulting in highly contaminated flood events. This situation has improved in recent years: in Dar es Salaam, more than 67 kilometers of primary and secondary drainage systems around the Sinza, Yombo, and Msimbazi river basins are being improved (including through bank stabilization, channel lining, and stormwater detention ponds). Drainage and sanitation master plans for Dar es Salaam and eight other medium-sized cities (Arusha, Dodoma, Kigoma, Ilemela, Mbeya, Mtwara, Mwanza, and Tanga) have been developed to help prioritize future secondary and tertiary investments, develop operations and maintenance schemes and budgets, and plan capital works for the next 20 years. The Zanzibar Urban Municipal Council has also completed its first major upgrade of the drainage system, mostly in informal areas, constructing approximately 20 kilometers of stormwater drains. These efforts have significantly reduced flooding for nearly 3,600 households, provided savings in maintenance and health costs by reducing flooding, and raised home values.[9]

Solid waste management is poised for improvement but will require significant commitments from local governments. Improving municipal solid waste management is critical both to fostering sustainable urban development and to minimizing risks related to poor solid waste services, including disease outbreaks and environmental health challenges. Waste generation in Tanzania is increasing exponentially. Forecasts indicate that by 2030, 26 million tons of solid waste will be generated daily in urban areas, compared to 2020 estimates of 12.1 to 17.4 million tons (Vice President's Office 2020). Currently, an estimated 90 percent of waste is collected and disposed of in urban areas across Tanzania (NBS 2017). The remaining waste is burned, buried, and thrown into rivers or drains, or into the environment (MétaSus and BreAd B.V. 2016; Photo 3). Waste blocks drains and waterways that are already insufficient, exacerbating flooding and the prevalence of vector-borne diseases. In the Msimbazi River Valley in Dar es Salaam, extreme upstream erosion and illegal littering and dumping are major contributing factors to downstream sedimentation and sub-optimal flows at road crossings. Reducing erosion, managing litter, and reducing the overall amount of waste that is prone to entering rivers, streams, and stormwater drains is key to the restoration of functional drainage systems. Inadequate solid waste management service provision also contributes to coastal and marine plastic pollution. As one of the leading threats to marine biodiversity, tourism, and the fisheries sector, such pollution puts the livelihoods of millions of people at risk (World Bank 2016). This situation is starting to change: as of January 2021, Tanzania's first eight sanitary landfills are operational in medium-sized cities and Zanzibar.[10] While landfill operations and management plans are in place at most of these landfills, it will be important to set aside sufficient budget for regular operations, maintenance, monitoring, and reporting, in addition to continued capacity building for solid waste and landfill staff.

[8] The implications of this degradation in terms of climate change vulnerability will be discussed in the next section.

[9] Initial findings from World Bank 2021d, forthcoming.

[10] As of January 2021, landfills have been constructed in Arusha, Dodoma, Mbeya, Mwanza, Mtwara, Kigoma, Tanga, and Zanzibar Town.

Photo 3: Solid Waste Dumping in Natural Drains

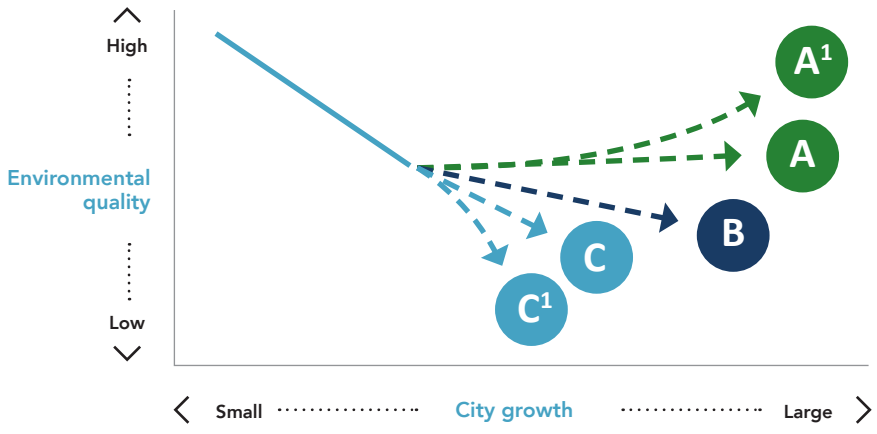
Solid waste dumped in natural drainage systems results in environmental degradation, obstructs drainage channels, and poses health risks to communities. Photo by Chris Morgan.

Access to electricity from the grid has improved in urban areas but has not reached poor households. In urban areas, access to electricity from the grid increased from 48 percent in 2012 to 64 percent in 2018. However, access is available to only 7 percent of poor households. Gains have been made in diversification toward solar energy, particularly in rural areas – 33 percent of rural households use solar energy for lighting, compared to 14 percent in urban areas in 2018. Despite improvements, about 45 percent of households still rely on inefficient lighting sources such as torches and kerosene. Use of efficient energy sources for cooking has also improved slightly, but over 80 percent of all households, and more than 90 percent of rural and poor households, continue to rely on firewood and charcoal (World Bank 2019a).

2.1.2 A loss of natural capital results in low resiliency to natural hazards

Urbanization is negatively impacting Tanzania's environmental assets and ecosystem services – nudging the country towards a "grow dirty now, clean up later" development path. While Tanzania's cities are rich in natural assets – including freshwater and marine resources, hardwood and mangrove forests, and relatively good ambient air quality – degradation is occurring rapidly. Cities in Tanzania are on a negative trajectory (Path C in Figure 14). As cities on this trajectory grow, environmental quality is declining, which can be a difficult trend to reverse (White, Turpie, and Letley 2017).

Figure 13: Relationship between Urban Growth and Environmental Quality



Source: White, Turpie, and Letley 2017.

Environmental degradation is largely unchecked and occurring rapidly. Over the last three decades, rapid and unplanned growth has progressively encroached upon riverbanks and buffers and has contributed to an increase in flood levels every year. Public spaces and green areas are scarce, and city centers comprise largely hard surfaces lacking green cover or tree canopy. In some cities, the quality of the green spaces in the wetlands and river basins are degraded due to urban pressure, unplanned building activities, solid waste dumping, toxic industrial effluents, and largely untreated sewage. The quality and quantity of fresh water is at serious risk in Dar es Salaam, Dodoma, and Arusha. A 2012 study in Dar es Salaam found that seven once-perennial rivers originating in protected areas on the urban periphery are now seasonal (Lupala et al. 2014). In Dar es Salaam alone, forest reserves have declined more than 30 percent in 30 years as a result of encroachment and charcoal production (World Bank Group 2016a). The combination of deforestation, sand mining for building materials, and uncontrolled building development results in extreme soil erosion that causes sedimentation of natural watercourses and drainage infrastructure, reducing their capacity to handle stormwater. Air pollution is most severe indoors, largely due to burning of charcoal and/or wood as cooking fuel; women and girls, traditionally the most involved in household tasks, are particularly exposed to smoke and particulate matter (World Bank Group 2019b). In 2013, over 68,877 premature deaths were attributed to air and water pollution nationally, at an estimated economic cost of over US$28.7 billion (Roy 2016).

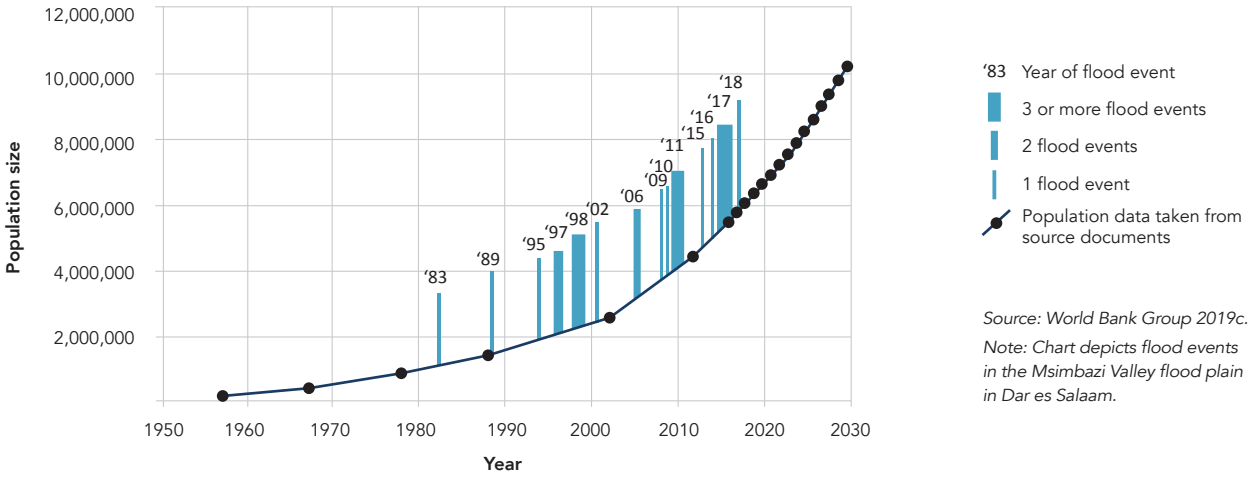
Tanzania's cities are already vulnerable to disasters and climate-related hazards, which are expected to increase based on climate change projections. Tanzania is already the most flood-affected country in East Africa (UN-Habitat 2014). Nearly all Tanzanian cities are impacted by intense rainfall events during rainy seasons, given the lack of adequate drainage infrastructure and encroachment of built areas on riverbanks and wetlands (Photo 4). Of the 62.5 percent of residents in informal settlements (Ministry of Lands, Housing, and Human Settlements Development 2016), many are occupying hazardous land prone to landslides or flooding. Low-lying cities such as Dar es Salaam and Zanzibar City experience floods with standing water for long periods of time, raising the risk of water-borne diseases such as cholera and dysentery. Floods also destroy available infrastructure, obstruct pedestrians and bicyclists' paths, and creates major disruptions in traffic, seriously compromising access to jobs and amenities (Ochoa et al. 2021). Cities with rugged terrain and steep slopes, such as Mbeya and Mwanza, are affected by landslides in addition to river floods. Climate models project that, by the 2080s, mean annual and seasonal temperatures for East Africa will increase by 3.2°C, and by 2100, the region will see an increase in mean annual rainfall of up to 18–28 percent (World Bank Group 2019b). Precipitation is projected to become more volatile, and flooding is expected to increase in frequency and severity. Projections for Dar es Salaam indicate that mean rainfall could increase during the longer rainy season by up to 6 percent by 2100 (Matari et al. 2008). The ability of cities to adapt, mitigate, and learn from acute shocks and chronic stresses resulting from climate change is therefore critical.

Photo 4: Flooding in Informal Settlements

Flooding in Buguruni ward after heavy rain in Dar es Salaam (2019). Photo by Chris Morgan.

Dar es Salaam's flooding situation exemplifies how environmental degradation and climate vulnerability can drain the city economy, impact infrastructure, and disproportionately burden the poor. Consistent with climate change predictions, flooding has become increasingly severe over the past decade. Major flood events were experienced in seven out of the last 10 years (World Bank Group 2019c). Exposure is widespread: at least 39 percent of the city's population, or 2 million people, have been impacted either directly or indirectly by floods. A single flood event in April 2018 affected between 900,000 and 1.7 million people. Poor and vulnerable households are over-represented among those affected by floods in Dar es Salaam, and female-headed households, which are less equipped with the tools to cope with disasters, are more likely than others to be affected (World Bank Group 2019b). A strategic assessment of the climate resilience of the city's transport infrastructure found that the transport system is highly exposed to rainfall events even of low intensity (2–6 millimeters per hour). The economic cost to users of the transport system from disruptions due to flooding ranged from US$5.6 to US$25 million for a 2-millimeter-per-hour event, which has a return period of one year (World Bank, ICF and COWI 2019d). To build resilience to flood hazards and other shocks, cities will require integrated solutions that combine infrastructure with the restoration of natural assets (Box 1).

Figure 14: Flood Events in Dar es Salaam (1961–2018)



Source: World Bank Group 2019c.

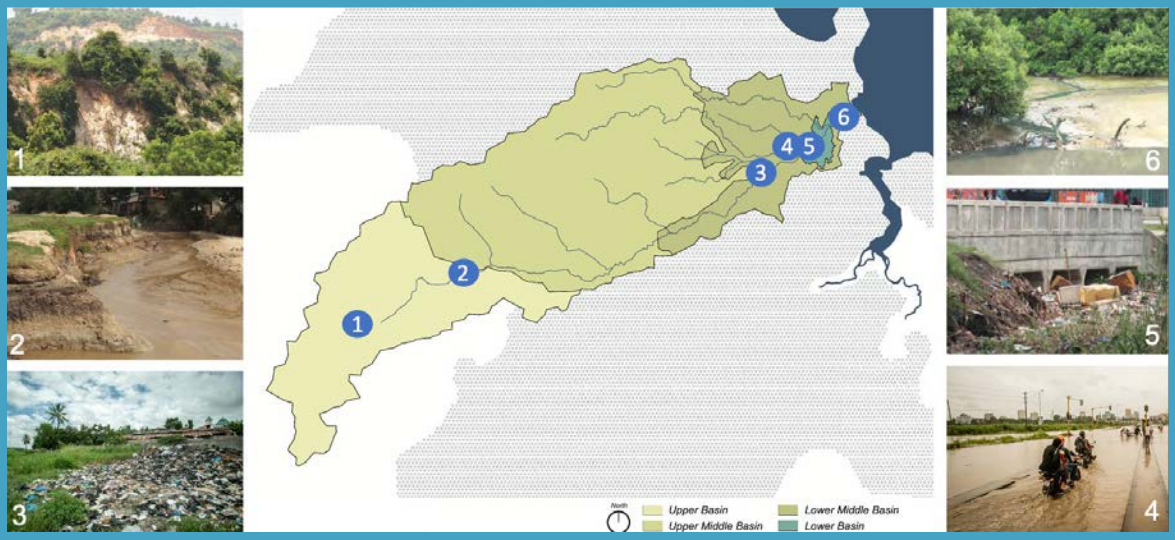
Note: Chart depicts flood events in the Msimbazi Valley flood plain in Dar es Salaam.

Box 1: The complexity of flooding requires integrated solutions

Dar es Salaam's Msimbazi river basin covers one-fifth of the city's land area (271 km^2) and is home to 27 percent of the city's total population (an estimated 1.6 million people). From its headwaters in the Pugu forest reserve, the basin extends eastward along an increasingly urbanized stretch as the river approaches the heart of the city. The lower basin is a wide floodplain and wetland in the heart of Dar es Salaam, once a robust mangrove forest estuary.

The riverbanks and parts of the lower floodplain are densely populated, despite prohibitions on building there.[11] Environmental degradation in the basin is severe due to deforestation, sand mining, industrial pollution, and waste dumping. Some 50,000 people throughout the basin are exposed to flooding, with between 8,000 and 10,000 households living in areas considered unsafe and unsuitable for human settlement. A recent study modelled the economic losses caused by flooding in April 2018, which heavily impacted the Msimbazi Valley. The study found that households lost an estimated US$100 million, or 2 percent of Dar es Salaam's GDP, from direct losses (houses and assets) and indirect losses (health and labor costs) (Erman et al. 2019). Two out of four of Dar es Salaam's main traffic arteries, including the Bus Rapid Transit (BRT) system that serves an estimated 100,000 city residents per day, cross the main flood plain near the river's discharge to the sea, and are regularly closed during flood events.

[11] The 1979 masterplan designated the lower valley as no-build hazard land, and the Environmental Management Act prohibits building within 60 meters of each riverbank.



1 – Upstream deforestation in Pugu Hills, 2 – Riverbank erosion, 3 – Solid waste dumping, 4 – Flooding of Morogoro Road BRT corridor 5 – Solid waste damming Jangwani bridge, 6 – Pollution and mangrove forest at the river outlet

Sources: Map: World Bank 2019c. Photos 1,2, 5, 6 World Bank 2019c. Photos 3-4 by Chris Morgan.

A durable solution to flooding in the Msimbazi requires an integrated approach involving a multitude of sectors, institutions, and stakeholders, and must occur amid a challenging institutional context where there is currently no clear ownership over city-level river-basin management. The "Msimbazi Opportunity Plan," developed in 2018, was a multi-stakeholder process that involved more than 200 people from 59 institutions[12] and communities. The Plan was backed by significant technical work for flood modeling, and combines drainage infrastructure, resettlement of at-risk households, environmental restoration, open space, commercial development, and institutional reforms.

This approach is expected to pay off. An earlier study examining the potential benefits of "green urban development" measures, such as upstream reforestation and a wetland park, found that these measures would result in average annual cost savings between 21 and 54 percent of the present expected annual losses from flooding in the lower Valley (Turpie et al. 2017). The plan for the lower basin would establish a framework that coordinates investments from various sources, including the government, the private sector, and development partners, to turn the flood plain area into a valuable city asset that includes mixed-use, mixed-income development and a city park. Based on projected cash flows from different economic activities within the valley, cost recovery on capital expenditures would be reached over a period of 12 years and at an expected internal rate of return of 18 percent.[13]

2.2 Urban sprawl disconnects people from jobs and hampers productivity

In the absence of strong planning and adequate enforcement, Tanzanian cities are growing inefficiently, and without reserving land for basic infrastructure and the industrial activities critical for development. The result is isolated dense areas, poor connectivity, and rapid, unguided horizontal expansion, which limits the ability of urban areas to provide the benefits that dense cities offer. Informal land markets and stringent regulations are encouraging sprawl and challenging urban management. People are disconnected from jobs, businesses, services, and one another, lengthening commutes and making it difficult for transportation networks to facilitate mobility. Reserving land for infrastructure, especially roads, pays off for cities in the long run, but in urban areas, development has outrun planning and management. As land is snatched up for residential purposes, economic activity is pushed to the urban periphery, resulting in spatial fragmentation that is constraining the development of Tanzania's cities.

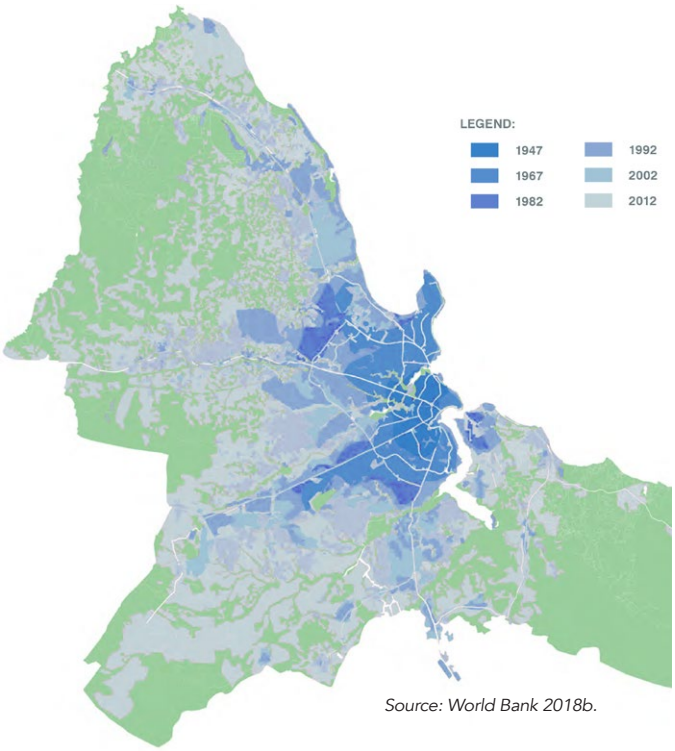
[12] Government stakeholders include the President's Office – Regional Administration and Local Government, Dar es Salaam City Council, Ilala Municipal Council, Kinondoni Municipal Council, Wami Ruvu Water Basin Authority, DART, DAWASA, DAWASCO, Ministry of Lands Housing and Human Settlements Development, Ministry of Water, Ministry of Works, National Environmental Management Council, Prime Minister's Office – Disaster Management Department, the Regional Administrative Secretariat, TANESCO, TANROADS, Ubungo Municipal Council, Vice President's Office, and Ardhi University.

[13] Cost estimates based on World Bank analysis carried out by PwC, "Supporting the Msimbazi Opportunity," final report.

2.2.1. Weaknesses in planning systems contribute to low urban density, inefficient transportation networks, and inadequate space for economic uses

Tanzanian cities, like many in Sub-Saharan Africa, are affected by poor connectivity caused by high fragmentation and low accessibility. High fragmentation means that population clusters of relatively high density are scattered – leapfrog development is common, with isolated neighborhoods of newly developed land not bordering existing developments. Fragmentation lengthens travel times between homes, jobs, and business (Lall, Henderson, and Venables 2017). Low accessibility by public transport means that public transport systems available allow urban dwellers to access only a small share of jobs and amenities, undermining the city's potential to benefit from agglomeration economies. In Dar es Salaam, an average resident only accesses 12% of the jobs available in the city in a one-hour commute by public transport (Peralta-Quiros et al. 2009) and in Moshi only 9%. Though accessibility by public transport is larger in Arusha (34%), Mwanza (57%) and Dodoma (67%), fast urban population growth and transport demand can easily compromise these results (Ochoa et al. 2021).

