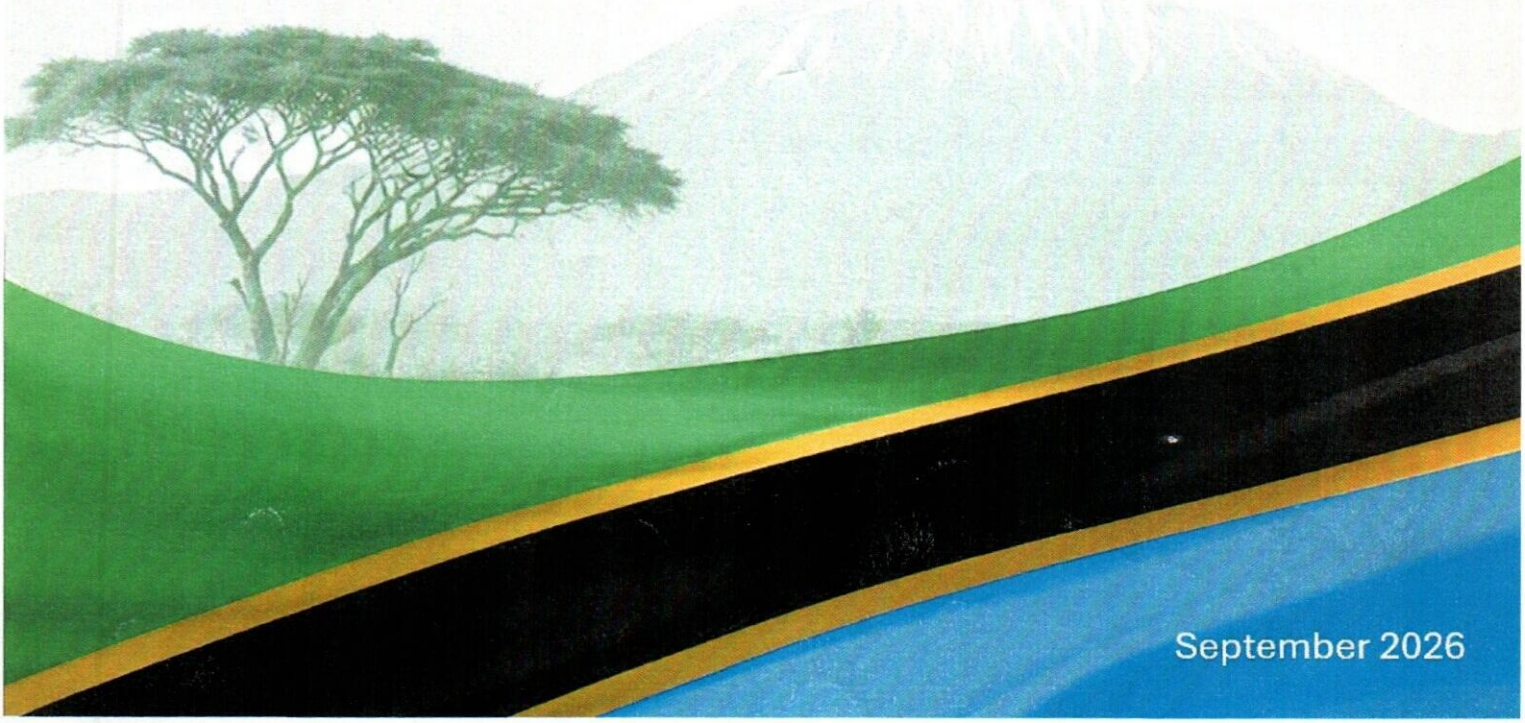
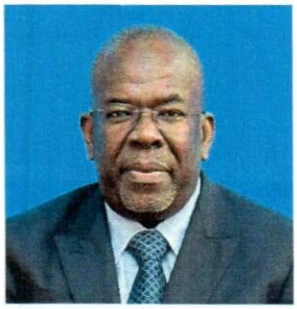
Sustainable Finance Framework

The United Republic of Tanzania



September 2026

FOREWORD



It is with great pleasure that I present this significant document, the Sustainable Finance Framework, on behalf of the United Republic of Tanzania (URT). Comprising Mainland Tanzania and Zanzibar, our nation is home to a population of 61,741,120 people, with 59,851,347 residents in Mainland Tanzania and 1,889,773 residing in Zanzibar, according to the 2022 Population and Housing Census.

Tanzania's development journey toward sustained economic transformation is guided by the Fourth Five-Year Development Plan (FYDP IV, 2026/27–2030/31), which marks the first implementation phase of the Development Vision 2050 (DIRA 2050). This long-term vision sets ambitious targets, including expanding the economy to USD 1 trillion, increasing per capita income to at least USD 7,000, and sustaining annual economic growth in the range of 8 to 10 percent. Achieving these aspirations will depend critically on the country's ability to effectively mobilize, allocate, and manage both domestic and international capital sustainably and efficiently.

The preceding Third Five-Year Development Plan (FYDP III), which concluded the implementation of the 15-year Long-Term Perspective Plan, laid a strong foundation for structural transformation and macroeconomic stability. Notably, Tanzania attained lower middle-income status in 2020, with Gross National Income (GNI) per capita reaching approximately USD 1,080, an important milestone in the realiation of the National Development Vision 2025.

While these accomplishments are commendable, they have not fully met our financial needs for the development projects outlined in our Five-Year Development Plans. Our reliance on traditional financing sources, including domestic revenue (tax and non-tax), donor funds, domestic and external borrowing, has proven inadequate to meet the growing demands for investment in critical socio-economic infrastructure.

In response to this challenge, the URT initiated the Alternative Project Financing Strategy (APF) in 2021 as a tool to explore and implement various financing instruments. This strategy, along with the development of the Sustainable Finance Framework, aims to broaden our access to both domestic and international financial markets. By issuing green, blue, social, infrastructure, and sustainability securities, we aim to mobilize more resources to accelerate our nation's development.

Further strengthening its engagement with global financial markets, Tanzania obtained sovereign credit ratings in 2023 from Moody's Investors Service and Fitch Ratings. In 2026, these ratings were reaffirmed and improved, with Fitch assigning a B+ rating and Moody's assigning a B1 rating, both with a positive outlook. These assessments underscore Tanzania's sound macroeconomic fundamentals, improving fiscal position, and resilient growth prospects, thereby enhancing investor confidence and reinforcing the country's competitiveness in sustainable finance markets.

I would like to express my gratitude to all stakeholders, including Standard Chartered Bank for its contribution in preparing this framework. Your support has been invaluable, and I sincerely thank you for your unwavering dedication.

This Sustainable Finance Framework represents a significant step in our journey towards a sustainable and prosperous future for the United Republic of Tanzania. It is a testament to our commitment to achieving the goals set out in our national vision and driving our nation forward.

Hon. Ambassador Khamis Mussa Omar
MINISTER FOR FINANCE

ACKNOWLEDGEMENT



I would like to extend my heartfelt appreciation to all the stakeholders who played a pivotal role in the successful preparation of this vital document, the Sustainable Finance Framework. This framework is instrumental in guiding the issuance of Sustainable Finance Instruments aimed at financing critical development projects in the country. The collaborative efforts of these stakeholders were instrumental in transforming consultations and engagements into a tangible, user-friendly resource.

I offer my sincere thanks to the various financial sector regulatory authorities and partners who made invaluable technical contributions and provided unwavering support throughout this process. These esteemed entities include the Vice President's Office, President's Office-Planning Commission, Ministry of Agriculture, Ministry of Livestock and Fisheries, Ministry of Energy, Ministry of Minerals, Ministry of Health and National Environment Management Council.

I would also like to acknowledge the technical support offered by the Standard Chartered Bank, which greatly facilitated the document's preparation and review.

The successful development of this framework would not have been attainable without the guidance and support of key individuals. I extend my gratitude to His Excellency Ambassador Khamis Mussa Omar (MP), Minister for Finance, Hon. Dr. Juma Akil, and Minister of State in the Office of the President, Finance and Planning-Zanzibar.

Additionally, I express my sincere appreciation for the dedication and hard work of the task force team members coordinated by the Debt Management Division. Their patience and diligence were instrumental in consolidating various ideas and inputs, while providing invaluable technical insights that contributed to the development of the comprehensive Sustainable Finance Framework.

Mwamba

Dr. Natu E. Mwamba
PERMANENT SECRETARY-TREASURY

PART ONE: INTRODUCTION

1.1 Country context

The United Republic of Tanzania ("URT" or "Tanzania"), comprising Mainland Tanzania and Zanzibar, has a population of 61,741,120, with 59,851,347 residing in Mainland Tanzania and 1,889,773 in Zanzibar[1]. Tanzania's development trajectory is anchored in the Fourth Five-Year Development Plan (FYDP IV, 2026/27–2030/31) which is under development and represents the first implementation phase of Development Vision 2050[2] (DIRA 2050). Dira 2050 articulates Tanzania's long-term ambition to become a high-income, industrialised, and knowledge-driven economy by mid-century. The Vision sets out bold targets, including achieving a GDP of USD 1 trillion, increasing per capita income to at least USD 7,000, and sustaining annual economic growth of 8 to 10 per cent. The realisation of these objectives will depend critically on the effective mobilisation, strategic allocation, and sustainable management of both domestic and international capital to support national development priorities.

As the Third Five-Year Development Plan (FYDP III) ends in 2025/26, the last of the 15-year Long-Term Perspective Plan's implementation, it has successfully laid a solid foundation for realising the National Vision of transforming the Tanzanian economy into a middle-income, semi-industrialised state by 2025. This milestone was achieved following the attainment of gross national income per capita of approximately USD 1,080 in 2020. These positive developments, however, have not sufficiently translated into the large-scale mobilisation of financial resources required to finance development projects under the FYDPs. This shortfall is largely attributable to continued heavy reliance on traditional sources of financing, namely domestic revenue (tax and non-tax), development partner support, and domestic and external borrowing, which have increasingly proven inadequate in meeting the country's financing needs arising from heightened expenditure pressures for economic growth and development.