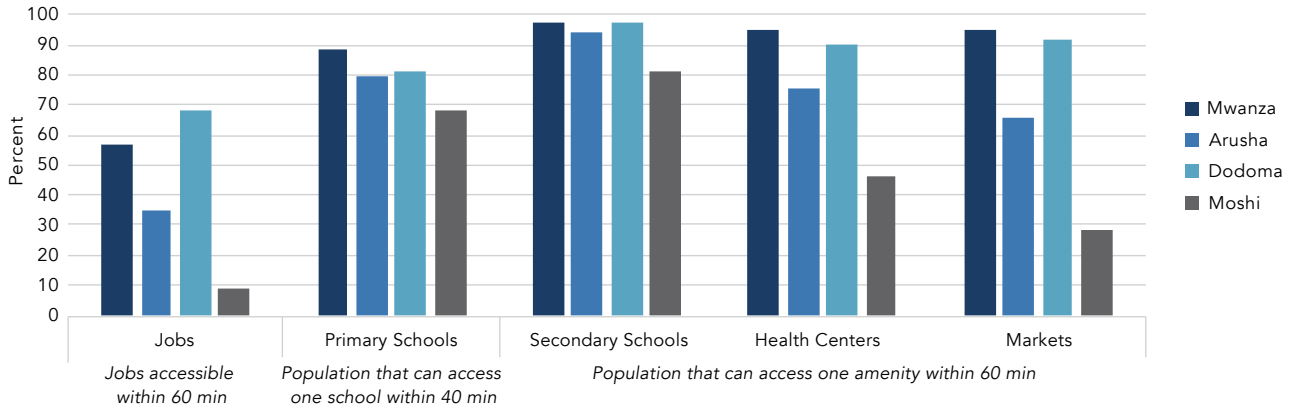
Map 2: Growing Out, Not Up – the Expansion of Dar es Salaam (1947–2012)



Source: World Bank 2018b.

Land-use inefficiencies, such as low levels of vertical development and patches of undeveloped prime land in and around city centers, increases pressure on land at the urban periphery. Cities are "growing out, not up" (Map 2). The resulting sprawling urban form makes infrastructure and basic service provision costly. It can also trap cities in a vicious cycle of car dependence: sprawl increases the demand for private motorized modes of transportation, leading to more congestion, pollution, and accidents; these effects in turn lead policy makers to build more roads that push the urban fringe even further, exacerbating the initial sprawl. In addition, transport systems are inefficient. Infrastructure for non-motorized commuters, such as bicycle users and pedestrians, is almost nonexistent, despite these modes accounting for about 50–70 percent of trips in intermediate cities. Public transport supply in intermediate cities is unreliable and uncoordinated, increasing the time and costs of using this transport mode, and road infrastructure has missing links and poor traffic management, which make road usage inefficient (Ochoa et al. 2021). As cities sprawl without substantial improvements of transport systems, commuting becomes slow and costly, the access of residents to jobs is limited, and other agglomeration benefits are negatively impacted.

Figure 15: Accessibility to Jobs and Amenities by Public Transport in Four Cities



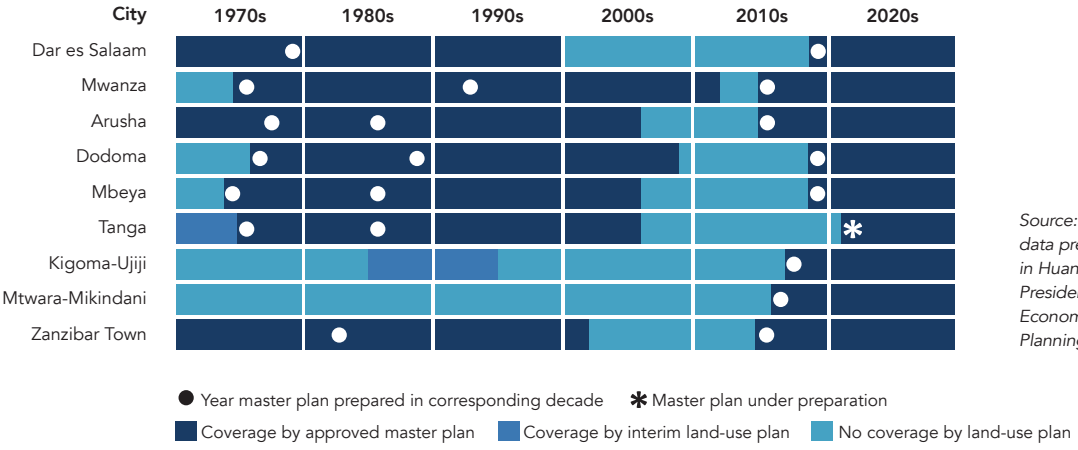
Source: Ochoa et al. (2021) based on job locations from the Statistical Business Registry (SBR) (2014/15), location of primary and secondary schools from the Ministry of Education, Science and Technology (MEST), location of health centers from the Ministry of Health, and markets from OpenStreetMaps. Population distribution from WorldPop (2020 UN-adjusted population projections).

Note: Estimates for city agglomerations with at least 300 people per km^2. Estimates assume a cycling speed of 12 km per hour and a walking speed of 5 km per hour for adults. For children who attend primary school, speeds are 10 km per hour and 3.5 km per hour for cycling and walking, respectively.

Inadequate coverage of planning instruments and implementation mechanisms means most urban growth is unguided

The lack of master plans to guide land-use decisions and growth is a contributing factor to the current fragmented form of Tanzania's cities. Although most primary and medium-sized cities had master plans in the 1970s and 1980s, these expired by the 1990s, and cities went decades without replacing them. A renewed push for master planning began in the 2010s, which has resulted in most major cities having a current master plan (Figure 16). Rapidly growing tertiary cities also have urban master plans in place.[14] However, many small cities and towns do not[15] and are developing without any formal plan. Adoption of master plans may not be practical in the near term given that the process typically takes several years and requires budgets in the tens to hundreds of thousands of dollars, depending on city size and complexity.

Figure 16: Status of Master Plan Development in Primary City and Medium-Sized Cities



Source: Original update of data previously published in Huang et al. 2018 and President's Office Finance, Economy and Development Planning 2015.

Having master plans is just the start – the critical next step is translating high-level planning documents into development through neighborhood-level and sector plans, budgeting mechanisms, and institutions for enforcement. A recent World Bank study (Huang et al. 2018) found that existing land uses conformed with the master plan less than half of the time. One critical reason for the lack of effectiveness of master plans is the disconnect between economic plans, urban plans, and sector or infrastructure plans. The economic plans are the three-to-five-year strategic documents, with the one-year budgets summarized in Medium-Term Expenditure Frameworks (MTEFs), and work plans coordinated by each municipality's economics department. Urban plans comprise master plans and detailed planning schemes, and sector or infrastructure plans cover utilities, roads, water, or electricity. Limited coverage of detailed planning schemes at the neighborhood level effectively means that most of the land in cities is not zoned, making it difficult to apply the broad land-use recommendations of the master plan in practice. The lack of effective development controls, planning review systems, and capacity or resources for enforcement also contributes greatly to the ineffectiveness of plans. Additional planning instruments, such as sustainable urban mobility plans, should also be considered as they provide a more comprehensive approach to urban transport that goes beyond the provision of road infrastructure, and prioritizes coordination with land-use planning.

However, insufficient human resources are a constraint on planning and enforcement. Development control functions are currently highly centralized at the municipal level, where staff are few: in 2011, Tanzania only had 158 registered planners, which is just 0.34 planner per 100,000 people. This is in comparison to 38 per 100,000 people in the United Kingdom, 3.4 in South Africa, and 1.4 in Nigeria (UN-Habitat 2016). The devolution of monitoring and some enforcement duties to ward and sub-ward levels is gaining consensus as a viable approach to strengthening development control (PO-RALG 2021a), but in order to support implementation of existing urban and sector plans and the participatory requirements that would foster strong local ownership, it will be critical to ensure that there are adequately trained and registered planners in towns and in small and medium-sized cities.

[14] Babati, Bariadi, Bukoba, Geita, Iringa, Kibaha, Korogwe, Lindi, Morogoro, Mpanda, Musoma, Njombe, Shinyanga, Singida, Songea, Sumbawanga, and Tabora all had approved master plans, and Moshi's draft plan was pending approval by MLHHSD as of May 2021.

[15] Some of the small cities and towns listed in Map 1 have master plans in place, while others do not, including Bagamoyo, Bunda, Chato, Handeni, Ifakara, Kahama, Kasulu, Kondoa, Mafinga, Makambako, Masasi, Mbinga, Mbulu, Nanyamba, Newala, Nzega, Tarime, Tunduma, and Vwawa.

Limited planning and low levels of enforcement result in an urban form without land reserves for basic service infrastructure

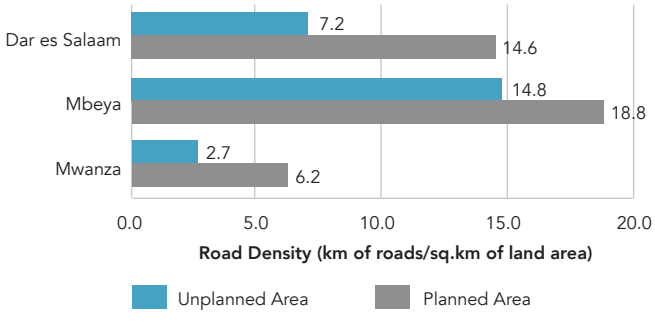
Despite the economic advantages of doing so, cities have not adequately reserved land for future public investments, especially roads, which results in technical, social, and financial challenges in keeping up with urban expansion. As noted above, Tanzania's cities already face a wide gap in basic-service provision. When no land is put aside for public infrastructure through planning, cities must attempt to retrofit roads and other network infrastructure after unplanned development has taken place, a problematic process that reduces future access (Photo 5). Analysis of road density in Dar es Salaam and selected medium-sized cities (Figure 17) finds that access to roads is dramatically lower in unplanned areas than in planned areas, as is illustrated in Makurumla Ward in Dar es Salaam (Figure 18).

Today's congestion and service-delivery gaps are in part a product of past shortcomings in anticipating urban growth and staking early claims on public land. Road rights-of-way allow space for urban transport, telecommunications, drainage, water, and sewerage services as cities expand. Once unplanned areas with low density and irregular road patterns develop, however, retrofitting often requires costly redesigns, compensation for structures and other assets that must be demolished, or both. Retrofitting sometimes requires full relocation of households, which can affect the social fabric of communities. It also adds considerable project costs: an analysis of Bank-financed urban projects found that resettlement compensation accounted for up to 15 percent of total project costs.[16] At times, due to technical, social, and financial constraints, critical investments are not implemented at all.

Photo 5: Informal Settlement in Mwanza

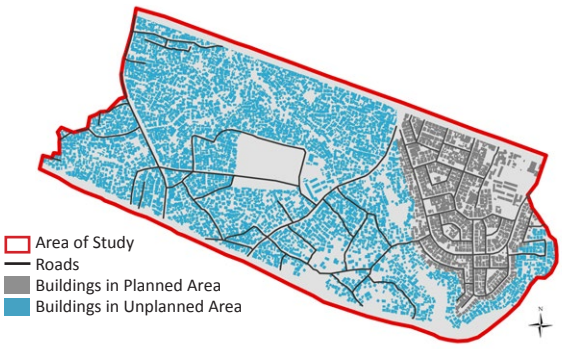
Aerial view of an informal settlement in Mwanza. Settlements built without roads or any land reserved for infrastructure will face challenges when providing services in the future, which in this case is further complicated by steep topography. Photo by PO-RALG.

Figure 17: Road Density in Planned and Unplanned Areas of Selected Cities



Source: Original analysis, using 2015 road network shapefile from PO-RALG.

Figure 18: Road Network in Planned and Unplanned Areas in Makurumla, Dar es Salaam



Source: Original analysis, using data produced by Ramani Huria.

[16] This analysis was done by the Tanzania Urbanization Review team using data from Resettlement Action Plans and other official documents from the Tanzania Strategic Cities Project (TSCP) and Dar es Salaam Metropolitan Development Project (DMDP). The projects were primarily road upgrades, with some other civil projects such as the construction or upgrading of bus stands or the siting of landfills.

Planning and establishment of road networks in advance of development pays off in the long run. Research for this study examined the long-term impacts of sites-and-services projects that the World Bank financed in Dar es Salaam in the 1970s and 1980s, in which investments such as road alignments and basic infrastructure were made in greenfield areas ahead of settlements ("de novo" development) (Regan et al. 2015). Many of these projects were undertaken with the idea of preventing slum formation or setting up durable foundations for upgrading slums into formal neighborhoods. While infill development did take time, the present-day benefits are clear. In these project areas, local gains in land value were, at least in Dar es Salaam, no less than US$75 to US$100 per square meter of plot (in 2017 prices) (Michaels et al. 2017). In Dar es Salaam, sites with "de novo" development projects have higher land values than land in other parts of city, including wealthier neighborhoods, partly because the "sites and services" areas have a higher building-footprint-to-plot-area ratio. These gains in land values far exceed the total project cost of no more than US$13 per square meter.

Land reservation should be done strategically to avoid intensifying sprawl. Developing satellite towns to manage fast urbanization has been proposed as a solution in many cities in Tanzania. Of 14 recently updated Master Plans in medium and small towns, 79 percent propose satellite towns as a solution to congestion and urban population growth, but these areas are unlikely to be an effective instrument to manage urbanization. International experience shows satellite towns can promote sprawl or result in deserted cities that do not attract businesses or people (Ochoa et al. 2021).

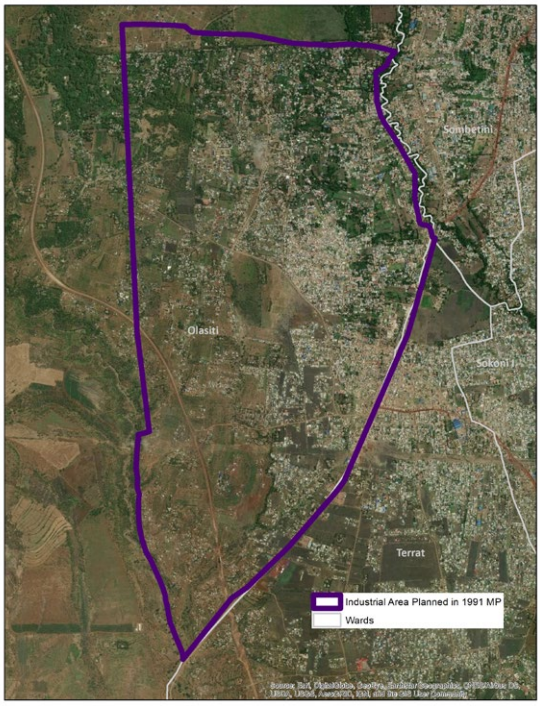
Development in the absence of planning is pushing critical economic activity out of the urban core

Urban planning systems are failing to preserve land not only for infrastructure but also for critical economic uses, particularly industry. Despite a directive from Ministry of Lands, Housing, and Human Settlements Development that 20 percent of urban land area should be slated for industrial uses, a desk review of approved master plans for major cities found that, in practice, allocations are substantially less (Dar es Salaam – 2.8 percent, Mbeya – 3.0 percent, Dodoma – 5.1 percent, Arusha – 9.3 percent, and Mwanza – 9.6 percent). A broader review of master plans for all major cities and 18 smaller towns suggests that some of the industrial areas that are planned may not be strategically located, given poor transport connectivity and long distances to population centers from which employers could source labor.

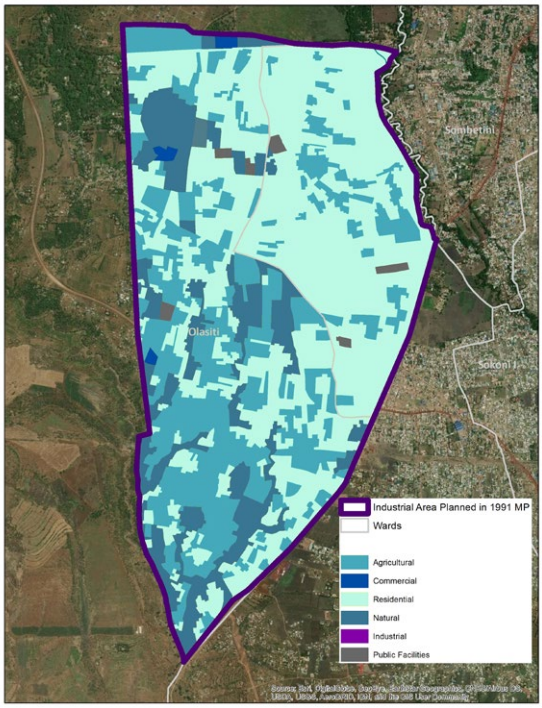
Land uses in planned industrial areas are not well enforced, and residential development is becoming the predominant use of land that was intended for future industrial development. An average of approximately 35 percent of industrial land that was planned in the early master plans of major cities has since been converted to residential uses (Huang et al. 2018). This trend is illustrated in maps of the Olasiti area of the Arusha City Council (Map 3), where the 1985 master plan designated an industrial area. Today, the area is predominantly covered by residential development (both planned and unplanned), with negligible industrial use.

Map 3: Current Land in Olasiti Area, Planned as Industrial in 1985 Arusha Master Plan

Olasiti planned industrial area



Current land uses



Source: Original analysis using land-use classification shapefiles from the European Space Agency 2018.

Limited availability of serviced industrial land in urban centers is pushing industries to the periphery, where there is poorer access to basic services and a smaller labor pool. In Mkuranga (outside of Dar es Salaam), Mtwara, and Mbeya, this trend results in a direct loss of revenue (from service levies) to urban local governments, and ultimately in higher servicing costs to utility agencies when electricity, roads, and water connections follow private sector development in less dense and spatially fragmented areas.

While Export Processing Zones may offer an attractive package for large manufacturers, cities should not overlook the land needs of smaller-scale producers, many of whom are engaged in agri-processing and manufacturing of goods that enable import substitution. Agri-processing accounts for 55 percent of total national formal manufacturing output, and up to 65 percent of total formal employment; however, more than 80 percent of agri-processors are small and serve only the domestic market (World Bank 2019b). Such firms are likely to have less start-up capital and smaller land requirements than large firms. They are typically spatially dispersed – operating on small plots in mixed-use neighborhoods – which limits potential agglomeration benefits and creates nuisances for area residents. Encouraging spatial clustering of small manufacturers through right-sized plots in adequately serviced target areas can offer the dual benefit of minimizing incompatible uses in residential neighborhoods while also enabling agglomeration benefits such as streamlining of supply chains and incentivizing specialization, as has been demonstrated in Kahama's Zongomela Industrial Area (Box 2).

Box 2: A planning approach to fostering small-scale manufacturing: Zongomela Industrial Area

In 2016, the Kahama Municipal Council allocated 1,029 hectares of industrial land located 3.4 kilometers from the city for the Zongomela Industrial Area. The Council provided basic services, including water, electricity, and a mix of earth and gravel roads. The area is intended to serve industries of all sizes, with 24 percent of the land area set aside for small enterprises in particular. The Council issued a directive to manufacturers in mixed-use neighborhoods to relocate, but provided them with titled land free of charge, which was agreed to in prior consultations with stakeholders. The Shinyanga Region Investment Guide (PO-RALG 2020) reported that 1,692 entrepreneurs were doing business in this area by 2020. Economic activities include furniture making, gold processing, and manufacturing of home construction materials (e.g., windows, timber, and roofing). Several manufacturers interviewed for this report indicated that they are selling their goods to clients in neighboring countries such as Burundi and Rwanda, in addition to other regions in northwest Tanzania. The Council projects that its initial investment cost of Tsh 50 million (US$22,000) will be fully recovered within five to seven years.

Furniture manufacturer in newly expanded warehouse in the Zongomela Industrial Area, Kahama.
Photo by Tanzania Urbanization Review team during site visit in March 2020.

2.2.2 Unclear property rights and overly stringent regulations encourage sprawl

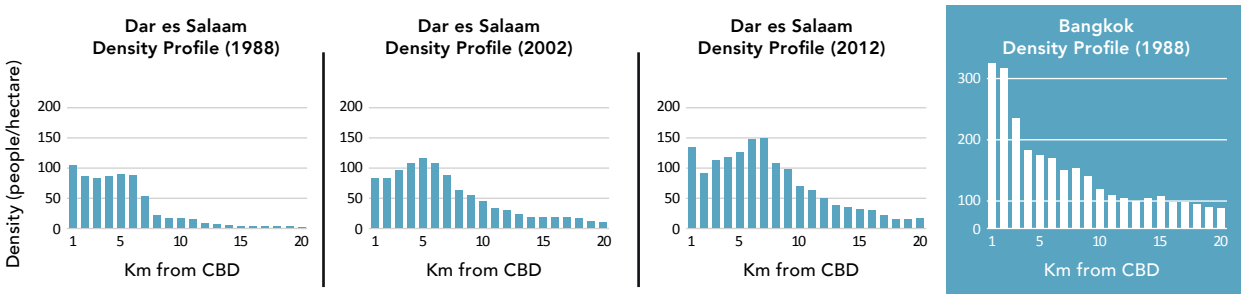
Informal land markets are constraining the development of Tanzania's cities. Urban land is a vital economic asset, but asset transactions are viable only where purchasers can rely on enduring extra-legal documentation of ownership. Clear rights to urban land are a precondition for formal land markets. A formal market both offers purchasers the protection of the state and – because formal transactions are readily observable and recorded – generates the public good of accurate valuation. Currently, most land transactions in Tanzania occur without review or approval. The result is unregulated land use, and non-adherence to urban planning and building standards. The current mix of formal and informal systems poses barriers to accessing land, consolidating plots, investing, and building at higher densities.