Moreover, access to external financing has become more constrained due to evolving global dynamics, including geopolitical tensions, tighter global financial conditions, heightened environmental and climate-related requirements, governance and sustainability considerations among investors and development partners. In response to these emerging challenges, the URT has established a Sustainable Finance Framework to guide the issuance of green, social, and sustainability instruments, with the objective of diversifying financing sources and broadening access to domestic and international capital markets in line with global sustainability standards.

Tanzania's economy has continued to improve and remain resilient despite prevailing global challenges, including elevated borrowing costs and heightened geopolitical tensions. The resilience has been underpinned by a range of measures implemented by the Government, notably the continued implementation of strategic and flagship projects particularly in energy and transport infrastructure; the commencement of electricity generation at the Julius Nyerere Hydropower Project; the operationalization of passenger services along the Dar es Salaam–Morogoro–Dodoma Standard Gauge Railway (SGR); increased credit to the private sector; the prudent conduct of monetary policy; favourable weather conditions that supported agricultural production; and sustained Government investment in social services, including education, health, water, and social protection.

[1] NBS data-Tanzania census 2022
[2] https://www.planning.go.tz/uploads/documents/en-1752762713-THE%20TANZANIA%20DEVELOPMENT%20VISION%202050.pdf

1.2 Regional and International Commitments

1.2.1 The United Republic of Tanzania Commitments to EAC and SADC

The URT, being a member of the East Africa Community (EAC) comprising eight countries, aspires to transform its economy to a modern and industrialized status that can sustainably generate sufficient outputs to satisfy both domestic and export markets and rapidly increase per capita incomes to improve the living standards of its people. The URT aligns with the objectives under the EAC Industrialization Policy (2012-2032) and its Strategy (2012-2032) to enhance industrial production and productivity and to accelerate the structural transformation of economies of the EAC region to enable sustainable wealth creation, improved incomes, and a higher standard of living for the Community.

The URT being a member of the Southern African Development Community (SADC), which is made up of 16 countries, set key milestones by ratifying the following protocols: Protocols on Forestry 2002; Protocol on Science, Technology, and Innovation 2008; Protocol on Gender and Development 2008; Protocol on Environmental Management for Sustainable Development 2014; and the SADC Regional Agricultural Policy (RAP) (2017- 2022). URT, in conformity with SADC protocols, upholds various benefits, including peace and stability, economic growth, infrastructure development, resource management, capacity building, and improved access to essential services by fostering cooperation and integration. These protocols contribute to the overall development and prosperity of the country.

1.2.2 The United Republic of Tanzania Commitments to International Agreements

The URT has signed several International Multilateral Environmental Agreements related to climate change, biodiversity conservation, chemicals, and waste management. Some of the agreements include: the United Nations Framework Convention on Climate Change (UNFCCC) 1992; the Paris Agreement on Climate Change (Paris Agreement) 2015; the Convention on Biological Diversity 1996; Basel Convention on Control of Transboundary Movement of Hazardous Waste and their Disposal 1992; the Kyoto Protocol 1997; the International Convention for the Prevention of Pollution from Ships (MARPOL) 1972, Copenhagen Declaration on Social Development; and the 2030 Agenda for Sustainable Development Goals.

1.2.3 The United Republic of Tanzania's Commitment to the Sustainable Development Goals (SDGs)

The URT demonstrates its commitment to the Sustainable Development Goals (SDGs) through the Dira 2050 which integrates the SDGs into national planning and financing frameworks to ensure inclusive and sustainable development. Dira 2050 promotes sustainable financing through domestic and external resource mobilisation, Public-Private Partnerships (PPPs), and innovative financing to support national and SDG priorities.

Tanzania's 2023 Voluntary National Review (VNR) report provides a review of SDGs implementation, including: ensuring availability and sustainable management of water and sanitation for all; ensuring access to affordable, reliable, sustainable, and modern energy for all; building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation; making cities and human settlements inclusive, safe, resilient and sustainable; and strengthening the means of implementation and revitalize the Global Partnership for Sustainable Development.

In general, there have been remarkable achievements in some goals and relatively moderate progress in others. Tanzania, like the rest of the world, continues to face challenges toward the implementation of the 2030 Agenda despite enormous efforts put in place. The VNR identified three key challenges for making progress towards the 2030 Agenda which include data, financing, and environmental challenges. The URT has put into place different strategic interventions to effectively address these

challenges including the development of Alternative Project Financing (APF) and this Framework.

The URT remains committed to enhancing efforts to mobilize more domestic and external resources to support planning, implementation, monitoring, and evaluation of the 2030 Agenda for SDGs. The URT reiterates its commitment to keep investing in and forging strong collaborations with all stakeholders in the spirit of partnership to further support the implementation of the 2030 Agenda.