Tanzania's parallel land tenure systems (formal and informal) challenge urban management, tenure security, and urban development. Formal land administration procedures involve detailed steps to have the land surveyed and registered. In parallel to this are robust informal procedures and systems, which create a de-facto ownership of the land and a sense of security of tenure, but do not lead to a legal registration of the property. Only 5 percent of land in Tanzania is registered, compared to 70 to 100 percent in Rwanda, 35 percent in Kenya, and 18 percent in Uganda (World Bank Group 2014). One study found that 60 percent of landholders in Dar es Salaam lack any official and legally recognized documents of their ownership[17] (Panman and Lozano-Gracia 2021a). In large cities, around 80 percent of all buildings are located on unplanned land (Kironde 2009).

Owning formal land has benefits but is not easy for most Tanzanians. A proper title can grant landowners access to credit and security of tenure. However, registering a property is a lengthy process – it takes an average of 67 days, putting Tanzania consistently into the lowest quartile of countries for this Doing Business indicator (World Bank 2020). Some transactions take even longer: to transfer and register a property, MKURABITA[18] reports an average of 380 days for valuation, planning, and surveying, up to eight years for titling procedures, and seven years for land allocation for urban purposes on the mainland (nine years in Zanzibar). While official costs are relatively low compared to other African countries, the formal fees together with unofficial costs drive up the price of land registration and permitting processes, putting them out of reach for the majority of Tanzanians, particularly the urban poor.

The inefficiency of formal land processes directly contributes to the sprawling networks of informal settlements. This is illustrated through changes in the population density of Dar es Salaam from 1988 to 2012. Instead of the typical pattern seen in major cities – in which density is highest within the inner core and then declines with distance (as in, for example, Bangkok) – density increased slightly within 1 kilometer of the center and, by 2012, peaked at a distance of 6 to 7 kilometers, far away from the central business district (Figure 19). Significant densification also occurred beyond a radius of 10 kilometers, areas where there were few residents in the late 1980s. Informal settlements – typically characterized by lower building heights and thus lower population density[19] – are partly responsible for this type of sprawl. However, the areas within the inner core are also more rigorously subjected to existing planning standards, and these standards require large minimum plot sizes and maximum built-up-to-land-area ratios, creating an artificially low density.

Figure 19: Change in Population Density in Dar es Salaam (1988 to 2012) and Bangkok (1988)



Source: Original analysis, based on census data from 1988, 2002, and 2012 (for Dar es Salaam), and Bertaud 2010 (for Bangkok). Note: CBD – Central Business District.

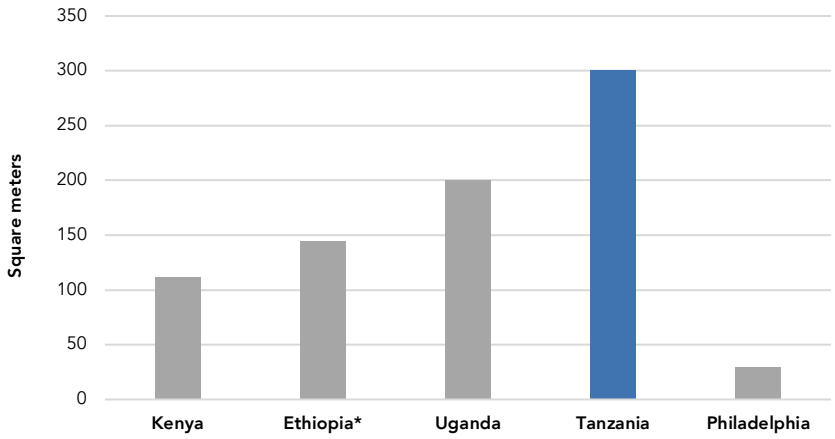
[17] Documents recognized by land officers include: Certificate of Right of Occupancy, Title Deed, Inheritance Letter, Traditional Right of Occupancy, Settlement Permit, and Letter of Allocation.

[18] Tanzania's Property and Business Formalization Program, known as "MKURABITA" in Swahili, is an ambitious nation-wide initiative involving property identification, land surveying, and preparation of cadastral plans and schemes of regularization.

[19] In Tanzania, urban density ranges from 16 percent of the population in Tanga covering 85 percent of the land, to 40 percent of the population in Mwanza covering 60 percent of the land. This information was drawn from official records from Town Planning Departments and spatial analysis of aerial photographs in January 2013 (Lupala, Namangaya, and Mbogoro 2013).

The restrictive land-use regulations of current planning standards discourage densification. The standards regulating land use date from 2011; these are currently under revision, though expected changes are likely to be moderate in nature. Among African countries (reviewed by Lall, Henderson, and Venables 2017), Tanzania has the highest minimum plot size for detached housing in high-density residential areas (Figure 20). Planning standards require that built-up areas not exceed 40 percent of the land area and call for large building setbacks from property boundaries even in high-density neighborhoods. These rules are justified in part by a requirement for plots to accommodate a pit latrine in the absence of a sewage network (Kironde 2006). Another, more anecdotal, explanation is that plots need to include sufficient space for parking, given that on-street parking is uncommon. Apart from generating low-density neighborhoods – thereby reducing the efficiency of land use – the effect of these land-use regulations is to make land development and housing much costlier.

Figure 20: Minimum Plot Size in High-Density Residential Areas (m^2)

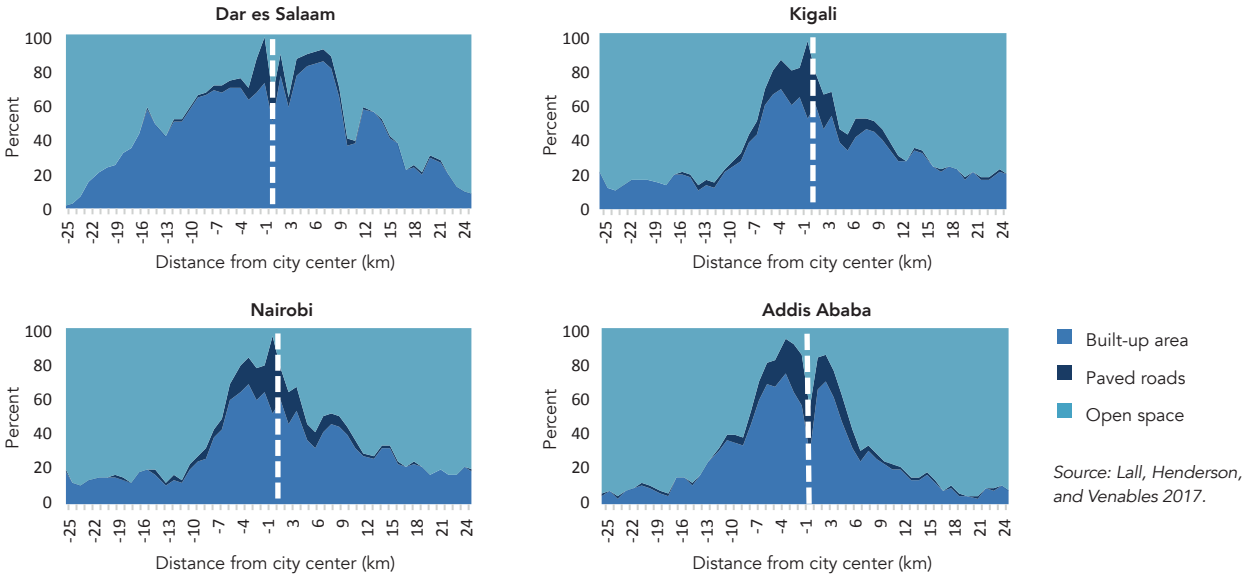


Source: Lall, Henderson, and Venables 2017.
**In Ethiopia, minimum plot sizes vary across cities, ranging from 75 to 300 square meters.*

2.2.3 Limited transport infrastructure and underemphasis on public as well as non-motorized transport are barriers to mobility

Paved roads occupy a smaller share of urban land in Dar es Salaam than in other African cities, where paved road density is already low. Among the African cities with available data, Dar es Salaam shows the lowest paved-road density within the inner city and virtually no paved roads beyond a 12-kilometer radius from the city center (Figure 21 - the white line represents the city center). In most African cities, paved roads are concentrated within the city center; as the share of built-up area falls with distance, paved roads almost disappear. In Dar es Salaam, the share of the built-up area is significantly larger than in the other African capitals, but the share of paved roads is lower.

Figure 21: Paved Roads in Selected Sub-Saharan Africa Capital Cities

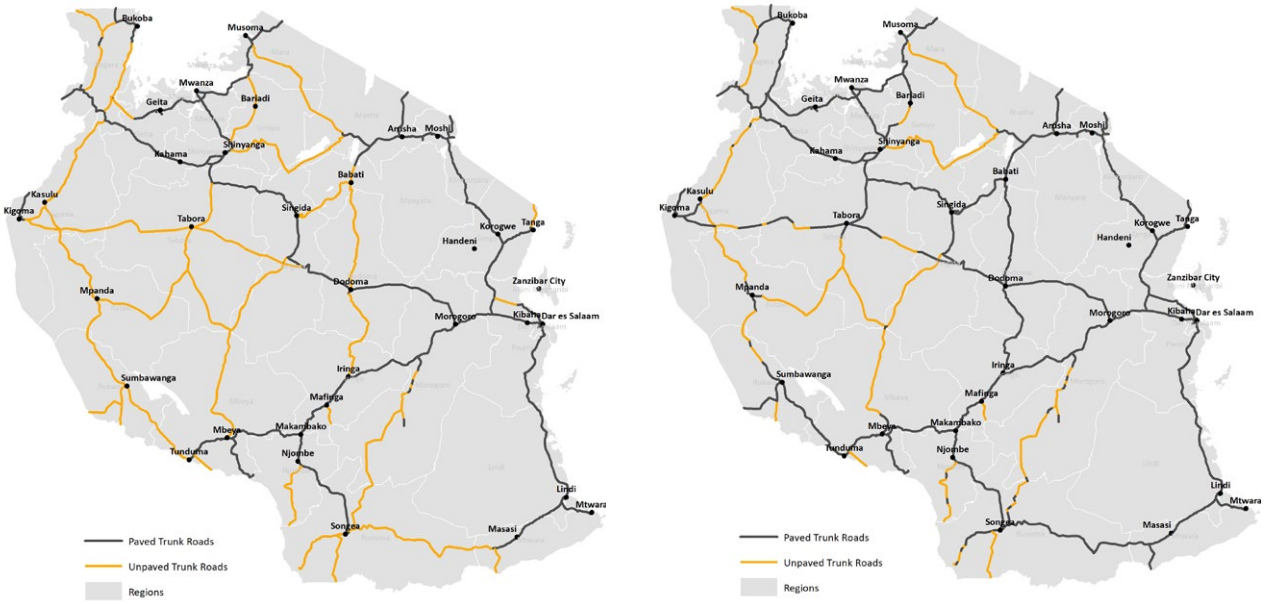


Source: Lall, Henderson, and Venables 2017.

Notable intra-urban road network improvements have been made in recent years, but expanding the road network does not guarantee that people will be able to easily or safely reach jobs and services. Transport modes in Tanzanian cities are dominated by non-motorized transport, because it is currently the only option for the poor – yet enabling infrastructure is limited. Private vehicle ownership in Tanzania is still relatively low, with less than 10 percent of the population owning private motorcycles or cars, but the motorization rate is increasingly rapidly (by 11 percent per year between 2013 and 2017) (Ochoa et al. 2021). Dar es Salaam acutely experiences the negative effects of high automobile dependency: one-way trips can take more than 2.5 hours in both private and public transport (Worrall 2017), and public transport enables the average resident to access only 12.2 percent of jobs in 60 minutes or less (Peralta-Quiroz et al. 2019). Secondary and tertiary cities are not yet locked into the cycle of car dependence, but estimates in four secondary cities show that worsening congestion could reduce accessibility to jobs by as much as half (Ochoa et al. 2021). Road safety is a serious concern, as the World Health Organization estimates there are 29.2 road traffic fatalities per 100,000 inhabitants in the country, placing Tanzania 20th globally for road fatalities (WHO 2018). To take full advantage of agglomeration economies, cities must embrace the principles of people-centered, sustainable mobility: universal access, effectiveness and cost efficiency, safety, and resource efficiency and climate resilience (Ochoa et al. 2021).

The regional and district road network is key to connecting rural economies to cities and markets, but existing road conditions in Tanzania constitute a barrier to development. Tanzania's national road network covers a total of 35,000 kilometers, of which 12,786 kilometers are trunk roads and 22,214 kilometers are regional roads. Of this total network, 75 percent remains unpaved (TANROADS "Chief Executive Message," n.d.). The country's district road network is composed of 198,946 kilometers of roads, of which 98.7 percent is unpaved and 43.3 percent is reported to be in poor condition (TARURA 2018). Tanzania's rural access index (RAI), an indicator that measures the proportion of people who have access to an all-season road within a distance of 2 kilometers, is 24.6 percent. This means that approximately 28 million rural people lack access to all-season roads. In some parts of Western Tanzania, residents are more than 10 kilometers from the nearest road, and it takes farmers an average of over two hours to reach the nearest city with a population of over 100,000. Despite notable trunk improvements over the past decade (Map 4), travel times between cities remain long due to the substantial geographic distances between cities (Map 5).

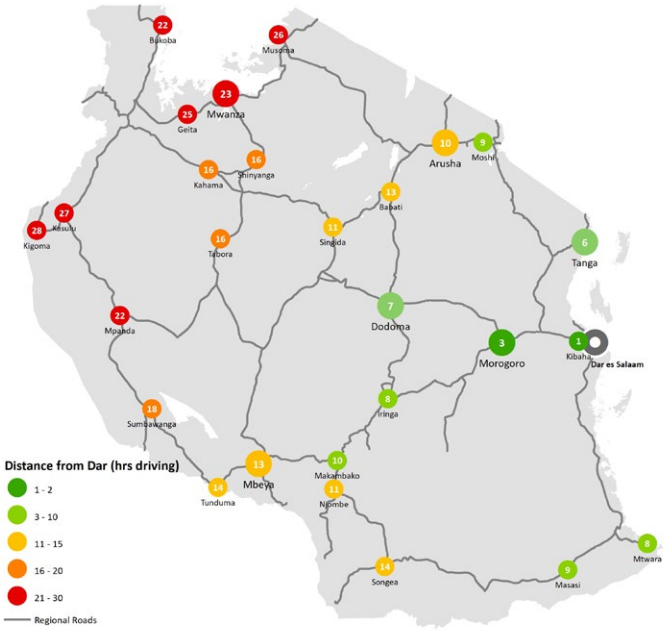
Map 4: Trunk Road Network Conditions (2010–2020)



Source: Original visualization using data from JICA 2010 and TANROADS 2020.

[20] Arusha, Dodoma, Moshi and Mwanza

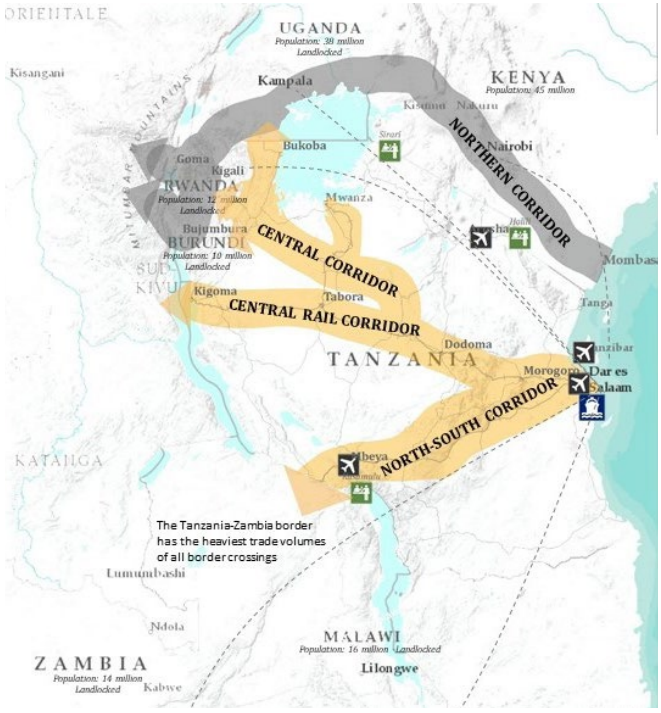
Map 5: Approximate Travel Time by Bus from Dar es Salaam



Source: Original visualization using 2016 data collected via interview with travel agents at Ubungo Bus Terminal in Dar es Salaam.

Note: Anecdotal reports suggest that travel times are currently longer now due to increased regulation of bus travel speeds.

Map 6: Regional Trade Corridors



Source: Original illustration using ESRI base map.

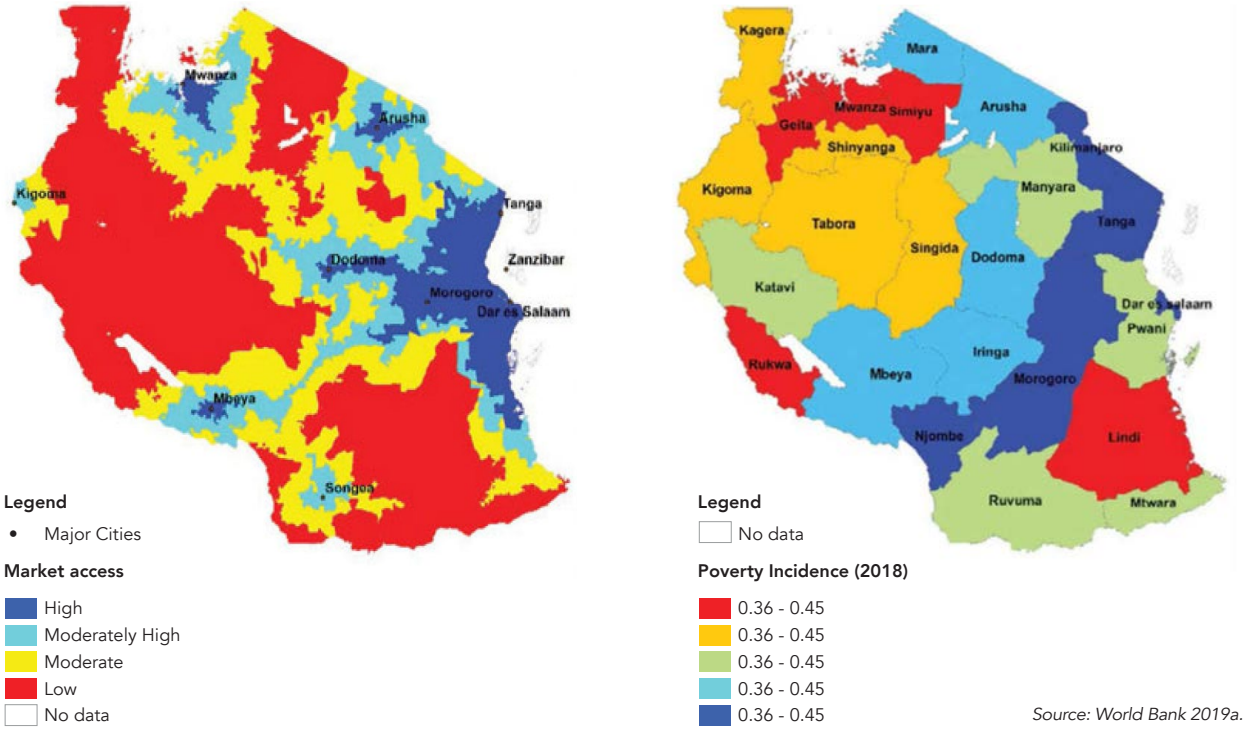
Weak physical connectivity and the lack of integration between transport modes limit economic integration within the country, within regions, and across borders. As a coastal economy bordering eight countries, six of which are nearly or completely landlocked, Tanzania has strong locational advantage to be a regional trade hub and maritime gateway. The port of Dar es Salaam is the port of entry and exit for two of the three major corridors in Eastern Africa (the Central and North South Corridors, respectively; see Map 6), and handles 95 percent of Tanzania's container traffic, with approximately 35 percent of that traffic destined for neighboring landlocked countries (Tanzania Ports Authority, n.d.). Improving the efficiency of this key maritime gateway is therefore a key element for the regional transport network. Yet the port's performance and utilization are strained. Loading and unloading times for ships are longer than those of, for example, the port of Durban.[21] Access to and from the port is constrained as well, with accessibility from the sea limited to smaller vessels and road capacity out of the port inadequate to cope with a growing number of vehicles. Railway infrastructure connects the port to Lake Victoria and Lake Tanganyika;[22] though these lines are currently being improved, at present, they are not operating efficiently or close to their design capacity.