1.3 The United Republic of Tanzania's Sustainability Commitments and Strategy

1.3.1 The Green Economy Commitments and Strategy

The URT has been coordinating environmentally sustainable policies, laws, strategies, and plans to comply with both current and new international commitments. These include the National Environment Policy (2021), which guides harmonized and coordinated environmental management to improve the welfare of present and future generations, and the National Energy Policy (2015), which, among others, emphasizes unlocking the country's untapped renewable energy potential to ensure sufficient and reliable energy access.

In addition to these policies, the URT has established legal frameworks to strengthen environmental governance. These include the Environmental Management Act Cap 191, Environment Management Act 2015 of Zanzibar, which ensures development projects comply with the national sustainability agenda, the Environmental Management (Control and Management of Carbon Trading) Regulations (2022), and the National Carbon Trading Guidelines (2022). Together, these frameworks provide a legal and regulatory foundation for advancing sustainable development.

To mainstream climate action into the national development agenda, the URT has adopted a wide range of strategies and plans. The Long-term Low Emission Development Vision (LT-LEDV) and accompanying Low-Emission Strategy (LT-LEDS) set the adaptation and mitigation targets to be achieved within a 20 to 30 years' time horizon. In line with this strategy, the short-term National Climate Change Response Strategy (2021-2026) is under review and comprises specific programs, policies and institutional responsibilities.

Energy efficiency has been prioritized through the National Energy Efficiency Strategy (NEES) (2024–2034)[3], which positions efficiency as a cornerstone of sustainable economic growth, energy security, and climate-resilient development. The NEES has eight key objectives:

1. Raise national awareness of energy efficiency through campaigns
2. Improve efficiency in electricity generation, transmission and distribution and electrical power quality
3. Enhance uptake of energy efficient clean cooking solutions
4. Enhance skills and capacities and increase research and development for energy efficiency in targeted sectors
5. Enhance energy efficiency in building design and appliance usage. This includes implementing Energy Efficiency Building Codes and Energy Performance Certification Scheme
6. Enhance energy-efficient solutions across various sectors
7. Enhance coordination of stakeholders, including a dedicated unit within the Ministry of Energy in

[3] https://www.nishati.go.tz/uploads/documents/en-1735027405-National%20Energy%20Efficiency%20Strategy%202024_2034-MOE.pdf

energy efficiency initiatives

8. Enhance financing mechanisms and incentives to cater for the development of energy efficiency in Tanzania through implementation of market-based instruments and financing incentives

Complementing these efforts, the National Renewable Energy Strategy (NRES) (2024–2034)[4] seeks to harness Tanzania's abundant renewable energy resources, including hydropower, solar, wind, geothermal, biomass, tidal and wave energy, as well as hydrogen to expand the share of renewables in the national energy mix and improve access to clean, affordable energy. As of December 2025, Tanzania's installed electricity capacity totaled approximately 4,873.74 MW, with hydropower accounting for about 55.8%, natural gas 39.4%, liquid fuels (diesel and heavy fuel oil) 2.1%, and other sources including biomass, solar, and imports making up roughly 2.7% of the total capacity.

The government has rolled out multiple initiatives which include results-based financing for small renewable energy mini grids with a focus on solar and hydro technologies, financing for small renewable energy developers through the Tanzania Investment Bank and financing of Sustainable Solar lantern to provide light for fishing in Lake Victoria or for students to study at night. The NRES has nine objectives:

1. Increase renewable energy contribution in the power generation mix
2. Enhance uptake of renewable energy application technologies in various sectors such as cooking, domestic water supply and agriculture
3. Enhance renewable energy data, information and monitoring systems
4. Strengthen policy frameworks for supporting renewable energy value chain development
5. Strengthen legal and regulatory frameworks for attracting and supporting investments in renewable energy
6. Strengthen institutional coordination and governance on renewable energy, including a one-stop centre for renewable energy development
7. Increase socio-economic benefits in the renewable energy value chain
8. Enhance renewable energy procurement and financing mechanisms
9. Promote environmental sustainability and climate change mitigation

The National Charcoal Strategy and Action Plan (2021-2031)[5] and the National Clean Cooking Strategy (NCCS) (2024–2034) further advance this agenda by setting a target of 80% household access to clean cooking solutions by 2034, marking a transformative shift away from reliance on traditional biomass fuels such as firewood and charcoal. According to the World Bank's 2023 Report, Tanzanians using clean cooking solutions increased to 6.9% in 2021 versus the global average of 71%. Fuels and technologies used for cooking include animal dung and plant residues, firewood, charcoal, kerosene, briquettes, bioethanol, LPG, natural gas, biogas, electricity, improved cookstoves and solar energy cookstoves. It is estimated that around 90% of households in the country rely on wood and charcoal as their primary cooking energy. The NCCS has ten objectives:

1. Increase public and institutional awareness of clean cooking solutions
2. Strengthen accessibility of raw materials and reliable infrastructure of clean cooking solutions
3. Reduce cost of clean cooking energy sources, appliances and efficient cook stoves

[4] https://www.nishati.go.tz/uploads/documents/en-1754048957-National%20Renewable%20Energy%20Strategy%202024%E2%80%932034.pdf
[5] https://www.tfcg.org/wp-content/uploads/2023/09/Tanzania-National-Charcoal-Strategy-and-Action-Plan-2021-to-2031.pdf

4. Develop, update and harmonise enabling policies, laws, regulations and guidelines to facilitate the adoption of clean cooking solutions
5. Promote investments in clean cooking
6. Build the capacity of implementers of clean cooking projects
7. Broaden the scope of research, inventions and innovations in technologies of cooking solutions
8. Incorporate HIV/AIDS issues in clean cooking initiatives
9. Incorporate gender equality issues in the clean cooking value chain
10. Strengthen good governance in clean cooking

1.3.2 Tanzania's Nationally Determined Contribution (NDC)

The URT submitted its updated NDC under the Paris Agreement in 2021 to the United Nations Framework Convention on Climate Change (UNFCCC). Tanzania will reduce greenhouse gas emissions economy-wide between 30-35% relative to the Business-As-Usual scenario by 2030. Its priority mitigation sectors are energy, transport, forestry and waste management. The URT is working on revising its NDC in 2026.

To translate these commitments into action, the URT developed the National Adaptation Plan (NAP 2025–2035)[6], which was submitted to the UNFCCC in January 2026. This plan is aligned with broader national development frameworks, including Dira 2050, which prioritizes environmental conservation, and the fourth FYDP, ensuring that climate action is integrated into the country's long-term development agenda. The NAP specific objectives are to:

1. Enhance adaptive capacity of communities, ecosystems and economic sectors to climate change impacts through targeted, inclusive and locally led adaptation actions
2. Integrate climate change adaptation into national, sectoral, and local development planning, policies and budgeting processes
3. Strengthen institutional and coordination mechanisms for climate adaptation
4. Mobilize and allocate financial, technological, and capacity-building resources for the implementation of prioritized adaptation actions
5. Reduce the adaptation deficit among vulnerable groups by systematically mainstreaming gender, disability, age and social inclusion into all adaptation actions

Additionally, the URT established National Climate Adaptation Compacts (NCAC), the latest version in 2023, whose main objective is to support the country in effectively adapting to the adverse effects of climate change, including reducing vulnerability to climate-related hazards. The NCAC built on the African Adaptation Initiative, which was mandated by African Heads of State in 2015 and launched at COP21 to scale up adaptation action in Africa. The NCAC converts NAP priorities into investment-ready projects, provides a financing strategy and engagement with investors, and helps attract large-scale adaptation finance.

1.3.3 Tanzania's commitment to food security, agriculture and the blue economy

Tanzania has established a National Food Reserve Agency (NFRA), under the Ministry of Agriculture with the purpose of guaranteeing national food security by addressing food shortages through procuring, reserving and releasing food stocks in the country. To achieve the goal, NFRA is mandated

[6] https://unfccc.int/sites/default/files/resource/NAP_UNITED%20REPUBLIC%20OF%20TANZANIA.pdf

to maintain sufficient food reserves for the country's needs; purchasing, storing and distributing food reserves to respond to disasters; and release food (staple grains) to reduce inflation in the country when needed. NFRA is a strategic instrument for food crops reserve and trade to address food insecurity in the country and Africa in general through sustainable and innovative food security systems.

Food security is anchored to a number of agricultural frameworks which include: the National Agriculture Policy, the Agricultural Sector Development Programme Phase II (ASDP II) and Agricultural Master Plan (2024-2050), which promote irrigation, mechanization, climate-smart agriculture, agro-processing, and value chain development. There is also the National Livestock Policy 2006 which currently has been reviewed to include Policy statements for Climate Smart Livestock Production Systems. In addition, the Tanzania Livestock Sector Transformation Plan (LSTP) 2022/23–2026/27 initiative aims to modernise the livestock industry, boosting productivity, and increasing household incomes through green and socio-economic development projects on: water and pasture; breed improvements; animal health and extension services. It focuses on improved breeds, better pasture/water, enhanced animal health services, and value addition to transform traditional, low-productivity systems into commercial enterprises.

Tanzania adopted the Blue Economy Policy and implementation strategy[7] in 2024 to enhance the implementation and management of Blue Economy activities in Tanzania. Tanzania ratified the United Nations Convention on the Law of the Sea in 1985 and enacted the Territorial Sea and Exclusive Economic Zone Act, Cap 238, which defines territorial waters extending up to 12 nautical miles and an Exclusive Economic Zone extending up to 200 nautical miles. In Tanzania, the Exclusive Economic Zone covers about 223,000 square kilometers, representing a significant area for the development of Blue Economy activities. Blue Economy activities refer to economic and social activities conducted in oceans, lakes, rivers, ponds and groundwater with due consideration of environmental conservation. This scope of blue economy is consistent with the African Union interpretation which includes both marine and freshwater. Tanzania has been implementing Blue Economy activities through relevant sectors which include Fisheries, Natural Resources; Tourism; Water; Irrigation; Energy; Transport; Mining; Investment; Industry; Trade; and Environmental Conservation.