Large swathes of the northwestern and southeastern parts of Tanzania have limited access to markets, and these areas are typically characterized by higher levels of poverty. Areas surrounding Dar es Salaam – the commercial and economic center of the country – tend to have greater market accessibility. That region benefits from a wider and denser road network system, which allows people living near the city to profit from its agglomeration economies. This is reflected in Map 7, which illustrates market access by presenting the population of major cities weighted by their travel time from each point. Areas with limited market access are more likely to suffer from a higher rate of poverty, and travel distance to Dar es Salaam is also positively correlated with poverty – the farther areas are from the country's commercial hub, the greater their poverty incidence.

[21] In 2014, transit containers in the port of Dar es Salaam recorded an average dwell time of 10.2 days, while domestic containers recorded an average dwell time in port of 7.7 days, compared to four days in the port of Durban in South Africa.

[22] In addition to being a coastal country, Tanzania is also unique in that it is the only country that shares part of all three of the major African Great Lakes – Victoria, Tanganyika, and Nyasa.

Map 7: Market Access to Urban Areas in Tanzania and Poverty Rates by District



Source: World Bank 2019a.

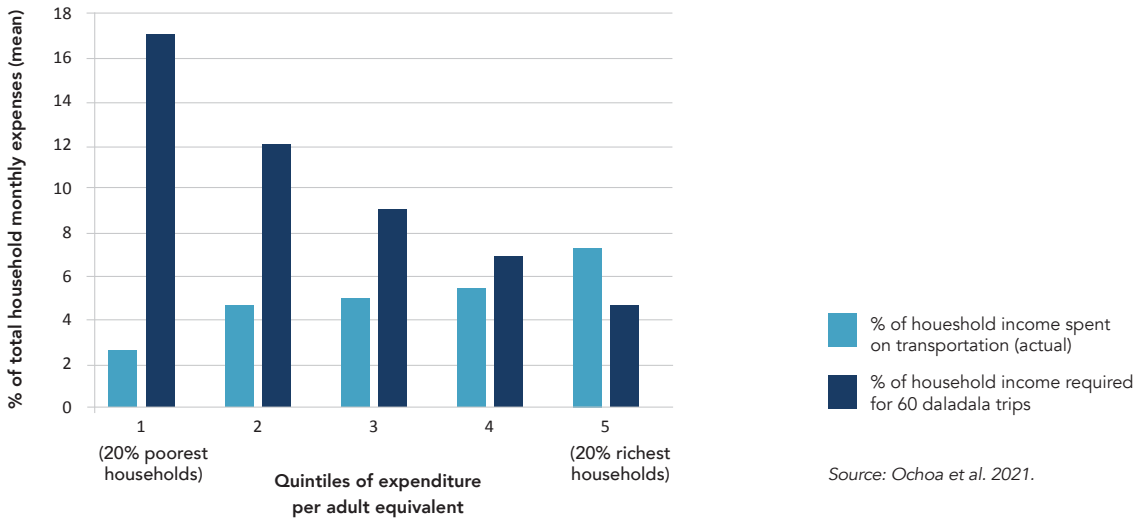
2.3 Getting around, living, and doing business are expensive

Urban sprawl in Dar es Salaam is characterized by low-rise, low-value building stock, resulting in costly inefficiencies. Low-density neighborhoods with detached single-story buildings predominate in the urban landscape and are associated with low-capital-intensive construction. But, as discussed above, issues around security of tenure, incentives with planning regulations and controls, access to finance, and the demand for low-cost land at the urban periphery perpetuate the cycle of low-density expansion. This is locking Tanzanian cities into an energy-intensive growth pattern that is costly for service provision and unattractive for business. A more compact urban form would achieve economies of scale, helping drive down the cost of service delivery and improve connectivity.

2.3.1 Low density makes providing functional public transit systems more expensive

Good transportation networks are critical to match job seekers and employers, but high transportation costs, heavy congestion, and slow commuting speeds mean that jobs are not easily accessible, especially for the poor. Given the low incomes of urban residents and the high cost of food – which can account for up to 60 percent of total expenditure for the bottom 20 percent of Sub-Saharan Africa's urban households (Lozano-Gracia and Young 2014) – households cannot afford motorized transportation. Daladala, local buses that are the cheapest motorized alternative, are still expensive for the poorest households. Households in intermediate cities in Tanzania spend, on average, 5.4 percent of their total budgets on transportation; however, to cover a daily round trip in daladala for one person (approximately Tsh 900), a household would need to spend an average of 9.7 percent of its budget. Right now, the poorest households in Tanzania by wealth quintile currently spend only 2.8 percent of their total budget on transport, which is less than other quintiles. But to cover a round trip in a daladala, they would need to spend 16.7 percent of their budget – six times their current transport expenditure (Ochoa et al. 2021; Figure 22). Poorer urban residents therefore get around on foot and can only seek jobs in those areas of the city within walking distance of their homes. In Dar es Salaam, partially due to the unaffordability of transport, 70 percent of people walk to work. Household heads travel short distances to work, less than 6 kilometers on average. This also reinforces the narrative that in Dar es Salaam, a city with an estimated 6 million residents, transportation constraints result in labor markets that are localized at the level of neighborhood clusters (Lall, Henderson, and Venables 2017).

Figure 22: Household Expenditure on Transport in Urban Areas other than Dar es Salaam



Source: Ochoa et al. 2021.

Box 3: Prospects for sustainable urban mobility in Tanzania's secondary cities

Tanzania's intermediate cities are currently very accessible to the approximately 90 percent of their residents who depend on non-motorized transport or public transport. Walking is the only mode of transport for 50–70 percent of residents of these cities. This is despite a notable absence of supportive infrastructure and services: 81 percent of road space is dedicated to motor lanes, and another 7 percent to on-street parking. Between 55 percent and 75 percent of downtown blocks have no sidewalks or sidewalks narrower than three feet, and there are few marked pedestrian crossings or other protections for non-motorized transport. Public transport comprises daladalas and bajajs, which operate largely without regulation or supportive infrastructure, and whose fares are simultaneously too high for most residents to afford and too low to support a productive and sustainable industry.

These cities are therefore ill-equipped for rapid population growth, sprawl, and motorization driven by rising incomes. These processes are already well underway. Tanzania has three times the income-related motorization rate of a group of comparator countries, resulting in private car ownership growth of 11 percent per year between 2013 and 2017. Urban growth typically takes the form of low-density sprawl: Arusha, Dodoma, and Kigoma have grown their footprints at 4–5 percent per year since 2000, despite population growth of only 2.4–4 percent per year. This impedes accessibility by foot and undermines public transport economies, and will continue to do so. Business-as-usual will result in increasing sprawl, increasing motorization, increasing congestion, falling accessibility, and correspondingly greater costs (financial and otherwise) to residents, businesses, and growth.

There is therefore a small window of opportunity for intermediate cities in Tanzania to lay the groundwork for sustainable urban mobility and reap the benefits it offers. Careful intervention now can direct urban growth into sustainable, accessibility-supportive forms, and avoid the costs of retrofitting urban mobility systems after the fact. Sustainable urban mobility is characterized by four broad attributes: universal access; effectiveness and cost efficiency; safety; and resource efficiency and climate resilience. In practice, it involves focusing on maximizing accessibility of jobs and amenities through high-quality densification, non-motorized transport, and public transport.

To achieve sustainable urban mobility in these cities, Tanzania needs to develop a new strategic vision for urban mobility; reform its urban transport governance arrangements; establish appropriate levels and mechanisms of financing; and improve management and operations. These can be achieved through a National Program for Sustainable Urban Mobility. Tanzania is well placed to ensure its intermediate cities are ready for their future growth and development. Through quick and decisive action, sustainable urban mobility is possible. This will ensure Tanzanians have access to better job opportunities and amenities, with shorter, safer, and more comfortable and environmentally sustainable commutes.

Recommendations for sustainable urban mobility in intermediate cities in Tanzania

A new strategic vision for urban transport	**No Regrets:** Increase awareness and knowledge among policymakers
	Catching Up: Formalize sustainable urban mobility principles within national transport policy
	Becoming a Champion: Institutionalize and prioritize sustainable urban mobility in all urban transport planning
Improve urban transport governance	**No Regrets:** Align and coordinate across existing transport and urban governance institutions
	Catching Up: Formalize links between institutions and create specific urban mobility units within institutions for pipeline of urban projects
	Becoming a Champion: Establish dedicated urban mobility institutions with a high level of internal capacity
Strengthen urban transport finance	**No Regrets:** Improve efficiency of existing expenditure and revenue collection
	Catching Up: Ring-fence sector resources and target most cost-effective, people-centered mobility interventions
	Becoming a Champion: Secure and diversify sufficient, predictable revenue for sustainable urban mobility
Improve transport management and operations	**No Regrets:** Effectively gather and analyze data to understand urban mobility patterns and needs
	Catching Up: Actively manage infrastructure and mobility in the city
	Become a Champion: Anticipate future urban mobility needs and proactively design infrastructure and operations accordingly

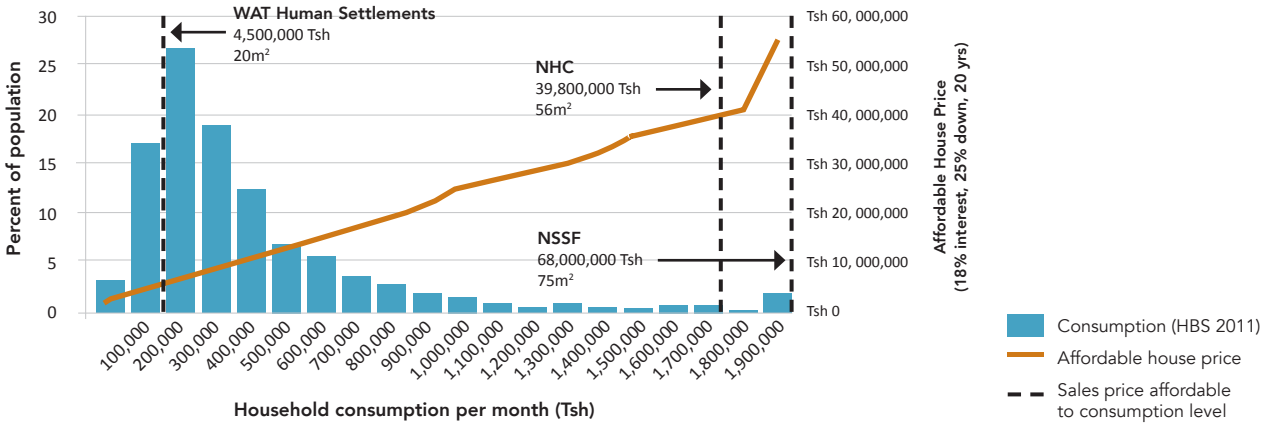
Source: Ochoa et al. 2021

2.3.2 Inefficiencies in the urban form limit affordable housing

Formal housing is out of reach for the majority of Tanzanians, with limited action by both public and private sector developers to increase the supply of affordable housing. In 2016, Tanzania's average GNI per capita was about US$900; houses offered by the National Housing Corporation (NHC) cost US$20,000, and those for sale by private developers cost US$30,000. Given these figures, a Tanzanian household with an average income will neither be able to afford saving for a formal house nor service a mortgage (Figure 23). In Tanzania, only the top 3 percent of income earners have access to mortgage financing (CAHF 2013).[23] While increasing access to mortgage finance is important, it is unlikely to be able to solve the affordability problem for the average household in a market that caters to higher-end consumers. Even publicly financed housing is priced far above the ability of most urban dwellers. Although public enterprises are a main proponent of affordable housing projects, based on this analysis, less than 2 percent of Dar es Salaam's residents would be able to afford housing in "affordable" projects constructed by the NHC or National Social Security Fund. Figure 23 further illustrates that the greatest share of housing demand comes from the low-income majority, who have limited financial capacity to expand or improve their housing. Private housing developers, too, face a number of constraints in contributing to the affordable housing supply, largely related to the prohibitive costs of developing residential areas for the low- and middle-income markets (Box 4). However, a local NGO, WAT Human Settlements, builds a basic serviced unit that is affordable to 80 percent of the population, demonstrating that low-income housing provision is feasible.

[23] The bottom 54 percent of the population do not have access to any housing finance, while the next 43 percent (in the middle of the income distribution) enjoy access to informal finance, with higher earners receiving microloans from microfinance institutions and banks.

Figure 23: Housing Consumption and Affordability in Dar es Salaam



Note: In order to estimate affordability, this analysis assumed that households spend 30 percent of consumption on housing and are able to access a market-rate mortgage. WAT: Women Advancement and Human Settlement Trust; NHC: National Housing Corporation; NSSF: National Social Security Fund.

Source: Original analysis, based on HBS 2011/12 (NBS 2012), prevailing mortgage terms 1Q15, and project documents.

Box 4: Barriers to affordable housing: the perspective of a property developer in Dar es Salaam

When asked, "What are your constraints to developing for the low- and middle-income markets?" a property developer active in the housing market in Dar es Salaam replied:

"We face several barriers to build quality affordable housing. Foremost, the high price of land drives up our cost and makes it difficult for us to offer products for even middle-income buyers. The key factor for the high land costs is the very limited supply of serviced land with water, sewer, road, and power. There are numerous large plots to develop in Dar es Salaam, especially in Kinondoni, but until they are connected, it is too much of a risk.

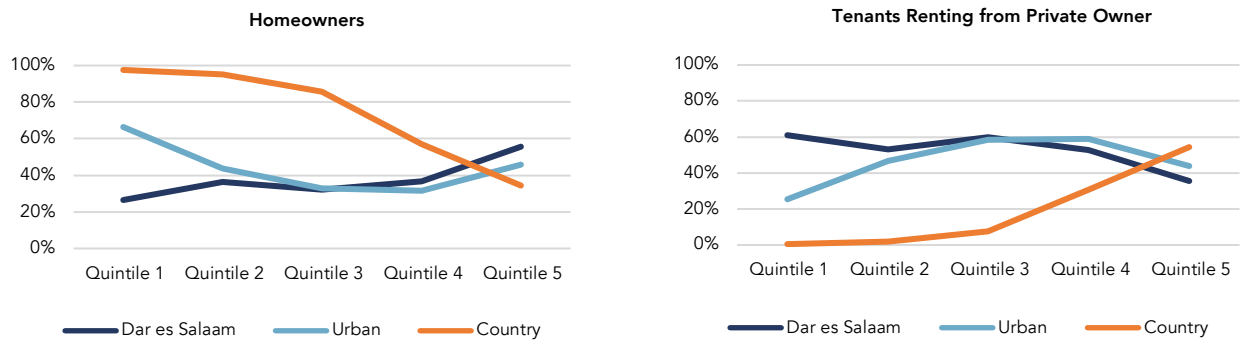
Many vacant parcels exist in prime serviced land – but these seem to be held for speculation, or government owned – so they are not on the market. Also, the 18 percent VAT is a significant barrier – well-off buyers can afford this, but it is a prohibitive hit for middle-income consumers, and impossible for low-income households. VAT should be waived for first-time buyers – I heard that worked well in India and Malaysia to boost home ownership and affordability. There are also new manufacturing technologies that can help us build houses much cheaper, but the equipment is very expensive – any relief from import duties would help the private sector engage in the lower-income market."

Source: Urbanization Review team interviews.

Compared to other urban areas and to the countrywide average, Dar es Salaam has low homeownership rates among average-income households but especially among the poor. With housing costs exceeding what most Tanzanians can afford, 57 percent of the residents of Dar es Salaam are renting property and another 4 percent pay rent to their employer or to the government at subsidized rates. This rate is high compared to the national rate (19 percent) and the average across all urban areas of Tanzania (47 percent). The opposite is true for homeownership rates, which, at 37 percent, is much lower in Dar es Salaam than the national average of 74 percent, though only slightly below the urban average of 44 percent.[24] Among the lowest wealth quintile, the homeownership rate slips to a mere quarter in Dar es Salaam but remains high nationally and across all urban areas, at 95 and 66 percent respectively (Figure 24). This is to be expected and essentially affirms the notion that the poorest households reside in rural areas, where the probability of owning a house is significantly higher than in urban areas, especially Dar es Salaam.

[24] These statistics are derived from the sample Census 2012, and the percentages for Dar es Salaam coincide with a recent Living Standard Measurement Survey conducted in 2015, which estimated owners and renters at 37 and 57 percent, respectively.

Figure 24: Homeowners and Tenants by Wealth Quintile



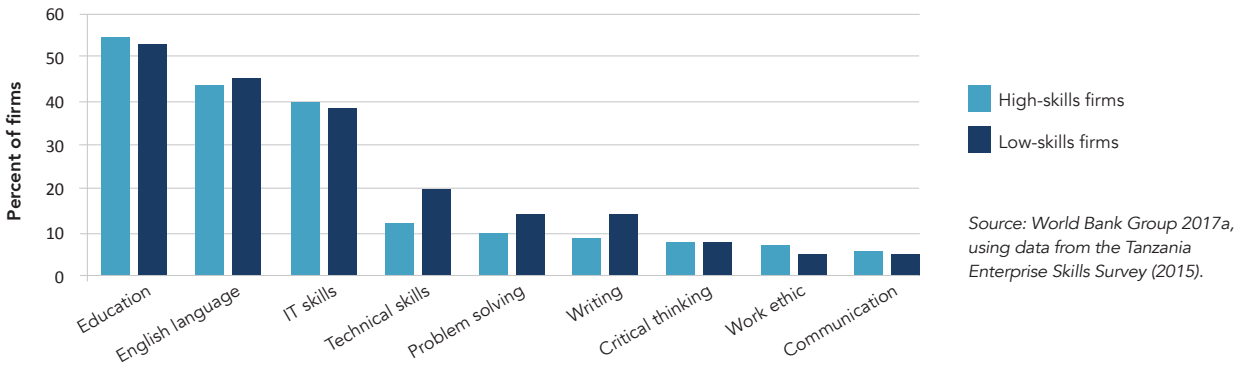
Source: Original analysis based on Sample Census 2012. Wealth quintiles are estimated using principal component analysis.

2.3.3 Doing business is costly in urban areas that are disconnected and experience skills constraints

Doing business becomes costly when urban areas are disconnected and crowded. Not only do businesses suffer from inefficient urban form, but firms need to pay higher nominal wages to remunerate workers for the high cost of living (food, commuting, etc.) and compensate for scarce services and amenities. Wages in Dar es Salaam are 20 percent higher than in Dhaka, Bangladesh (Lall, Henderson, and Venables 2017). Tanzania ranks 141 out of 190 economies in ease of doing business, trailing Rwanda, Kenya, and Uganda, and Sub-Saharan peers like Zambia, Malawi, and Mozambique (World Bank 2020). Reforms are needed to enable a more favorable and predictable business environment, particularly in terms of business regulation as per the government's "Blueprint for regulatory reforms to improve the business environment."

Urban enterprises – whether small, medium or large – also experience skills constraints, which can affect earnings, business expansion, job creation and productivity, and, in the most extreme cases, business survival.[25] Tanzania's skills gap is large, with 80 percent of the workforce of 26 million people categorized as unskilled. According to the 2015 Skills Focused Enterprise Survey, for about 40 percent of employers, the skills in greatest need were English and information technology (IT) skills (World Bank Group 2017a – Figure 25). Indeed, while general literacy rates and admissions to primary schools have consistently been on the rise, the number of students transitioning into formal vocational and secondary and tertiary levels have remained low in Tanzania's medium-sized cities.[26] Inadequate workforce skills are just one of many constraints Tanzanian businesses face; others include lack of access to credit, burdensome tax rates, unreliable electricity, and lack of geographical connectivity (as discussed earlier). These challenges, combined with a lack of bankable collateral – partly due to the complex land ownership system (discussed later) – limit earning potential and give rise to millions of informal businesses that are trapped in a low-productivity equilibrium. Average productivity of Tanzanian firms is 67 percent of that of Kenyan firms and 22 percent that of South African firms – although firms in Dar es Salaam are still twice as productive as those in Arusha or Zanzibar, and even more so compared to other cities within Tanzania (World Bank Group 2017a).

Figure 25: Tanzanian Firms Struggle to Find Workers with the Right Skills Profile



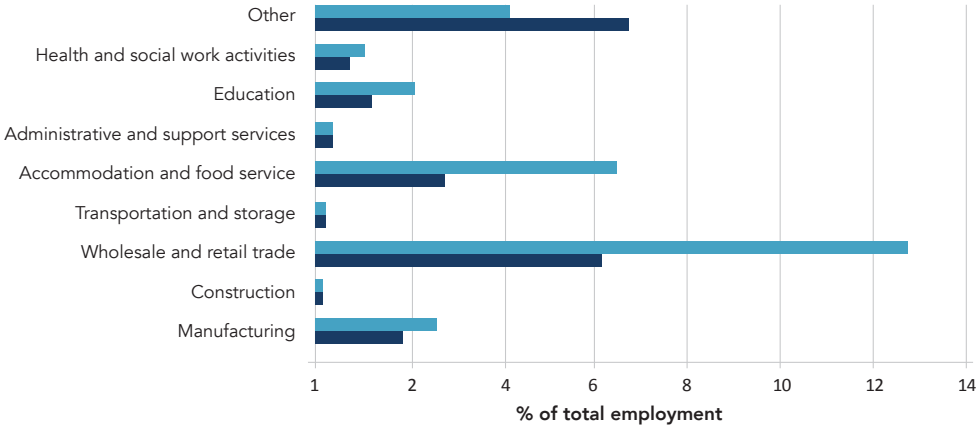
Source: World Bank Group 2017a, using data from the Tanzania Enterprise Skills Survey (2015).