Other sectoral policies that govern Blue Economy activities include the National Fisheries Policy[8] (2015) and the Fisheries Master Plan[9] (2021/2022 to 2036/37) which provide for sustainable development of the fisheries sector focusing on sustainable capture fisheries and aquaculture resources.

1.3.4 Socioeconomic Development Commitment and Strategies

URT has adopted a comprehensive and integrated set of national commitments and strategies to accelerate human development, reduce poverty which support long-term economic transformation in line with Dira 2050 and the Fourth Five-Year Development Plan (FYDP IV). These strategies, among others, includes:

Access to Electricity, Water, and Sanitation

Over the past decade, Tanzania has made substantial progress in expanding access to electricity. National access increased from about 15 percent in 2012 to 85.5 percent by 2025, although disparities persist between urban areas (above 70 percent) and rural communities (below 30 percent). To close these gaps, the Government implemented the National Rural Electrification Programme, combining grid expansion with off-grid renewable solutions. As a result, by 2025, all villages were electrified.

[7] Tanzania Blue Economy Policy and Implementation Strategy (https://www.vpo.go.tz/uploads/publications/sw-1762689469-Mkakati wa Utekelezaji wa Sera ya Uchumi wa Buluu ya Mwaka 2024 _27 Mei 2024.pdf)
[8] Tanzania National Fisheries Policy (2015) (https://faolex.fao.org/docs/pdf/tan168881.pdf)
[9] Tanzania Fisheries Master Plan (2021/2022 to 2036/37) (https://faolex.fao.org/docs/pdf/tan209310.pdf)

Further, the Water Sector Development Programme (WSDP) provides the national framework for universal access to clean water and sanitation. The program is implemented in three phases and since 2006, it has mobilized over USD 10 billion. The current Phase III (2022–2026) prioritizes climate-resilient water infrastructure, water quality management, improved service delivery, sanitation and hygiene promotion, and institutional strengthening to achieve nationwide access.

National Social Protection Policy

Tanzania has developed a National Social Protection Policy[10] (2023) to strengthen income security and resilience among vulnerable households. Social protection in Tanzania is segregated into two broad categories: non-contributory and contributory social protection.

Non-contributory programmes are provided to the poor and vulnerable, usually financed from public resources.

The Productive Social Safety Net (PSSN) under the Tanzania Social Action Fund III is a major social assistance programme targeting extremely poor households. The programme has three components: cash transfers, public works and livelihood enhancement. The PSSN was implemented in two phases, 2012-19 and 2020-25. Through the PSSN, extremely low-income households are provided with cash transfers which are contingent on families sending their children to school and using healthcare services. Other non-cash aid by the government includes disaster relief, food supplement programmes, school meal subsidies as well as school fee exemptions. The government also provides social welfare services aimed at addressing problems such as violence, abuse, discrimination and exploitation. Productive inclusion measures complement social assistance programmes, including promoting savings, livelihood training, grants and micro-credit for income-generating activities, agricultural input subsidies and public works projects.

Contributory programmes include pension schemes, employment injury schemes and health insurance.

Vulnerable households in Tanzania include low-income households which are determined by geographical, demographic and socio-economic factors such as area of residence, household composition and access to assets. In addition to household-level factors, individuals may face vulnerability to risks at different life cycle stages: children, children under 5, school-age children, adolescents and youth, working-age population, elderly, persons with disability and women.

Education, Health, and Housing

The Education Sector Development Plan (2021/22–2025/26)[11] aims to improve access, quality, and relevance of education through expanded infrastructure, teacher development, curriculum reform, digital learning, and skills aligned to industrialization.

The Government has enacted Universal Health Insurance Law Act No.13 and is implementing the Health Sector Strategic Plan V (HSSP V)[12] that guides Tanzania's path toward Universal Health Coverage, focusing on primary healthcare strengthening, health insurance expansion, essential medicines, disease prevention, and health system resilience.

Affordable housing is addressed through the National Housing Policy and implementation programmes led by the Tanzania Building Agency (TBA), focusing on low- and middle-income housing, urban

[10] Tanzania National Social Protection Policy (2023) (https://www.kazi.go.tz/uploads/documents/en-1773909671-National Social Protection Policy 2023.pdf)
[11] Education Sector Development Plan (2021/22 – 2025/26) (https://www.moe.go.tz/sites/default/files/ESDP%202025-26%20hadi%202029-30%20Final-%2026%20February%202025.pdf)
[12] Health Sector Strategic Plan V (https://mitu.or.tz/wp-content/uploads/2021/07/Tanzania-Health-Sector-Strategic-Plan-V-17-06-2021-Final-signed.pdf)

upgrading, and public–private partnerships.