[25] Over 40 percent of firms in the 2013 Tanzania Enterprise Survey (TES) cited an inadequately educated workforce as a major or very severe obstacle to their current operations, a much higher share than the Sub-Saharan African and world averages of 23 and 24 percent respectively. Similarly, 79 percent of firms in the 2013 Small and Medium Enterprise Survey (SMES) indicated skills gaps as a constraint. Even more alarming is the high level – 63 percent – of failed SMEs that identified a skills shortage as an important factor in their failure.

[26] Findings from the Local Economic Development Strategies developed for Arusha, Dodoma, Kigoma, Ilemela, Mwanza, Mbeya, Mtwara, and Tanga in 2019–2020.

Harnessing urbanization could increase opportunities for women's empowerment, including access to land, education, and finance. Reducing gender imbalances in skills-building and ensuring public services are available to support working women are key components of boosting human capital in Tanzania's cities and contributing to their economic transformation. Female participation in the urban workforce is increasing (Figure 26), though women remain overrepresented in the informal sector. Across Tanzania, women employed in nonfarm work are more likely to be in the informal sector than the formal sector, which is not the case with men (Adams, de Silva, and Razmara 2013). Even within the informal sector, women are generally relegated to more vulnerable and lower-paid occupations and face several barriers to formal-sector jobs and employment. For example, gender stereotypes can hinder women's access to training and apprenticeships in traditionally male-dominated trades (Adams, de Silva, and Razmara 2013). While men's time taken up by household chores has reduced in recent years, women's has not (Fox 2016).

Figure 26: Proportion of Female Urban Employment by Sector in 2006 and 2014



Source: Worral et al. 2017, using data from the Tanzania Labour Force Survey (2014).

Photo by Chris Morgan as part of Ochoa et. al 2021.

3 Cities are Struggling to Finance Sustainable Urban Growth

The rapid growth of Tanzania's cities – with villages expanding to small towns, towns to cities, and cities into metropolitan areas – highlights the need to reevaluate and enhance institutional arrangements for urban management. Current institutional arrangements are often complex, and Tanzania's approach to decentralization policy continues to evolve, underscoring the need to balance oversight with responsiveness to local needs. If provided the opportunity, local government authorities may be able to deliver services efficiently, but they are currently financially weak, with limited fiscal authority. As the management of growing urban areas becomes increasingly complex, Tanzania has the opportunity to reconsider, simplify, and strengthen institutional arrangements, and improve coordination between government actors.

As urban areas grow, they are sometimes subdivided into separate municipalities that coordinate to some degree but lack institutional arrangements for effective metropolitan governance. Dar es Salaam, for example, was divided from one district into three in 1984 (Kironde 1994), and from three municipal councils into five in 2016 (Map 8).[27] A similar division was made in Mwanza in 2012, when the city was divided from one council into two. While Dar es Salaam and Mwanza have City Councils with coordination powers, these entities lack legal mandates empowering them to effectively coordinate development actors, such as municipal councils (which are the land-use planning authorities), and centralized roads authorities and state-owned enterprises (such as electric and water and sanitation utilities) (TULab 2019). Dividing cities complicates coordination mechanisms, tends to be inefficient and costly (due to the inherent duplication of services), and creates additional institutional layers.

Tanzania has a long and uneven history of local government administration, with significant gains in decentralization in recent decades. Since the 1990s, the decentralization of urban functions, such as planning, infrastructure, and services, has been accompanied by formula-based intergovernmental transfers and the harmonization of tax and revenue guidelines across local governments. Recent policies and practices suggest an approach with a stronger central government role in revenue collection and service delivery. In the short term, this approach could yield improved efficiencies in service delivery, but it could also pose challenges, particularly for revenue collection. As the network of Tanzanian cities expands, it is important to ensure that institutional, planning, and delivery models fit the growing and complex needs of a country that is rapidly urbanizing.

3.1 A shift toward more centralized service delivery

Decentralization[28] is fundamentally about the shifts in power, control, responsibility, resources, and accountability from central to local levels. Decentralization by Devolution (D by D) was one of the core pillars of the Government

[27] Ilala Municipal Council was upgraded to City Council in February 2021 and mandated to take over the coordination functions that had previously lain with the Dar City Council. Although Dar City Council was in charge of coordination, the five municipal councils do not report to the Council but rather to the President's Office – Regional Administration and Local Government.

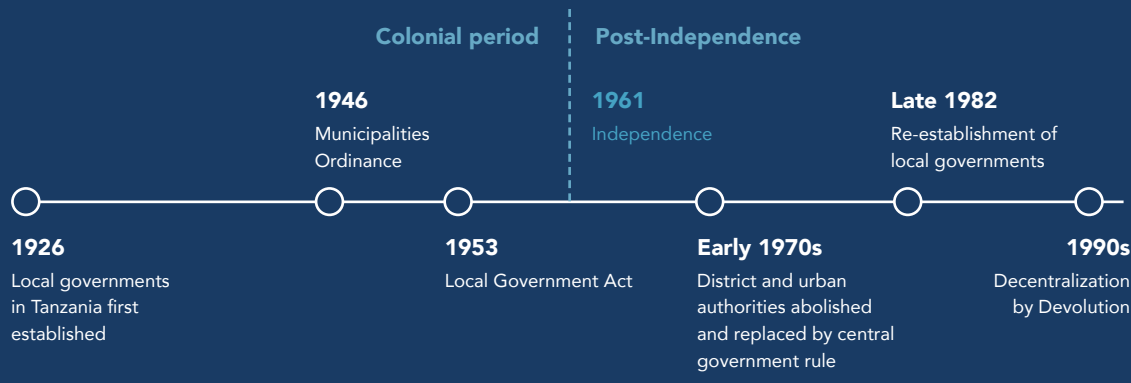
[28] Decentralization is the transfer of authority and responsibility for public functions (political, administrative, fiscal, and market) from the central government to subordinate levels or other entities.

of Tanzania's five-year national growth and poverty reduction strategy (2010/11–2014/15). Initiated in 1998, D by D is the Government's overarching decentralization policy. Although the degree of decentralization has fluctuated in Tanzania (Box 5), historically, urban local government authorities have maintained a subordinate role to the center for most functions. D by D gave local government authorities a wide range of responsibilities previously not seen in Tanzania. These responsibilities included public-sector functions and services, such as the provision of primary and secondary public education and public health services, as well as economic or municipal functions, including the construction and maintenance of roads, access to markets, and the collection of solid waste. The financing of those responsibilities came from resources provided by a limited number of own-source revenues and the Local Government Reform Program, which was enacted a decade later.

Box 5: Decentralization in Tanzania

Tanzania has a long history of decentralization and administration through local governments, from the pre-Independence era to the present day:

- **Colonial period:** Local governments in Tanzania were first established in 1926 during the British colonial period through the Native Authorities Ordinance. Local authorities operated under a system of indirect rule, and by the 1940s grew to become elected representative local bodies. As a result, the Municipalities Ordinance was enacted in 1946, followed by the Local Government Act in 1953.
- **Post-Independence:** Significant gains in decentralization were only achieved well after the country's independence in 1961. Due to their weak financial and implementation performance, district and urban authorities were abolished in the early 1970s and replaced by central government rule. Central and local government functions were merged. Power was "decentralized" by directly involving citizens in centrally coordinated planning.
- **Re-establishment of local governments in 1982:** The economic crisis of the late 1970s and the 1980s resulted in the rapid decline of infrastructure and services in urban areas. In response, local governments were re-established through a series of laws.[29]
- **Decentralization by Devolution:** This phase, taking place over the course of the 1990s, marked the beginning of an ambitious local-government reform program and of new policy founded on the principle of Decentralization by Devolution ("D by D"). D by D lays out the institutional framework for the devolution of functional responsibilities and discretionary powers over planning, budgeting, administration, and organization of service delivery (Venugopal and Yilmaz 2010). The central government also aimed to improve central–local relations by moving from a top-down approach, in which the central government dictated what municipal councils should do, to a partnership between both levels of government.



Source: Huang et al. 2018.

[29] The laws enacted in this period included: (i) The Local Government (District Authorities), Act 1982 (Act No. 7 of 1982); (ii) The Local Government (Urban Authorities), Act 1982 (Act No. 8 of 1982); (iii) The Local Government Finance Act, 1982 (Act No. 9 of 1982); (iv) The Local Government Service Act, 1982 (Act No. 10 of 1982); and (v) The Urban Authorities Rating Act, 1983 (Act No. 2 of 1983). These laws were subsequently amended in 1992, 1993, 1999, 2002, 2004, and 2006.

While there is no perfect model for decentralization, in the absence of capacity, governance, and resources, decentralization can limit the ability and accountability of local governments to deliver services (LDP 2017). Decentralization's advantages can include more efficient service delivery, stronger local influence on policy, improved accountability of local leaders through greater transparency and close citizen engagement, the development of locally elected leaders, and better matching of service delivery (and limited resources) with local needs. Decentralization has also been shown to increase overall revenue mobilization because local governments have a better understanding of local economies and can more easily identify a tax base. However, in the absence of administrative and fiscal autonomy, the potential efficiencies and accountability that come with decentralized and devolved functions can be lost.

Decentralization in Tanzania is premised upon localized spending and better outcomes going hand in hand. This was the rationale for the D by D reforms in the late 1990s, which shifted fiscal decision-making and administration to urban local government authorities. Under D by D, the policy role rested with the central government and local governments served as the primary vehicle for service delivery; decision-making was structured to be closer and more accountable to citizens. The functions for planning, infrastructure, and services were accompanied by formula-based intergovernmental transfers. These efforts endowed local governments with resources and decision-making authority to improve service delivery, accountability, and partnership across levels of government (Anosisye 2017).

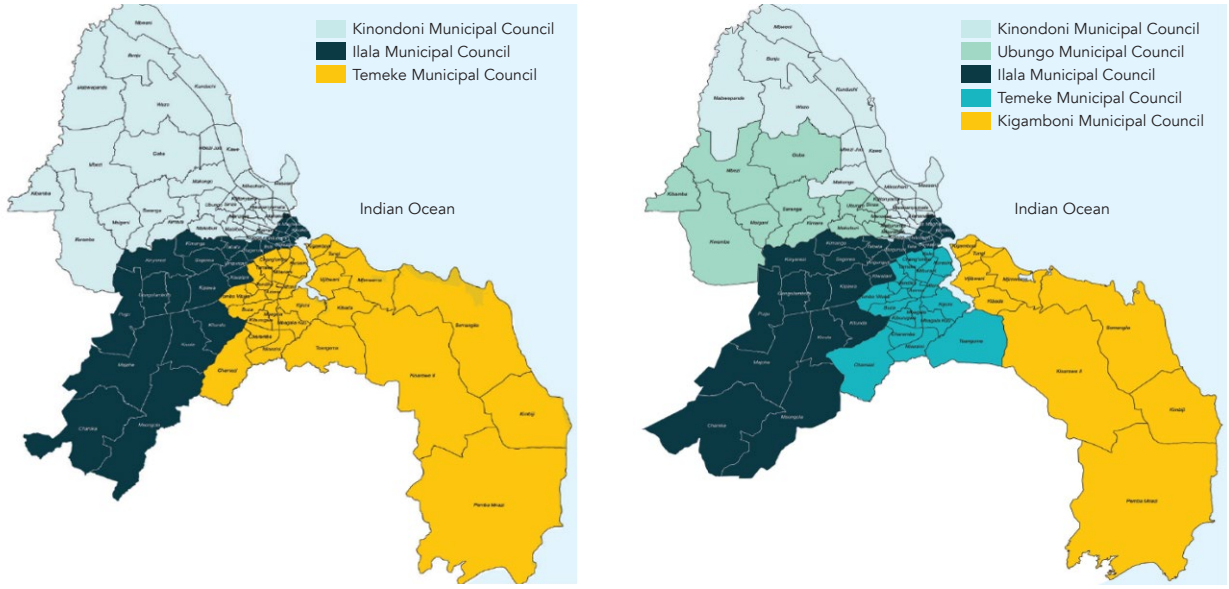
Decentralization showed positive results in improving local government capacity and service delivery. In 2004, D by D achieved a key accomplishment: the establishment of formula-based intergovernmental transfers and the harmonization of tax and revenue guidelines across local government authorities. Decentralization efforts also helped increase citizen participation in local elections, planning, and budgeting. Progress in local government capacity continues to be made: after essentially growing organically for decades without functional plans, more than 25 cities and towns have recently adopted new General Planning Schemes (or urban master plans) – efforts that were led by the Urban Local Government Authorities (as planning authorities) and developed through participatory processes. Newly introduced ICT-based land administration, planning, and revenue collection systems are enabling e-governance for better urban management, accountability, and local government-led service delivery.

However, recent changes in the delivery of local government functions such as roads, water, sanitation, health, urban planning, and land administration are moving away from decentralization policy and practice. The Tanzania Rural and Urban Roads Authority (TARURA), established in May 2017, assumed local governments' responsibility for the development, rehabilitation, maintenance, and road reserve management of the rural and urban road network, which were formerly with PO-RALG. The Water Supply and Sanitation Act of 2019 transferred water sector functions and responsibilities, including accountability of officers for water service provision, from PO-RALG to the Ministry of Water. Urban Water Supply and Sanitation Authorities, which are regulated by the Energy and Water Utilities Regulatory Authority (EWURA) and are responsible for the provision of urban water supply and sanitation, report to the Ministry of Water (USAID 2020). In the health sector, regional hospitals, formerly under the Regional Administrative Secretariat (RAS), are now centralized under the Ministry of Health. In 2019, reporting lines for town planners and land officers were transferred from urban local government authorities reporting to PO-RALG to the Ministry of Lands, Housing, and Human Settlements Development. The shift has spurred complaints from municipalities that these staff are less available to serve their needs and less accountable when they fail to perform their duties; improved coordination mechanisms will be needed to ensure effective planning and implementation of general and detailed land-use plans.

Local government authorities currently have limited autonomy to decide on the number and quality of staff they need to employ in their respective councils, which suggests limitations on the overall decision-making authority of local governments. National agencies still recruit and allocate core staff in local government authorities. Staff rotations can also happen as frequently as every two years in some cases, which leads to the loss of institutional knowledge within the local government authorities. Institutional arrangements tend to be most effective when line ministries focus on policymaking, capacity building, monitoring, and quality assurance. A more decentralized approach, combining local government recruitment with central government review and validation, may enable better responsiveness to local needs while allowing for oversight to ensure that hiring processes are characterized by transparency and result in capable and accountable hires.

Tanzanian cities, regardless of size, have parallel, largely top-down governance structures. There is a Regional Administrative Secretariat led by a Regional Commissioner, a District Administrative Secretariat led by a District Commissioner, and a Municipal (or District, depending on urban classification) Council led by a Mayor (chairperson of the Council) and an Executive Director. The municipal level is the only level which is elected by and directly responsible to citizens (Regional and District Commissioners are Presidential appointees); however, District Executive Directors are appointed by the President's Office – Regional Administration and Local Government, not the District Council (Lugakingira, Faust, and Pomes-Jimenez 2020).

Map 8: Metropolitan Fragmentation in Dar es Salaam



Source: Corridor Development Strategy for Bus Rapid Transit Corridor in Dar es Salaam (World Bank 2018b).

As Tanzania's cities change and develop, institutional arrangements should also adjust in favor of decentralization and the introduction of metropolitan governance models. Cities which stretch across multiple local government jurisdictions require strong city councils (Map 8) having authority over the entire urban agglomeration and a strong coordination capacity with surrounding regions. Governance models can provide municipalities broader remits for managing themselves and enhance vertical coordination among municipal, district and regional authorities.

3.2 Limited local fiscal autonomy

Local government authorities have historically been very dependent on central government transfers. Even though local government authorities have the ability to levy taxes, fees, and charges, the majority of local authorities' revenues come in the form of transfers from the central government. There are three categories of transfers: (i) personal emoluments, (ii) other charges, and (iii) development funds. Personal emoluments and other charges are for recurrent expenditures, while development funds are for discretionary expenditures and sector-specific investments. Local government authorities are heavily reliant on these transfers and can only sustain 15 percent of total recurrent expenditure through own-source revenue (OSR), local taxes, levies, and fees (Table 2).

Table 2: Own-Source Revenue Collected Against Recurrent Expenditures

	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Actual OSR collection (millions, Tsh)	409,100	482,898	523,564	566,729	639,401
Recurrent expenditure (millions, Tsh)	3,569,212	4,453,470	4,656,643	4,373,555	4,139,568
% of independence	11	11	11	13	15

Source: National Audit Office 2020.

In 2004, the Government of Tanzania introduced the Local Government Capital Development Grant, a performance-based mechanism for funding local governments. The Local Government Capital Development Grant (LGCDG) created a formula-based, transparent, and predictable fiscal flow mechanism to disburse funds to all local government authorities on the basis of institutional performance. The LGCDG consisted of two windows: (i) the Capital Development Grants, for capital expenditure selected at the discretion of recipient local government authorities using their local planning and budgeting systems, and (ii) Capacity Building Grants, for capacity building at the local level. According to the Controller and Auditor General, in fiscal year 2018–2019, 157 local government authorities only received 53 percent of the budgeted capital development grants, limiting their ability to plan and deliver basic services (Table 3).

Table 3: Capital Development Grants

	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Final budget (millions, Tsh)	752,832	1,010,650	1,034,123	977,228	1,185,489
Actual funds released (millions, Tsh)	363,123	390,525	501,908	497,282	628,636
Proportion under-released (%)	52	61	51	49	47
No. of local government authorities	147	151	167	156	157

Source: National Audit Office 2020.

The heavy reliance of local authorities on central government transfers limits the investment choices local governments can make in the long run. Own-source revenue (OSR) has been an important source of funding to bridge the gap between the costs of service provision and the limited revenue from transfers. Urbanization puts increased pressure on municipal councils to provide basic services, and OSR provides an element of discretionary spending (in contrast to central government transfers, which tend to have conditions on how funds can be spent). But the proportion of OSR in the overall local government budget has remained low (Table 4). Local government expenditures as a percent of GDP (3.3 percent in 2015) are comparable to other countries – but the fact that most resources come from central transfers highlights the limited fiscal autonomy of local governments in Tanzania.

Table 4: Own-Source Revenue Collected

(Millions, Tsh)	FY 9/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Cumulative Increase
Mwanza CC	5,941	7,923	10,254	6,391	8,361	7,133	11,680	10,499	10,888	13,785	13,211	122%
Arusha CC	3,820	4,800	6,044	6,596	10,119	11,491	13,649	14,576	12,733	17,979	18,050	373%
Dodoma CC[30]	1,352	2,338	2,710	2,121	2,847	2,342	3,336	4,875	25,058	42,908	35,588	2,532%
Ilemela MC				1,913	3,150	3,557	6,012	4,646	5,197	8,059	10,296	438%
Kigoma MC	828	774		646	1,371	1,773	1,292	1,075	1,088	1,475	1,520	83%
Mtwara MC	471	742	2,388	2,340	2,132	3,026	4,227	3,976	5,053	3,369	4,777	914%
Tanga CC	2,295	4,020	3,449	6,153	5,433	6,697	6,458	9,623	11,574	12,705	3,097	35%
Mbeya CC	2,875	10,565	5,076	8,340	6,814	6,274	8,067	7,581	7,856	11,870	11,454	298%
Total	**17,583**	**31,162**	**29,920**	**34,500**	**40,227**	**42,293**	**54,720**	**56,850**	**79,448**	**112,149**	**97,993**	**457%**
% change compared to FY 9/10		**77%**	**70%**	**96%**	**129%**	**141%**	**211%**	**223%**	**352%**	**538%**	**457%**	

Source: World Bank Group 2021b.

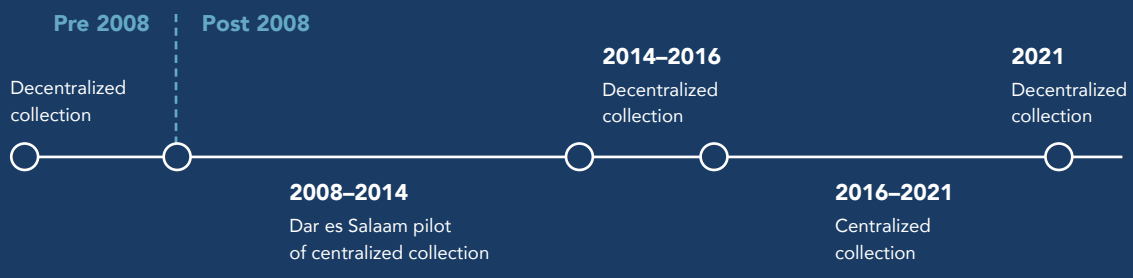
[30] The drastic increase in OSR collection for Dodoma reflects the impacts of the city's rapid growth, which has accompanied the relocation of national government offices from Dar es Salaam to Dodoma and the fact that plot sales, which were a major source of revenue, are a component of its OSR.

Property tax collection has transitioned between decentralized and centralized regimes over the past few decades (Box 6). Prior to 2008, property tax was administered and collected by local government authorities. Performance was mixed, but on average collections were low. After 2008, property tax collection was partially centralized through a pilot arrangement in which the Tanzania Revenue Authority was responsible for property tax colletion on behalf of local government authorities in Dar es Salaam. Revenue performance for Dar es Salaam did not change much initially, but improved after 2012–2013. In 2014, property tax administration and collection was fully decentralized again, and revenue performance improved. In 2016, responsibility for property taxes was re-centralized, and was decentralized again in 2021.

Box 6: Property tax collection in Tanzania

Tanzania has transitioned between decentralized and centralized property tax collection regimes:

- **Pre-2008: Decentralized collection.** Property tax administered and collected by local government authorities but characterized by poor revenue performance due to low administrative capacity and political interference in tax enforcement.
- **2008–2014: Dar es Salaam pilot of centralized collection.** Tanzania Revenue Authority responsible for collecting property tax on behalf of the Dar es Salaam local government authorities. There were challenges in coordination and cooperation between Dar es Salaam local government authorities and the Tanzania Revenue Authority; collection performance remained low from 2008 to 2012 (consistent with pre-2008 performance) but improved slightly from 2013 to 2014. Outside of Dar es Salaam, property tax collection remained with local government authorities, with collections initially characterized by poor revenue performance. The Local Government Revenue Collection and Information System (LGRCIS) was piloted in Arusha, Dodoma, Ilemela, Kigoma, Mbeya, Mtwara, Mwanza, and Tanga by PO-RALG in 2012–2013.
- **2014–2016: Decentralized collection.** Property tax administration and collection was returned to local government authorities. Major increases were seen in revenue performance in local government authorities. Mass valuation and updating of property registers occurred (Fjeldstad, Ali, and Katera 2017). LGRCIS was scaled up to all local government authorities in mainland Tanzania.
- **2016–2021: Centralized collection.** Administration and collection of property taxes was transferred to the Tanzania Revenue Authority. Major declines occurred in property tax collection in 2016–2017 in most local government authorities.
- **2021: Decentralized collection.** Property tax administration and collection returned to local government authorities.



Source: Fjeldstad, Ali, and Katera 2017.

The improved performace of property tax collection over the past decade can be explained by a combination of policy and administrative measures, both at local and central levels. In early 2014, many local governments conducted a mass valuation of properties. This coincided with the transition from a manually administered own-source revenue system to the Local Government Revenue Collection and Information System (LGRCIS). Based on Geographical Information System (GIS) technology, the LGRCIS allowed local governments to use georeferenced satellite data to identify taxpayers and included an electronic invoicing system that notified and tracked payments. These measures improved the efficiency, transparency, and performance of not just property taxes but also other own-source revenues, although slow operationalization of GIS

and legal challenges to mass valuation somewhat dampened anticipated outcomes. These initiatives provided a foundation of improved capacity and results, finally positioning local government authorities to leverage the untapped potential of property tax (Box 7).

Box 7: Local Government Revenue Collection Information System (LGRCIS)

The LGRCIS is a GIS-enabled, information technology–based system capable of linking and matching physical entities, such as private- and public-owned residential properties, and businesses to data for each location, such as property taxes and city service levies. It was developed, piloted, and then scaled up under the Tanzania Strategic Cities Project (TSCP). As a result of the efficiency, accuracy, and transparency it enables in identification, billing, and collecting processes, OSR has increased by 90 percent since the commencement of TSCP for the eight local government authorities supported by the project: Arusha, Dodoma, Ilemela, Kigoma, Mbeya, Mwanza, Mtwara, and Tanga.

The LGRCIS automates billing through bar codes on invoices. The bar code is used to pull up data, and taxes are then collected or a past-due notice is sent. To complete the transaction, a receipt is provided and uploaded to the information system database. This has eliminated the practice of "carbon slipping," whereby a portion of the amount paid is skimmed off. The system is in now utilized in all 185 local government authorities in mainland Tanzania.

Source: World Bank 2021b.

The erosion of local governments' autonomy to raise their own revenues and set their own tax rates can limit their ability to deliver infrastructure and services, and their accountability for doing so. In 2003, the flat-rate development levy and a range of nuisance taxes were abolished; in 2004, business licenses below a threshold turnover were abolished, and above the threshold reduced to a flat-rate license fee (World Bank 2006). The agricultural cess, which varied from one local government authority to another, was capped at 5 percent. The Finance Act of 2017 further reduced the agricultural cess to 3 percent and abolished plying fees for crops. The Act also reduced the guest house levy from 20 to 10 percent, and exempted hotels and guest houses that paid VAT from the levy. The maximum permitted service levy was set at 0.3 percent, and collections attributed to land rent (legally established at 30 percent) began to be retained by the central government (Huang et al. 2018). While the Finance Act contains provisions for the sharing of revenues with local governments, the central government decides on when and how these resources should be deposited to local government accounts. The result is uncertainty about the amount and predictability of the redistribution of revenues back to local governments. The most responsible and accountable local governments are those that set their own revenues and set their own tax rates, so that they can be held accountable for how those resources are used to improve the level of services. This has led local government authorities to utilize service levies as their primary source of municipal revenue.

The recent return of responsibility for property tax collection to local governments has the potential to lead to improved revenue performance. Local governments are well placed to build on the gains made through recent improvements to LGRCIS. There has already been some integration between LGRCIS, internal systems within PO-RALG,[31] and external systems of other government institutions.[32] These steps have eliminated the need to manually exchange information between systems and facilitated timely and accurate reports for informed decision-making. They have also enabled taxpayers to make mobile money payments. PO-RALG is also leading the integration of other government systems like those of the Tanzania Revenue Authority, the Integrated Land Management Information System (ILMIS), and the National Identification Authority (NIDA) to ensure accuracy of taxpayer data. This will in turn enable accurate calculations of taxes and enhance revenue collection. Other updates, such as integration with PO-RALG's public dashboards to post quarterly revenue collection reports, will also enhance transparency.

[31] Internally, the system has been integrated with the Planning, Budgeting and Reporting System (PlanRep), the Integrated Financial Management Information System (IFMIS-Epicor), and the Integrated Monitoring and Evaluation System (iMES) through Muungano Gateway.

[32] Externally, the system has been integrated indirectly with Banks and Mobile Network Operators (MNOs) through the Government E-Payment Gateway (GePG). This integration has provided more payment channels for taxpayers. Through MNOs, taxpayers are able to process payments via M-Pesa, Tigo-Pesa, Airtel-Money, T-Pesa, Halo-Pesa, and Z-Pesa.

4 The Way Forward:

Harnessing Urbanization for Competitive, Resilient, and Livable Cities

Tanzania is at a crossroads, and its cities will be critical to the country's development. Tanzania has one of Africa's largest populations and is slated to reap the dividends of a growing youth population. This population is increasingly concentrating in cities, putting pressure on local governments to ensure cities can support a healthy economy and environment for business and residents. The country's urban population is led by Dar es Salaam and is further spread among a growing system of medium-sized and small cities. If the urbanization process is managed well, tremendous economic, environmental, and quality-of-life benefits could be captured from improved efficiencies. This is an opportune time for Tanzanian policymakers to make urban investments that can catalyze the country's structural transformation and achieve greater integration with African and global markets.

Dar es Salaam is the engine of growth for the nation. Over the next decade, Dar es Salaam is expected to become a megacity of more than 10 million. Already, its population is over six times larger than Mwanza, Tanzania's second-largest city. Dar es Salaam is home to 25 percent and 39 percent of medium-sized and large businesses respectively, including most manufacturing firms, and hosts 21.2 percent of all jobs in the country (World Bank 2019a). Due to its strategic location, Dar es Salaam is also a regional trading hub, providing access to the sea for six landlocked countries, and access to global markets through its ports. Its growth will continue to propel the local, national, and regional economy. The city will also continue to face demands to improve its attractiveness and inclusivity as a place to live and work.

Tanzania's medium and small cities represent untapped potential. Tanzania's medium-sized and small cities have the potential to promote economic diversification and are a natural location for industrial clusters. Increasing the competitiveness of the country's medium-sized cities requires that tradable products and services have an international reach. Medium-sized cities need export-oriented competitiveness strategies to identify and take advantage of economic diversification opportunities while developing export plans for their tradable goods. Medium-sized cities can also serve as logistical and transport hubs connecting smaller cities, improve their agricultural output, and incentivize agri-processing.

But cities will need to take active steps to ensure that urbanization delivers on the benefits it promises. Tanzania's cities will need to invest in infrastructure that promotes higher economic density, connecting workers with jobs and supporting clusters of businesses. Cities must also protect economic assets, lives, and livelihoods from natural disasters, and become more livable by offering services and amenities. Because land markets are constraining the development of Tanzania's cities, it will be critical to ensure that plans enable the best uses of land, and to strengthen land administration and tenure systems.

This study has highlighted three main challenges that Tanzanian cities need to address to leverage their potential. Tanzania's current patterns of urban development are characterized by: (a) rapid population growth, but with slow urbanization and limited structural transformation; (b) crowded, disconnected, and costly cities, which limit agglomeration benefits and risk a low development trap; and (c) limited fiscal autonomy, which complicates the ability to ensure that service delivery models meet urban needs. Tanzania therefore faces challenges transitioning from local to global cities, from urban sprawl to a more compact urban form, and toward more empowered municipalities that can take full advantage of the benefits of agglomeration economies.

This chapter outlines recommendations for a national agenda to overcome these challenges and harness urbanization for competitive, resilient, and livable cities. If managed well, urbanization in Tanzania has the potential to transform cities into dynamic economic centers that can offer more productive jobs; protect economic assets, lives, and livelihoods from natural disasters; and provide basic services to elevate living standards. Policy initiatives and investments should focus on the following three priorities (Table 5):

1. **Plan for competitive, resilient, and livable cities.** Strengthening planning systems is crucial in helping Tanzania's cities to keep up with urbanization while improving their ability to be competitive for businesses and trade, resilient to climatic and other shocks, and an attractive place to live and work.
2. **Connect cities, people, and neighborhoods.** Integrated transport and land-use planning supported by strong systems for management and accountability can improve urban mobility and allow cities to take advantage of proximity to encourage economic development and livability. Cities should improve public transport infrastructure and services, invest in traffic management, and improve priority roads with adequate consideration for the final user.
3. **Strengthen institutions to manage and finance urban development at scale.** To keep up with the rapid urban growth, Tanzania's cities need to be empowered to mobilize and manage their budget for the infrastructure and services they provide. Enhanced vertical and horizontal coordination among development actors will result in stronger development control, enabling cities to build out public service extensions before unplanned urban expansion takes place.

Table 5: Summary of Detailed Recommendations

Area	Recommendations	Key Institution(s)
Plan for competitive, resilient, and livable cities *Chapter 2, under "Cities are crowded with people, but not livable"*	Formalize land markets and strengthen urban planning to foster agglomeration economies	MLHHSD, LGAs
	Strengthen land-use regulations and enforcement to make urban plans into realities	MLHHSD, LGAs
	Improve capacity for urban planning	PO-RALG, MLHHSD
	Invest early in infrastructure, clearly demarcate public land resources, and promote strategically located industrial clusters	LGAs, PO-RALG, MWT, MIT
	Increase resilience through integrated solutions with appropriate implementation mechanisms	LGAs, PO-RALG
	Adopt green infrastructure solutions to improve urban resilience to floods in addition to investments in drainage	LGAs, PO-RALG, MWT
Connect cities, people, and neighborhoods *Chapter 2, under "Getting around, living, and doing business are expensive"*	Improve efficiency of the urban transport system in Dar es Salaam	DART, TANROADS, TARURA
	Maximize BRT's potential impacts and create more sustainable development patterns by integrating transport and land use planning	DART, PO-RALG, DLAs
	Connect people to services, workers to jobs, and buyers to sellers in Tanzania's cities	PO-RALG, LGAs, TANROADS, TARURA, MLHHSD
	Improve public transport infrastructure and services, invest in traffic management, and improve priority roads with adequate consideration for the final user.	MWT, TANROADS, TARURA, PO-RALG, LGAs
	Address skills gaps in urban centers to increase supply of skilled labor for industries with high potential for growth and job creation	LGAs, MOE
	Invest in strategically located industrial clusters to promote economic diversification	LGAs, PO-RALG, MIT, SIDO
	Strengthen rural–urban linkages in medium-sized cities and small towns through local economic development initiatives	LGAs, PO-RALG, MOA
Strengthen institutions to manage and finance urban development at scale *Chapter 3, under "Policy and Finance: Ensuring Delivery Models Meet Urban Needs"*	Empower local government authorities by promoting service delivery models for an "urban Tanzania" that improve the efficiency of local service delivery and accountability for public resources	PO, PO-RALG MOW, MEM, EWURA, MWT
	Promote institutional arrangements that enhance vertical coordination (among levels of government) and horizontal coordination (between municipalities and development actors)	PO-RALG, Regional Commissioner Offices
	Increase own-source revenue collection and leverage markets to finance urban infrastructure	LGAs, PO-RALG, MoF
	Improve property tax valuation and administrative systems for urban land (and the incentives for collection) to unlock a major source of financing for municipal infrastructure and services	MOF, PO-RALG, Regional Administrative Secretariats, LGAs
	Mobilize additional financing for municipal infrastructure through public–private partnerships	MOF, PO-RALG

4.1 Plan for competitive, resilient, and livable cities

Stronger planning systems will be crucial in helping cities improve their competitiveness for businesses and trade, their resilience to climatic and other shocks, and their attractiveness as a place to live and work. Without the effective development and enforcement of plans, cities are sprawling, fragmented, and unable to offer the benefits of agglomeration and density. Land has not been adequately set aside for industry or for basic infrastructure, although doing so pays off in the long run and can also help shape a more sustainable urban form. Obtaining a formal title is difficult and expensive, incentivizing the informal market, and the current restrictive land-use regulations discourage densification. By building their capacity for planning and enforcement, improving land administration and tenure, investing early in infrastructure, and protecting natural assets, cities can boost their efficiency, competitiveness, and ability to foster productive economic activity.

4.1.1 Formalize land markets and strengthen urban planning to foster agglomeration economies

Improving the productivity and efficiency of Dar es Salaam will help cultivate businesses and create jobs in the formal and informal sectors. Urban sprawl and low-density development – with limited clustering of firms, and limited size and diversity of the urban economy – have affected Dar es Salaam's efficiency and competitiveness, and reduced its ability to provide an enabling environment to create productive jobs. To address these challenges, local authorities require supporting strategies to increase city competitiveness. Dar es Salaam will need to improve urban infrastructure and services, facilitate an improvement in the port–city interface, improve the local business environment and enhance private-sector development, and strengthen the institutional and financial systems for planning, land management, and development in the metropolitan area. In particular, the development of small industrial zones for businesses would encourage agglomeration effects and address congestion costs. This can be achieved not only in Dar es Salaam, but also in Tanzania's medium-sized and small cities.

Informal land markets encourage urban sprawl and constrain the development of Tanzania's cities. Tanzania's parallel land tenure systems (formal and informal) challenge urban management, tenure security, and urban development. Owning formal land has benefits but is not easy for most Tanzanians. The inefficiency of formal land directly contributes to the sprawling networks of informal settlements. Improving land administration and tenure systems through new technology and approaches show promise in addressing Tanzania's land tenure constraints by reducing the cost and increasing the speed with which formal titles are issued. Delivering impact at scale will take time, significant resources, and an openness to new approaches – including the use of new geo-spatial technologies, contracting with the private sector for service delivery, and more flexible standards and regulations.

A drastic increase in the quality and coverage of urban plans is needed to get ahead of rapid informal development. Land use planning and enforcement has not had a successful record in Tanzania, where most cities have grown organically in the absence of coordinated and systematic development controls. The recent rollout of new master plans for cities across the country provides reasons for optimism, as do renewed efforts to improve land administration and tenure systems. However, the quality of master plans and the process of their formulation could be improved, while the coverage of detailed plans could be increased. Cities should aggressively pursue densification of currently developed areas through infill, regeneration, or redevelopment. Further, local governments should use the development of major roads and key utilities as a strategic tool to lead and induce developments strategically, while discouraging sprawl.

Effective land use regulations and enforcement are necessary to make urban plans into realities. The key lesson from the past is not on the failure of planning, but the failure of enforcement, which can be more effective when managed at the local level. For cities to flourish, Tanzania will need to strike the right balance between top-down and bottom-up efficiencies. More can be done to empower local authorities, and to increase the reliance on and leverage of wards and sub-wards, as they have the keenest local knowledge of specific transactions and developments in their areas. This can be done by devolving some development controls, but such steps would need to be coupled with measures to ensure accountability and oversight by higher levels of government.

Capacity for urban planning should be improved. Devolution of monitoring and some enforcement duties to ward and sub-ward levels is gaining consensus as a viable approach to strengthening development control. But this devolution will

require capacity building and retooling, specifically: (a) training for councilors, council or ward (or sub-ward) staff, and utility agencies on the importance and usability of land use plans; (b) training for municipal staff to support procedural and content improvements to neighborhood-level plans; and (c) map reading and basic spatial data maintenance at the ward level, and sensitization at the ministerial and council level to mainstream maps and spatial analysis as everyday decision-making tools. Targeted skill building is needed among technical staff in key departments; GIS skills also require strengthening.

4.1.2 Invest early in infrastructure, clearly demarcate public land resources, and promote strategically located industrial clusters

Given rapid urban growth, there is an urgent need to prioritize early infrastructure that can shape investments in basic services, housing, and industrial structures and unlock underutilized urban land. With much of Tanzania's urbanization yet to come, planners need to identify cost-effective solutions to better manage settlement formation. Investing early in basic infrastructure can ensure that people get to their jobs and live healthy lives, and firms can reach inputs, customers, and reliable services such as water and electricity. Investments in connectivity infrastructure within and between medium-sized and small cities will determine the urban form for the decades to come. "Sites and services" schemes, in which infrastructure is laid out in advance of development, are one tool used in the past that could be promising.[33] Indeed, "sites and services" can save the space needed to scale up investments in network infrastructure, such as water and sanitation, and guarantee space for accessible roads, instead of upgrading existing neighborhoods, which could disrupt private homes and require more complex political processes.

Medium-sized cities can protect environmentally sensitive lands and can plan and reserve rights-of-way early – avoiding the costly mistakes of Dar es Salaam. In smaller urban areas, unplanned development and sprawl have not yet reached the scale that challenges Dar es Salaam's fragmented development, but medium-sized cities are already experiencing substantial encroachment in hazardous and sensitive areas, and within needed reserves for future infrastructure. For example, in Mwanza, informal development is occurring on steep slopes that are at risk for landslides; in Zanzibar, wetland encroachment has become a widespread problem as residents seek affordable housing opportunities.

Encroachment into rights-of-way and hazard lands, and lack of publicly owned land for future service and infrastructure needs, is a challenge. Cities will need to be able to manage these issues to deliver services and protect the health and safety of residents. Authorities will have to review and correct contradictions in legislation governing road rights-of-way, and operationalize constant and consistent enforcement of development bans in rights-of-way and hazard lands. Comprehensive demarcation campaigns that beacon off no-build areas are urgently needed. Cities will have to begin proactively banking land needed for future development, and the central government may need to supply financing and monitoring.

Where unplanned development has already taken place, cities need fair, transparent, and clear policies and processes to handle resettlement. Global experience has shown that mass evictions and demolitions – particularly in the absence of community engagement, planning, compensation, and resettlement – are not sustainable, and rarely succeeding in clearing land. Instead, municipalities need strategies, tools, and financing to address existing informal settlements. Resettlement from hazard areas is expensive and complex, and given that the most at-risk residents are already in dense areas, resettlement in close proximity to the livelihood means of the poor is challenging due to land scarcity. As an alternative, cities, with the participation of communities, could develop strategies and technologies for in-situ upgrading to mitigate flood risk. Private-sector solutions for land consolidation and housing have also been effective in urban contexts similar to Tanzania.

Urban areas are a natural location for industrial clusters, given their proximity to services and access to labor and markets, but a concerted effort is needed to plan and protect adequate land. Planning should be mindful of the needs of small-scale producers. All cities, but especially medium-sized cities, should incentivize agri-processing, which offers strong forward and backward economic linkages and high potential for advancing women's empowerment.[34] Medium-sized cities and small towns – with their proximity to farms, transportation connections to larger markets, economies of scale for basic service infrastructure, and labor supply – are in many ways ideal locations for milling facilities, factories, and packaging industries.