Gender Equality and Empowerment of Women, Youth, Persons with Disabilities and Elders

The URT signed the Glasgow Women's Leadership Statement on Gender Equality and Climate Change at the UN Climate Change Conference in Glasgow (COP26) in 2021. The Statement demands that all climate-related initiatives address the unique consequences of age, gender, location, and disability and guarantee that women and girls participate in and take the lead in decision-making. The country also implements regional and international instruments for Gender Equality and Women's Empowerment (GEWE) which oblige the government to report progress towards achieving goals.

Social welfare services in Tanzania are preventive and protective measures aimed at addressing problems such as violence, abuse, discrimination and exploitation. They focus on vulnerable groups such as women, youths, persons with disabilities and the elderly.

Tanzania has developed a National Plan of Action to End Violence Against Women and Children 2024/25 - 2028/29 which encompassed a wide range of interventions in eight thematic areas: economic empowerment, norms and values, safe public spaces, parenting and family support, law enforcement, response and support services, safe schools and life skills and coordination. Under this plan, the various community and local-level committees for protecting women and children are integrated into unified committees for improved efficiency and effectiveness. Tanzania also provides protection and essential services such as healthcare and other care services for vulnerable elders.

In addition to social welfare services, productive inclusion measures are complementary and include promotion of savings, livelihood training, grants and micro-credit, agricultural input subsidies and public works projects. A women's development fund is managed to empower women economically through microcredit support. Local government agencies are required to set aside 10% of their budgets to promote livelihoods for women, youths and persons with disabilities.

PART TWO: SUSTAINABLE FINANCE FRAMEWORK

2.1 Introduction

Tanzania is highly vulnerable to the impacts of climate change, including droughts, floods and disruptions to agriculture and water resources which increases the likelihood of food insecurity and low income at the affected areas. The current FYDP IV adopts an innovative and resilient financing framework. Over five years, the Plan aims to mobilize USD 183 billion (TZS 477.7 trillion), with the private sector expected to contribute 70 percent. Private financing will be mobilized through a blended financing, mixing: Foreign Direct Investment (FDI), Public–Private Partnerships (PPPs), Domestic and Regional Capital Markets, Climate and Green Finance Mechanisms, Asset Recycling, Venture and Equity Capital, and Securitization and Commercial Investments by PSCs.

Given the financing requirements in relation to the existing traditional financing, a Sustainable Finance Framework for green and social projects is essential for Tanzania to effectively mobilize, allocate, and manage financial resources in support of its long-term development objectives. As the country pursues rapid economic growth, expanding infrastructure, and social transformation, it also faces increasing climate-related risks, environmental degradation, and social vulnerabilities. Therefore, this Sustainable Finance Framework provides a structured mechanism to balance economic development with environmental protection and social inclusion.

A Sustainable Finance Framework strengthens alignment between financial flows and national development strategies, including Dira 2050, the Five-Year Development Plans and the NDC. By integrating environmental, social, and governance considerations into financial decision-making, the framework supports policy coherence and reduces the risk of financing projects that undermine sustainability objectives or create future liabilities.

Furthermore, the Sustainable Finance Framework enhances investor confidence by improving governance, disclosure, and accountability. Clear standards for project selection, reporting, and impact assessment reduce risks and enable both domestic and international investors to assess the sustainability performance of financed projects. This is critical for expanding Tanzania's access to global capital markets and diversifying sources of development finance.

Therefore, the Sustainable Finance Framework is not only a financing tool but a strategic instrument for Tanzania's transition toward a resilient, inclusive, and low-carbon economy. It enables the country to unlock green and social investments at scale while safeguarding long-term economic, environmental, and social sustainability.

2.2 The United Republic of Tanzania Sustainable Finance Framework

The URT has established this Sustainable Finance Framework (the "Framework") under which the Ministry of Finance ("MOF"), acting on behalf of the URT, local government authorities or state-owned entities can issue Green, Social, Sustainability and other ESG thematic bonds, Sukuk, loans and other debt instruments (collectively "Sustainable Finance Instruments") in support of the URT's commitment to achieving the UN SDGs. Under the Framework, the URT can issue:

i. Green bonds, Sukuk, loans and other debt instruments where proceeds are used to finance and/or refinance projects under the Eligible Green Categories

ii. Social bonds, Sukuk, loans and other debt instruments where proceeds are used to finance and/or refinance projects under the Eligible Social categories

iii. Sustainability bonds, Sukuk, loans and other debt instruments where proceeds are used to

finance and/or refinance a combination of projects under the Eligible Green and Social Categories

iv. ESG thematic bonds, Sukuk, loans and other debt instruments where proceeds are used to finance and/or refinance projects under Eligible Green and Social categories. For Blue thematic issuances, the project criteria under this Framework will align with the International Finance Corporation ("IFC")'s Guidelines for Blue Finance 2025[13] and the URT will also take into consideration the ICMA Bonds to Finance the Sustainable Blue Economy ("SBE") 2023[14]

v. For Gender thematic issuances, the URT will take into consideration the ICMA Bonds to Bridge the Gender Gap Guidance[15]. For Nature thematic issuances, the URT will take into consideration the ICMA Sustainable Bonds for Nature 2025[16].