[33] A recent study on the longer-term benefits of World Bank "sites and services" projects of the 1970s and 1980s demonstrates that laying out infrastructure ahead of the growth of urban settlements can effectively guide future development (Regan et al. 2015).
[34] Analysis by the World Bank found that women accounted for two-thirds of the employees of Tanzania's 287 formal agri-processing companies with 10 or more employees. This is compared to one-quarter in formal employment generally (World Bank 2019b).

4.1.3 Increase resilience through integrated development and the protection of natural assets

To reduce the vulnerability of cities to climatic and other shocks, urban governments will need to develop integrated solutions with appropriate implementation mechanisms. Disasters such as floods or health emergencies are cross-sectoral and inter-jurisdictional in nature. For example, the integrated planning exercise for flood mitigation in Dar es Salaam's Msimbazi Valley involved 59 institutions, including sectors ranging from transport to water to environment, and governments at the national, municipal, and local levels. Planning in this way is a good first step, but implementation will require clearly defined institutional and financial mechanisms. For these types of complex urban problems, a clear institutional mandate is needed, with cross-sectoral coordination and interdepartmental or multi-stakeholder convening powers. This is particularly important in larger cities that encompass multiple municipalities and lack metropolitan governance. Urban governments can adapt past approaches to integrated and participatory planning to tackle extreme flooding, environmental degradation, and housing for the urban poor by prioritizing high-density and mixed-use development, focusing on the establishment and protection of infrastructure rights-of-way, and combining public and private financing mechanisms for basic service infrastructure.

Improving urban resilience to floods will require not only a combination of investments in drainage, but also the adoption of green infrastructure solutions. Investments in roadside and standalone drains will help alleviate flood impacts and improve public health and sanitation. To be most effective, designs for drainage improvements should consider climate change impacts and explore the integration of green infrastructure solutions that can reduce financial and environmental costs by increasing on-site infiltration. Green infrastructure design interventions can range from wetlands and buffer zones to green roofing, detention ponds, street-side swales, rain gardens, and porous pavements. For example, the use of detention ponds (i.e., attenuation ponds in low areas that are allowed to flood during extreme storms, and which can function as public green spaces during non-storm periods) can reduce capital costs and minimize resettlement requirements. It is important to strike a balance between practical considerations (e.g., cost-effectiveness and maintenance requirements) and suitability for local context (e.g., selection of vegetation should consider local climate conditions).

4.2 Connect cities, people, and neighborhoods

Integrated transport and land use planning supported by strong systems for management and accountability can improve urban mobility and allow cities to take advantage of proximity to encourage economic development and livability. In addition, construction and improvement of priority roads will support industrial growth and promote job creation. Addressing the skills gap in urban centers will contribute to increasing the supply of skilled labor and supporting economic opportunities for the informal sector, which makes up a significant portion of the local economy in many Tanzanian cities.

4.2.1 Improve efficiency of the urban transport system in Dar es Salaam

The initial success of Dar es Salaam's Bus Rapid Transit System can serve as a model for medium-sized cities to invest and plan early around public transit. The first line of the Dar es Salaam Bus Rapid Transit (BRT) System showed immediate impacts. Commuters saved approximately 16 days of travel time annually.[35] The BRT freed up significant time for workers and offered better quality service, while helping people connect with firms and services more effectively than before. However, the BRT's declining service performance and quality at the time of writing also offers a lesson that, irrespective of how good the infrastructure is, it must be founded on strong institutions and systems for management and performance-based accountability of the operators. Further, based on global experience, creating a competitive environment is critical. This means both having multiple service providers to spread risks, and mobilizing the best service providers through open and competitive procurements processes, which ultimately attracts more qualified firms.

Integrated transport and land-use planning is key to maximizing BRT's potential impacts on urban mobility and creating more sustainable development patterns. BRT can serve not only as transport infrastructure, but also as a strategic urban development tool. Global experience suggests that taking this type of holistic, multi-sectoral approach to BRT development would yield greater benefits and better results in shaping the urban form. Cities should also focus on improving the feeder network and connectivity to low-income areas through motorized and non-motorized modes. By

[35] See, for example, World Bank 2017.

planning for non-motorized transport (e.g., cycling and walking linkages) and applying people-centric standards in transport and land use planning, cities can improve safety, increase social interaction, and enhance livability.

4.2.2 Connect people to services, workers to jobs, and buyers to sellers in Tanzania's cities

Construction and improvement of priority transport infrastructure – local and feeder roads in the urban core, as well as non-motorized transport infrastructure – accompanied by improved traffic management and public transport systems can help alleviate congestion hotspots, and support public transit, mobility, and access to opportunities for all, especially low-income communities. In Dar es Salaam, investments in local roads have improved connectivity to the main roads, alleviating congestion in completed road sections and enhancing livability by improving access to schools, markets, and healthcare facilities. In Kinondoni and Temeke, upgraded roads have led to reported reductions in travel times and fares. Investment in a Bus Rapid Transit Corridor in Dar es Salaam has increased urban mobility. Improvements in primary and secondary drainage systems (bank stabilization, detention ponds, and connections to the secondary network) will also reduce traffic congestion and delays, which become significantly worse during rainy seasons.

Urban transport is fundamentally different from rural transport and requires institutions that are responsive to the specific mobility challenges of cities. Transport decision-making needs to be integrated with urban planning and non-transport infrastructure. Strengthening coordination between relevant institutions will be critical to enable this. In the near term, urban transport units could be established within existing transport institutions such as TANROADS and TARURA. Over the longer term, a national Urban Transport Agency focused on sustainable urban mobility could be created to oversee urban transport management and facilitate capacity building and coordination in local authorities (Ochoa et al. 2021).

Cities can increase the supply of skilled labor for industries with high potential for growth and job creation by addressing the skills gap in urban centers. By conducting research on market needs and ensuring that education systems are responsive to the requirements of the city's economic development, urban governments could help to address the mismatch between supply and demand in the labor market. It will be important to take a closer look at the entire chain of skills for employability, from informal and alternative approaches to formal skills development. This includes apprenticeships, entrepreneurship, pre-employment vocational and technical education and training, university education, and post-employment upgrading of skills in the form of lifelong learning.

Investing in strategically located industrial clusters can promote economic diversification. Increasing the competitiveness of the top medium-sized cities requires that tradable products and services have an international reach. Medium-sized cities need export-oriented competitiveness strategies to identify and take advantage of economic diversification opportunities while developing export plans for their tradable goods. For small-scale industrial clusters to be successful, they need to be fully integrated into the economic strategy of the city. A strategically located industrial cluster can also demonstrate the economic potential of a city (as shown in Kahama in Chapter 2).

More can be done to support the growth and formalization of the informal sector, which makes up a significant portion of the local economy in many Tanzanian cities. Tanzanians in urban settings rely on self-employment and informal or microenterprises. COVID-19 has disproportionally affected informal workers, who do not have enough savings and access to credit, and for whom a decline in hours worked has led to a loss of disposable income. Urban planning and infrastructure investments could be used to bring in the informal sector and improve the working environment of informal employees. These efforts could include the upgrading and rehabilitation of roads, drainage, and other facilities near markets and other small-scale industrial areas to provide better opportunities to vendors and traders. Such investments in basic infrastructure could be complemented by the development of entrepreneurial skills, supporting informal business owners and providing better economic opportunities in cities.

4.2.3 Strengthen rural–urban linkages in medium-sized cities and small towns

As the country's urban centers evolve to be the future drivers of national growth, Tanzania can accelerate inclusive economic growth in rural areas by better connecting them to these domestic markets and beyond. Urbanization increases not only the demand for urban services, but also the demand for agricultural products, which in turn can

contribute to reducing poverty in rural areas. Medium-sized cities therefore act as markets for agricultural and rural output, as stimulators of rural nonfarm activities, as places for low-skilled job opportunities, and as facilitators of economies of scale in healthcare services and post-primary education. Improving the competitiveness and efficiency of cities is therefore critical to derive greater agglomeration benefits and create productive jobs.

Local economic development initiatives that can strengthen rural–urban linkages must be designed and coordinated effectively. One way cities can ensure the effectiveness of development strategies is by developing a long-term partnership with the private sector. Cities will also need to focus on building municipal capacity to implement local economic development initiatives that leverage the more specialized economic base, such as agri-processing. Successful local economic development strategies require strong leadership and a strategic vision, and should be supported by evidence-based policies and detailed implementation plans. Local economic development strategies also need to be integrated into urban plans (master plans and detailed planning schemes) and economic plans (strategic plans, medium-term expenditure frameworks, and work plans coordinated by each municipality's economics department).

Supporting urbanization in small and medium-sized cities is central to improving agricultural output. Small cities connect farmers to input and output markets, and medium-sized cities serve as logistical and transport hubs and host larger consumer markets, thereby contributing to improved agricultural output. Tanzania is in an early stage of urbanization, so rural–urban migration will continue for many decades. Although Dar es Salaam accounts for one-third of the urban population, small towns are also forming an increasing proportion of the urban population in Tanzania (Christiaensen at al. 2017). This spatial and demographic shift might even accelerate as agribusiness grows in the coming years, transforming agriculture from labor-intensive to capital-intensive and requiring the consolidation of small rural properties. Smaller towns face the largest rural–urban inflows but have the lowest capacity to raise own-source revenue. Supporting medium-sized cities can also be an important policy vehicle for inclusive growth. Better transport access will support increased economic and social activities, particularly in rural areas where the poverty rate is high.

4.3 Strengthen institutions to manage and finance urban development at scale

To keep up with rapid urban growth, Tanzania's cities need to be empowered to mobilize and manage their budget for the infrastructure and services they provide. Simplified, adaptable institutional arrangements should enable cities to effectively manage themselves and deliver services when they have capacity, and support them in growing their capacity and addressing shortcomings when necessary. A key element is strong vertical and horizontal coordination among governments and development actors.

4.3.1 Empower local government authorities

Service delivery models for an "urban Tanzania" are needed to improve the efficiency of local service delivery and accountability for local public resources. The national-level construction and maintenance of district roads could boost the efficiency of service delivery, especially in areas where local capacity is a bottleneck. However, a more centralized model of service delivery may become challenging to execute efficiently as the network of cities grows and institutional demands for effective metropolitan government become more complex. Accountability and service delivery can be effective in national models, but there is an inherent risk that national priorities could trump those of local stakeholders, and that operations and maintenance will become less responsive to local feedback. There is also an inherent risk that sectoral infrastructure delivery will be siloed and not well coordinated amongst providers or with existing and planned land uses.

Revenue mobilization and local government finances must be managed carefully. If revenue is to be shared between central and local government, it will be critical for policymakers to get the incentives right. If they do not, the absence of revenue retention at the municipal, ward, and sub-ward level will limit the effectiveness of data collection and constrain human resource–intensive revenue sources (collecting revenue requires "boots on the ground" and local knowledge) (McCluskey, Slack, and Davis 2018). The reliability of central transfers to local government authorities is important, as is some degree of local autonomy over budgeting; earmarked funds must be balanced with more flexible funds in order to ensure that local government expenditures can be responsive to local development needs.

4.3.2 Enhance vertical coordination (among levels of government) and horizontal coordination (between municipalities and development actors)

As cities expand and service delivery and management become more complex, institutional arrangements must empower local government authorities to deliver services efficiently and be responsive to local needs. The practice of sub-dividing urban areas into separate municipal councils in Dar es Salaam and Mwanza complicates coordination mechanisms, tends to be inefficient and costly (due to the inherent duplication of services), and creates additional institutional layers.

Capacity is not uniform across cities, with some larger local government authorities demonstrating better performance. Local government capacity is uneven: while some of the larger local government authorities have made rapid advances in delivery and implemented sector policies, others are not performing at the same level. The local government authorities that were targeted by the Urban Performance Grant showed considerable improvement, on average, in their performance in: (i) urban planning systems, (ii) own-source revenues, (iii) fiduciary systems, (iv) infrastructure implementation and operations and maintenance systems, and (v) accountability and oversight systems. However, financing amounts were allocated using a per-capita formula that ensured that larger local government authorities could receive more financing than smaller ones, regardless of incremental improvements in their scores (beyond reaching a certain threshold). As Tanzania's cities change and develop, institutional arrangements should adjust and keep pace to provide municipalities broader remits for managing themselves, but the currently used uniform model may not be an ideal fit across all cities. In this context, future models might look at Latin America's experiences with asymmetric decentralization, which allows higher-capacity sub-national governments to assume different functions, choosing from a menu of the responsibilities they can assume based on abilities and needs.

Shortcomings in local government delivery need to be addressed. There have long been concerns around governance, corruption, and accountability at the local government level, and about how this impacts project delivery and the effective use of limited public resources. Regional and District Commissioners have often been tapped to provide oversight of project implementation. Challenges have also been noted in the enforcement of completed urban plans; in the operations, maintenance, and management of constructed urban infrastructure; and in the coordination (at the client, contractor, and supervision consultant level) of community development and environmental officers to monitor social and environmental risks.

Efficient urban infrastructure and land use require strong coordination mechanisms among urban development actors. These mechanisms include the review and approval of service network extensions by planning authorities. Currently, service extensions tend to chase unplanned development; to get ahead of this trend, local governments need to strengthen development control. In the immediate term, Regional Commissioner Offices could be playing a more active role in ensuring that sectoral plans are closely following master plans. In primary and medium-sized cities, metropolitan development authorities could play an important coordination role on transportation, water and sewerage, and solid waste.

4.3.3 Increase own-source revenue collection and leverage markets to finance urban infrastructure

With the recent devolution of property tax and billboard fee collection back to local government authorities, cities have the chance to bridge the gap between the cost of providing services and revenue from intergovernmental transfers. This is particularly important for rapidly growing cities where infrastructure demands are outstripping current investment resources. Property tax offers the largest potential of revenue generation by local governments. It is also the most difficult revenue source to administer. In the World Bank's Doing Business Report of 2020, Tanzania was ranked 165 out of 190 countries in terms of ease of paying taxes; and collecting taxes, fees, and charges is a challenge for both central and local governments. There are significant complexities around the identification, measurement, and valuation[36] of properties, and difficulties in billing, collecting, and enforcing payment – tasks for which local governments are well positioned. Urban governments will need to ambitiously apply mobile technology and GIS-enabled data management solutions[37] to regain

[36] The current practice of applying a flat rate on property taxes can expand the tax net radically and quickly, but can also reduce, instead of increase, tax revenues. When choosing between a flat-rate and a classified-rate system, it is important to consider implications for the economic incidence of the tax burden.

[37] One critical factor is the georeferencing of data concerning the payees of various taxes and fees (i.e., the mapping of businesses that would pay service levy, hotel levy, and business license fees); another is capacity building for local government authority revenue departments to help staff understand how the GIS function of LGRCIS can improve collection.

momentum and establish an effective collection process. The recent return to decentralization of property tax administration and collection coincides well with planned upgrades to the LGRCIS that will support improved accuracy of taxpayer data through integration with other systems like TRA, ILMIS, and NIDA, and further promote transparency of own-source revenue (OSR) collection.

Property taxation, while not historically a large source of local own-source revenue, has the potential to be an important and dynamic source of revenue for urban areas, as it is directly linked to the local economy. The valuation and rating of urban properies has historically been a local government mandate for several reasons: local authorities are more knowledgeable about changes in ownership, and able to update systems which now require GIS capabilities; there are beneficial links between property values and local services; and the tax can provide a stable and predictable yield for local authorities (McCluskey et al. 2018). Property tax is also highly visible to citizens, and, in principle, strongly linked to local service delivery. However, in a recent survey conducted in Dar es Salaam, only 15 percent of property owners perceived that the tax they pay contributes to local service provision (Ali, Fjeldstad, and Katera 2018). These attitudes can negatively affect the public willingness to pay, regardless of central or local collection – but local government can more easily make the link between taxes and services.

Improving property tax valuation and administration systems for urban land (and the incentives for collection) can unlock a major source of financing for municipal infrastructure and services. During periods of rapid urban growth, land prices rise rapidly (as do infrastructure investment needs), creating the opportunity to generate significant revenue. Land value ratings should be updated and reviewed frequently to reflect market values. Currently, land value ratings currently cover entire sub-wards, and do not necessarily capture the higher values along major roads compared to lower values in less accessible areas of the same ward; they are also recorded as tabular data and are not easily usable in GIS. Mapping land values at a more precise geographic scale would enable value capture to support infrastructure cost recovery. Formalizing land transaction fees – which are currently informally collected at the sub-ward level – could avail additional resources that could be channeled toward local development needs. As the collection of property taxes is transferred back to local governments, implementing the right incentives (per Chapter 3) will ensure that municipalities can effectively harness this important revenue source.

Enhancing own-source revenue collection in local governments will also require a good understanding of the policy environment, current practices, and incentive structures surrounding OSR generation. A better understanding of existing approaches could inform opportunities to improve the effectiveness of revenue enhancement strategies. Cities should acquire a better understanding of current practices for determination and collection of land rents, revenue forecasting and budgeting, OSR collection, and local government budgeting reporting. A key source of this knowledge is the documentation of current OSR collection methods in local government authorities, including staffing arrangements, logistical approaches to collecting revenue, incentive structures for external staff assisting in the collection process, and the roles of agents. Local government authorities will also need to improve coordination between various internal departments that work on revenue collection, administration and management, or other related duties; support from Regional Administrative Secretariats and PO-RALG headquarters would be important as well.

Public–Private Partnerships (PPPs) offer an opportunity to mobilize additional financing for municipal infrastructure. PPPs should be pursued – but with caution, as they require municipalities to have capacity that is only newly emerging. Existing municipal PPPs cover pay toilets, construction of municipal markets, bridges and roads, and operation of leased facilities. Most of these PPPs are small in scale, and they have varying levels of success. In Arusha, the collection and transport of solid waste is contracted out to the private sector, with solid waste fees shared 70/30 between the private sector provider and Arusha City Council. The arrangement has reduced costs associated with solid waste management for the city and has also led to an increase in revenues. PPPs can serve as a powerful tool to facilitate the development and improve the quality of infrastructure. However, because the deals involve complex and commercial and financial structures, their preparation, negotiation, and implementation will require expert advice from experienced advisors.

References

2030 WRG (Water Resources Group). 2014. *Tanzania: Hydro-Economic Overview – An Initial Analysis.* Washington, DC: 2030 Water Resources Group. https://www.2030wrg.org/tanzania-hydro-economic-overview-initial-analysis/.

Adams, Arvil V., Sara Johansson de Silva, and Setareh Razmara. 2013. *Improving Skills Development in the Informal Sector: Strategies for Sub-Saharan Africa.* Directions in Development series. Washington, DC: World Bank. doi:10.1596/978-0-8213-9968-2.

Ali, Merima, Odd-Helge Fjeldstad, and Lucas Katera. 2018. "Property Owners' Knowledge and Attitudes towards Property Taxation in Tanzania." CMI Insight Brief 2018 No. 1, Chr. Michelsen Institute (CMI), Bergen, Norway, August 2018.

Amani, H., F. Makene, D. Ngowi, Y. Matinyi, M. Martine, and J. Tunguhole. 2018. *Understanding the Scope for Urban Infrastructure and Services Finance in Tanzanian Cities.* Background paper for the Coalition for Urban Transitions, Economic and Social Research Foundation, June 2018.

Anosisye, M. K. 2017. "Decentralization by Devolution: Perception of Councilors on Their Exercise of Fiscal Decision Making Authority in Local Government Authorities in Tanzania." Journal of Political Sciences and Public Affairs 5, no. 2. https://www.longdom.org/open-access/decentralization-by-devolution-perception-of-councilors-on-theirexercise-of-fiscal-decision-making-authority-in-local-governmentau-2332-0761-1000242.pdf.

Bertaud, Alain. 2010. "Land Markets, Government Interventions, and Housing Affordability." Working Paper No.18, Wolfensohn Center for Development, Brookings Institution, Washington, DC, May 2010.

Breeze, Robert. 2012. "Municipal Solid Waste Management in Dar es Salaam: Draft Baseline Analysis." Report prepared for the World Bank, Washington, DC, October 2012.

CAHF (Centre for Affordable Housing Finance in Africa). 2013. 2013 Yearbook: *Housing Finance in Africa.* Parkview, South Africa: CAHF.

Christiaensen, Luc, Joachim De Weerdt, and Ravi Kanbur. 2017. "Secondary Towns and Poverty Reduction in Tanzania." Policy Brief 40300, International Growth Centre (IGC), London School of Economics and Political Science, London, February 2017.

Collier, Paul, and Patricia Jones. 2015. "Transforming Dar es Salaam into a City that Works." Global Research Program on Spatial Development of Cities, World Bank and United Kingdom Department for International Development.

Combes, Pierre-Philippe, Gilles Duranton, and Laurent Gobillon. 2008. "Spatial Wage Disparities: Sorting Matters!" *Journal of Urban Economics* 63, no. 2 (March): 723–742. doi:10.1016/j.jue.2007.04.004.

D'Costa, Sabine, and Henry G. Overman. 2014. "The Urban Wage Growth Premium: Sorting or Learning?" *Regional Science and Urban Economics* 48: 168–179.

Erman, Alvina, Mercedeh Tariverdi, Marguerite Obolensky, Xiaomeng Chen, Rose Camille Vincent, Silvia Malgioglio, Jun Rentschler, Stephane Hallegatte, and Nobuo Yoshida. 2019. "Wading out the Storm: The Role of Poverty in Exposure, Vulnerability and Resilience to Floods in Dar es Salaam." Policy Research Working Paper No. 8976, World Bank Group, Washington, DC, August 2019.

European Space Agency. 2018. EO4SD-Urban Project: Arusha City Land Use Classification Data. Produced by GAF AG and partners. https://datacatalog.worldbank.org/dataset/arusha-tanzania-planned-and-unplanned-settlement-areas-esa-eo4sd-urban.

Fjeldstad, Odd-Helge, Merima Ali, and Lucas Katera. 2017. "Taxing the Urban Boom in Tanzania: Central versus Local Government Property Tax Collection." CMI Insight Brief 2017 No. 3, Chr. Michelsen Institute (CMI), Bergen, Norway, June 2017.

Fox, Louise. 2016. *Gender, Economic Transformation and Women's Economic Empowerment in Tanzania.* London: Supporting Economic Transformation, ODI.

Glaeser, Edward L., and David C. Maré. 2001. "Cities and Skills." *Journal of Labor Economics* 19, no. 2 (April): 316–342. doi:10.1086/319563.

Gollin, Douglas, Remi Jedwab, and Dietrich Vollrath. 2016. "Urbanization with and without Industrialization." *Journal of Economic Growth* 21, no. 1 (March): 35–70. doi:10.1007/s10887-015-9121-4.

Henderson, J. Vernon, Adam Storeygard, and David N. Weil. 2012. "Measuring Economic Growth from Outer Space." *American Economic Review* 102, no. 2 (April): 994–1028. doi:10.1257/aer.102.2.994.

Huang, Chyi-Yun, Ally Namangaya, MaryGrace W. Lugakingira, and Isabel D. Cantada. 2018. *Translating Plans to Development: Impact and Effectiveness of Urban Planning in Tanzania Secondary Cities.* Washington, DC: World Bank.

IGC (International Growth Centre). 2014. "Urbanisation in Tanzania." IGC Working Paper, International Growth Centre, London School of Economics and Political Science, London, April 2014.

JICA (Japan International Cooperation Agency). 2014. "Chapter 4: Road Sector." *In Comprehensive Transport and Trade System Development Master Plan in the United Republic of Tanzania*, Volume 2, 4-1–4-34. Tokyo: JICA. https://openjicareport.jica.go.jp/pdf/12150512_02.pdf.

Kironde, J. M. Lusugga. 1994. "The Evolution of the Land Use Structure of Dar Es Salaam 1890–1990: A Study in The Effects of Land Policy, Volume 1: Political Science." PhD diss., University of Nairobi. https://halshs.archives-ouvertes.fr/tel-01265022.

Kironde, J. M. Lusugga. 2006. "The Regulatory Framework, Unplanned Development and Urban Poverty: Findings from Dar es Salaam, Tanzania." *Land Use Policy* 23, no. 4 (October): 460–472.

Kironde, J. M. Lusugga. 2009. "Improving Land Sector Governance in Africa: The Case of Tanzania." Paper prepared for the Workshop on Land Governance in Support of the MDGs: Responding to New Challenges, Washington, DC, March 9–10, 2009.

Kumar, Ajay, and Fanny Barrett. 2008. "Stuck in Traffic: Urban Transport in Africa." Africa Infrastructure Country Diagnostic background paper, World Bank, Washington, DC.

Lall, Somik Vinay, J. Vernon Henderson, and Anthony J. Venables. 2017. *Africa's Cities: Opening Doors to the World.* Washington, DC: World Bank.

Lameck, Wilfred, Stella Kinemo, Eliza Mwakasangula, Orest Masue, Idda Lyatonga, and Mackfallen Anasel. 2019. "The Relationship between National and Urban Local Government in Tanzania and Its Influence on the Delivery of Services and Infrastructure." Unpublished draft.

LDP (Law and Development Partnership). 2017. "Decentralization by Devaluation Assessment Report." Unpublished draft.

Lozano-Gracia, Nancy, and Cheryl Young. 2014. "Housing Consumption and Urbanization." Policy Research Working Paper No. 7112, World Bank Group, Washington, DC, November 2014.

Lugakingira, MaryGrace W., Amy Faust, and Maria Pomes-Jimenez. 2020. "Metropolitan Dar es Salaam: Participatory River Basin Planning." In *Greater Than Parts: A Metropolitan Opportunity, Volume 2*, edited by Shagun Mehrotra, Lincoln L. Lewis, Mariana Orloff, and Beth Olberding. Washington, DC: The World Bank. https://openknowledge.worldbank.org/handle/10986/34825.

Lupala, J., A. Namangaya, and P. Mbogoro. 2013. *The Tanzania State of the Cities Report.* Dar es Salaam: TACINE (Tanzania Cities Network).

Lupala, M. John, Makarius Mdemu, and P. Stanslaus Butungo. 2014. "Effects of Peri-Urban Land Use Changes on Forest Ecosystem Services: The Case of Settlements Surrounding Pugu and Kazimzumbwi Forest Reserves in Tanzania." *Journal of Geography and Geology* 6, no. 4: 231–240. doi:10.5539/jgg.v6n4p231.

Matari, E. R., L. B. Chang'a, G. E. Chikojo, and T. Hyera. 2008. "Climate Change Scenario Development for Second National Communication – Tanzania." *Tanzania Meteorological Agency (TMA) Research Journal* 1: 40–54.

McCluskey, William, E. Slack, and P. Davis. 2018. "Fiscal Decentralization and Own-Source Revenue – A Review of the Five Municipal Councils in Dar es Salaam, Tanzania." World Bank, Washington, DC.

McCluskey, William, Chyi-Yun Huang, Patrick Doherty, Riël Franzsen, and Paul Fish. 2018. "Using Information and Communication Technology to Enhance Local Government Revenue Collection in Tanzania." ATI Working Paper No. WP-18-08, African Tax Institute, University of Pretoria, Pretoria, South Africa. https://www.up.ac.za/media/shared/223/Working percent20Papers/ict-and-revenue-collection-in-tanzania.-mccluskey-et-al.zp166260.pdf.

MétaSus and BreAd B.V. 2016. *Expert Mission on Integrated Solid Waste Management to Dar es Salaam.* Report for the Government of the Netherlands.

Michaels, Guy, Dzhamilya Nigmatulina, Ferdinand Rauch, Tanner Regan, Neeraj Baruah, and Amanda Dahlstrand-Rudin. 2017. "Planning Ahead for Better Neighborhoods: Long Run Evidence from Tanzania." CEPR Discussion Paper No. DP12319, Centre for Economic Policy Research, Washington, DC, September 2017. Available at https://ssrn.com/abstract=3042630.

Ministry of Lands, Housing, and Human Settlements Development. 2016. *Habitat III National Report: Tanzania*. The United Republic of Tanzania. Dar es Salaam: Ministry of Lands, Housing, and Human Settlements Development.

MKURABITA. 2012. *Formalisation of Informal Urban Settlements in Tanzania*. Dar es Salaam: Property and Business Formalisation Programme (MKURABITA).

National Audit Office. 2020. *Annual General Report on the Audit of Local Government Authorities for the Financial Year 2018/2019*. Controller and Auditor General, National Audit Office, the United Republic of Tanzania. Dodoma: National Audit Office.

NBS (Tanzania National Bureau of Statistics). 2006. *Tanzania Census 2012: Analytical Report.* Ministry of Planning, Economy and Empowerment, the United Republic of Tanzania. Dar es Salaam: National Bureau of Statistics.

NBS (Tanzania National Bureau of Statistics). 2012. *Statistical Business Register Report 2011/12: Tanzania Mainland.* Ministry of Finance and Planning, the United Republic of Tanzania. Dar es Salaam: National Bureau of Statistics.

NBS (Tanzania National Bureau of Statistics). 2013. 2012 Census Info Tanzania. Ministry of Finance and Planning, the United Republic of Tanzania. http://www.dataforall.org/CensusInfoTanzania/libraries/aspx/home.aspx.

NBS (Tanzania National Bureau of Statistics). 2014. Household Budget Survey 2011/12. Ministry of Finance and Planning, the United Republic of Tanzania. Dar es Salaam: National Bureau of Statistics. https://www.nbs.go.tz/index.php/en/census-surveys/poverty-indicators-statistics/household-budget-survey-hbs.

NBS (Tanzania National Bureau of Statistics). 2016. *Statistical Business Register Report 2014/15: Tanzania Mainland.* Ministry of Finance and Planning, the United Republic of Tanzania. Dar es Salaam: National Bureau of Statistics.

NBS (Tanzania National Bureau of Statistics). 2017. *The National Environment Statistics Report*. Ministry of Finance and Planning, the United Republic of Tanzania. Dar es Salaam: National Bureau of Statistics.

NBS (Tanzania National Bureau of Statistics). 2019. Household Budget Survey 2017/18. Ministry of Finance and Planning, the United Republic of Tanzania. Dar es Salaam: National Bureau of Statistics. https://www.nbs.go.tz/index.php/en/census-surveys/poverty-indicators-statistics/household-budget-survey-hbs.

Ng'wanakilala, Fumbuka. 2020. "Tanzania Finalizing Permit For its First Rare-Earth Metals Mine." *Bloomberg News*, November 5, 2020. https://www.bloomberg.com/news/articles/2020-11-05/tanzania-finalizing-permit-for-its-first-rare-earth-metals-mine.

Ng'wanakilala, Fumbuka, and Nuzulack Dausen. 2019. "Tanzania says construction of LNG plant to start in 2022." *Reuters*, May 28, 2019. https://www.reuters.com/article/us-tanzania-lng/tanzania-says-construction-of-lng-plant-to-start-in-2022-idUSKCN1SY1TU.

Ochoa, Catalina, Juliana Aguilar-Restrepo, Jesse Harber, and Daniel Turk. 2021. *Shifting the Mobility Paradigm of Intermediate Cities in Tanzania*. Washington, DC: World Bank.

Panman, Alexandra, and Nancy Lozano-Gracia. 2021a. "Titling and Beyond: Evidence from Dar es Salaam, Tanzania." Policy Research Working Paper No. 9580, World Bank Group, Washington, DC, March 2021. https://openknowledge.worldbank.org/handle/10986/35288.

Panman, Alexandra, and Nancy Lozano-Gracia. 2021b. "Making Room for Renters: Understanding and Supporting Rental Markets in the Global South – Evidence from Dar es Salaam, Tanzania." Policy Research Working Paper No. 9579, World Bank Group, Washington, DC, March 2021. https://openknowledge.worldbank.org/handle/10986/35287.

Peralta-Quiros, et al. (2019). "Exploring Accessibility to Employment Opportunities in African Cities: A First Benchmark." Policy Research Working Paper; No. 8971. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/32223.

Petracco, Carly, and Javier Sanchez-Reaza. 2018. *Jobs Diagnostic: Tanzania*. Jobs Series No. 16. Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/31384.

PO-RALG (Office of the President of the Regional Administration and Local Government). 2020. "Shinyanga Region Investment Guide." https://esrf.or.tz/index.php/regional-investment-guides.

PO-RALG (Office of the President of the Regional Administration and Local Government). 2021a. "Dar es Salaam Metropolitan Project, Urban Planning and Development Control Program, Existing Situation Analysis Report." Draft, February 2021.

PO-RALG (Office of the President of the Regional Administration and Local Government). 2021b. "Dar es Salaam Metropolitan Project, GIS Mainstreaming Program, Inception Report." Draft, January 2021.

President's Office Finance, Economy and Development Planning. 2015. *Revolutionary Government of Zanzibar – Diagrammatic Indicative Structure Plan for Zanzibar Municipality and Its Immediate Periphery and Urban Development Policy for Zanzibar Town.* Final Report, April 2015.

Regan, Tanner, Dzhamilya Nigmatulina, Neeraj Baruah, Ferdinand Rausch, and Guy Michaels. 2015. "Sites and Services and Slum Upgrading in Tanzania (Preliminary and Incomplete)." Presentation for the Spatial Development of African Cities Workshop, World Bank, Washington, DC, December 16–2015.

Roy, Rana. 2016. "The Cost of Air Pollution in Africa." OECD Development Centre Working Papers No. 333, OECD Publishing, Paris, France, September 2016. doi:10.1787/5jlqzq77x6f8-en.

Storeygard, Adam. 2016. "Farther on down the Road: Transport Costs, Trade and Urban Growth in Sub-Saharan Africa." *The Review of Economic Studies* 83, no. 3 (July): 1263–1295. doi:10.1093/restud/rdw020.

Tan, Huang, Sajitha Bashir, and Nobuyuki Tanaka. 2016. "Skill Use, Skill Deficits, and Firm Performance in Formal Sector Enterprises: Evidence from the Tanzania Enterprise Skills Survey, 2015." Policy Research Working Paper No. 7672, World Bank Group, Washington, DC, May 2016.

TANROADS. n.d. "Chief Executive Message." About Us. TANROADS, Ministry of Works, Transport and Communications. Accessed February 13, 2021. https://www.tanroads.go.tz/about-us/chief-executive-message.

TANROADS. n.d. "Regional Roads Network." Road Networks. TANROADS, Ministry of Works, Transport and Communications. Accessed February 13, 2021. https://www.tanroads.go.tz/road-networks/regional.

Tanzania Ports Authority. n.d. "Dar es Salaam and Central Coast Sea Ports." Ports. Accessed February 18, 2021. http://www.ports.go.tz/index.php/en/ports/ports.

TARURA. 2018. *4th Quarter Progress Report for Development Programme FY2017/2018.* President's Office Regional Administration and Local Government, United Republic of Tanzania. Dodoma: Tanzania Rural and Urban Roads Agency (TARURA).

TULab (Tanzania Urbanisation Laboratory). 2019. *Harnessing Urbanisation for Development: Roadmap for Tanzania's Urban Development Policy.* Paper for the Coalition for Urban Transitions. London and Washington, DC: New Climate Economy. http://newclimateeconomy.net/content/cities-working-papers.

Turpie, Jane, Timm Kroeger, Raffaele De Risi, Francesco de Paola, Gwyneth Letley, Katherine Forsythe, and Liz Day. 2017. *Return on Investment in Green Urban Development: Amelioration of Flood Risk in the Msimbazi River Catchment, Dar Es Salaam, Tanzania.* Promoting Green Urban Development in Africa. Washington, DC: World Bank.

UN-DESA. 2018. *World Urbanization Prospects:* The 2018 Revision. New York: United Nations Population Division, Department of Economic and Social Affairs, United Nations.

UN-DESA. 2019. *World Population Prospects:* The 2019 Revision. New York: United Nations Population Division, Department of Economic and Social Affairs, United Nations.

UN-Habitat. 2014. *The State of African Cities 2014:* Re-Imagining Sustainable Urban Transitions. Nairobi: United Nations Human Settlements Programme (UN-Habitat).

UN-Habitat. 2016. "Chapter 7: A City that Plans: Reinventing City Planning." In *World Cities Report 2016: Urbanization and Development – Emerging Futures.* Nairobi: United Nations Human Settlements Programme (UN-Habitat). https://wcr.unhabitat.org/wp-content/uploads/2017/03/Chapter7-WCR-2016.pdf.

USAID. 2020. *Tanzania Water Sector Assessment for Strategy Development.* Washington, DC: US Agency for International Development.

Venugopal, Varsha, and Serdar Yilmaz. 2010. "Decentralization in Tanzania: An Assessment of Local Government Discretion and Accountability." *Public Administration and Development* 30, no. 3 (August): 215–231. doi:10.1002/pad.556.

Vice President's Office. 2020. *Investment Guide on Waste Management in Tanzania.* The United Republic of Tanzania. Dodoma: Vice President's Office.

Wenban-Smith, Hugh. 2015. "Population Growth, Internal Migration, and Urbanization in Tanzania, 1967-2012: Phase 2 (Final Report)." IGC Working Paper C-40211-TZA-1, International Growth Centre (IGC), London School of Economics and Political Science, London, September 2015.

White, Roland, Jane Turpie, and Gwyneth Letley. 2017. *Greening Africa's Cities: Enhancing the Relationship between Urbanization, Environmental Assets, and Ecosystem Services.* Washington, DC: World Bank.

WHO. 2018. *Global Status Report on Road Safety.* WHO Geneva. https://www.who.int/publications/i/item/9789241565684.

World Bank. 1984. "Completion Report: Tanzania – First National Sites and Services Project." Report No. 4941. Eastern Africa Regional Office. Washington, DC: World Bank.

World Bank. 2006. *Local Government Taxation Reform in Tanzania: A Poverty and Social Impact Analysis (PSIA).* Report on Economic and Social Work. Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/8816.

World Bank. 2010. "Tanzania Strategic Cities Project – Project Appraisal Document." Washington, DC: World Bank.

World Bank. 2016. "Investment Prioritization for Climate-Resilient Livelihoods and Ecosystems in the Coastal Zones of Tanzania." Unpublished report.

World Bank. 2017. "Time is Money: Transforming Dar es Salaam's Road Transport to Reduce Dense Traffic." World Bank feature story, March 27, 2017. https://www.worldbank.org/en/news/feature/2017/03/27/time-is-money-transforming-dar-es-salaams-road-transport-to-reduce-dense-traffic.

World Bank. 2018a. "Urban Water and Sanitation in Tanzania: Remaining Challenges to Providing Safe, Reliable, and Affordable Services for All." Brief, WASH Poverty Diagnostic Series, World Bank, Washington, DC, March 2018. https://openknowledge.worldbank.org/handle/10986/29401.

World Bank. 2018b. *Tanzania – Dar es Salaam Metropolitan Development Project* (DMDP): BRT Phase 1 Corridor Development Strategy. Washington, DC: World Bank Group.

World Bank. 2019a. *Tanzania Mainland Poverty Assessment.* Washington, DC: World Bank.

World Bank. 2019b. *Transforming Agriculture – Realizing the Potential of Agriculture for Inclusive Growth and Poverty Reduction.* Tanzania Economic Update, December 2019. Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/32791.

World Bank. 2019c. Tanzania – Measuring Living Standards within Cities, Dar es Salaam (DAR-LSMS) 2014–2015. Ref. TZA_2014_DAR-LSMS_v01_M, Ver.2213551. Dataset downloaded on October 1, 2020. https://datacatalog.worldbank.org/dataset/tanzania-measuring-living-standards-within-cities-dar-es-salaam-2014-2015.

World Bank, ICF, and COWI. 2019d. *Strategic Assessment of the Climate Resistance of Dar es Salaam Transport Infrastructure.* Final Report, February 2019.

World Bank. 2020. *Doing Business.* Washington, DC: World Bank. doi:10.1596/978-1-4648-1440-2.

World Bank. 2021a. *Raising the Bar – Achieving Tanzania's Development Vision.* Tanzania Economic Update, February 2021. Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/35204.

World Bank. 2021b. *Tanzania Strategic Cities Project: Implementation Completion and Results Report.* Forthcoming.

World Bank. 2021c. World Development Indicators. World Bank DataBank. Washington, DC: World Bank.

World Bank. 2021d. *Zanzibar Urban Services Project: Implementation Completion and Results Report.* Forthcoming.

World Bank Group. 2014. *Tanzania: Productive Jobs Wanted (Vol. 2).* Report No. 90434v2. Country Economic Memorandum. Washington, DC: World Bank. http://documents.worldbank.org/curated/en/554601468312598716/Final-report.

World Bank Group. 2016a. *Promoting Green Urban Development in African Cities: Dar Es Salaam, Tanzania – Urban Environmental Profile.* Washington, DC: World Bank Group. https://openknowledge.worldbank.org/handle/10986/26676.

World Bank Group. 2016b. *Measuring Rural Access: Using New Technologies.* Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/25187.

World Bank Group. 2017a. *United Republic of Tanzania Systematic Country Diagnostic:* To the Next Level of Development. Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/26236.

World Bank Group. 2017b. *Tanzania Economic Update, November 2017: Managing Water Wisely.* Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/28867.

World Bank Group. 2019a. *Tanzania Economic Update, December 2019: Transforming Agriculture – Realizing the Potential of Agriculture for Inclusive Growth and Poverty Reduction.* Washington, DC: World Bank.

World Bank Group. 2019b. *Tanzania 2019 Country Environmental Analysis: Environmental Trends and Threats, and Pathways to Improved Sustainability.* 2019. Washington, DC: World Bank.

World Bank Group. 2019c. *The Msimbazi Opportunity: Transforming the Msimbazi Basin into a Beacon of Urban Resilience – Volume A: Strategy and Management Framework.* Washington, DC: World Bank Group. http://documents.worldbank.org/curated/en/694491555396781552/Volume-A-Strategy-and-Management-Framework.

Worrall, Leah, Sarah Colenbrander, Ian Palmer, Fortunata Makene, Desmond Mushi, Tausi Kida, Mussa Martine, and Nick Godfrey. 2017. "Better Urban Growth in Tanzania: Preliminary Exploration of the Opportunities and Challenges." Working paper, Coalition for Urban Transitions, The New Climate Economy, London, UK, and Washington, DC, August 2017. http://newclimateeconomy.net/content/cities-working-papers.

Photo by Chris Morgan as part of Ochoa et. al 2021.


WORLD BANK GROUP