The Framework is aligned with the following Principles and Guidelines:

i. International Capital Market Association ("ICMA")'s Green Bond Principles ("GBP") 2025[17]; Social Bond Principles ("SBP") 2025[18]; Sustainability Bond Guidelines ("SBG's") 2021[19];

ii. Loan Market Association ("LMA") Green Loan Principles ("GLP") 2025[20] and/or LMA Social Loan Principles ("SLP") 2025[21].

The Framework is structured according to the 4 components of the above principles and Guidelines and recommendation regarding external review.

i. Use of Proceeds;

ii. Process for Project Evaluation and Selection;

iii. Management of Proceeds; and

iv. Reporting

[13] IFC's Guidelines for Blue Finance Version 2.0, September 2025 (https://www.ifc.org/content/dam/ifc/doc/2025/guidance-for-blue-finance-v2-0.pdf)
[14] ICMA Bonds to Finance the Sustainable Blue Economy – A Practitioner's Guide, September 2023 (https://www.icmagroup.org/assets/documents/Sustainable-finance/Bonds-to-Finance-the-Sustainable-Blue-Economy-a-Practitioners-Guide-September-2023.pdf)
[15] ICMA Bonds to Bridge the Gender Gap https://www.icmagroup.org/assets/documents/Sustainable-finance/ICMAUN-WomenIFC-Bonds-to-Bridge-the-Gender-Gap-A-Practitioners-Guide-to-Using-Sustainable-Debt-for-Gender-Equality-November-2021.pdf
[16] ICMA Sustainable Bonds for Nature – A Practitioner's Guide, June 2025 https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Sustainable-Bonds-for-Nature-A-Practitioners-Guide-June-2025.pdf
[17] ICMA Green Bond Principles, June 2025 (https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf)
[18] ICMA Social Bond Principles, June 2025 (https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Social-Bond-Principles-SBP-June-2025.pdf)
[19] ICMA Sustainability Bond Guidelines, June 2021 (https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf)
[20] LMA Green Loan Principles, March 2025 (https://www.lma.eu.com/application/files/1917/4298/0817/Green_Loan_Principles_-_26_March_2025.pdf)
[21] LMA Social Loan Principles, March 2025 (https://www.lma.eu.com/application/files/1317/4307/3886/Social_Loan_Principles_-_26_March_2025.pdf)

PART THREE: THE SUSTAINABLE FINANCE FRAMEWORK COMPONENTS

3.1 Use of Proceeds

The issuer will allocate an amount at least equivalent to the net proceeds of the Sustainable Finance Instruments to finance and/or refinance, in whole or in part, new or existing eligible Green and/or Social Projects ("Eligible Projects") as defined in Sections **3.1.1** and **3.1.2** below.

Eligible Green Projects and/or Eligible Social Projects could include direct or indirect capital expenditures, fiscal expenditures, subsidies, operating expenditures, and intangible assets such as research and innovation, human capital, training, incentive mechanisms or tax forgone (or a combination of these expenditures).

Eligible Projects are limited to expenditures ("Eligible Expenditures") that occurred no earlier than the three fiscal years prior to issuance (i.e. look back period) or the two fiscal years from issuance (i.e. look forward period).

Eligible Expenditures may include disbursements to any sectoral ministries, local government authorities, state-owned entities or indirectly to privately owned entities through sectoral ministries, but any projects earmarked for the disbursements will not be counted as eligible projects by those entities should they participate in the capital markets to issue Sustainable Finance Instruments.

Eligible projects co-financed by other stakeholders will be prorated for the URT's share only. Projects previously financed by other multilateral financial institutions will be excluded to avoid the double counting of environmental or social impact.

3.1.1 Eligible Green Projects

Project Category	Project Criteria	Contribution to UN SDGs
Environmentally Sustainable Management of Natural Living Resources and Land Use **Objective:** **Sustainable land management and conservation of natural resources**	a) Sustainable and climate smart agricultural solutions such as water precision technologies; irrigation schemes; rainwater harvesting systems; post-harvest technologies; soil regeneration; usage of climate adapted crops; crop rotation b) Sustainable agriculture projects certified under third party schemes such as Bonsucro (Better Sugarcane Initiative), Round Table on Responsible Soy (RTRS) Standard, Roundtable on Sustainable Palm Oil (RSPO) and equivalent standards c) Projects that use nature-based solutions to improve energy efficiency through avoided energy use for cooling and traditional stormwater capture and treatment (e.g. green roofs and facades, constructed wetlands for stormwater or wastewater purification) d) Projects that prevent, reduce or substitute harmful chemicals to biodiversity in soil and water (e.g. reduction in use of agrochemicals, alternative biological and mechanical pest-control methods, organic fertilisers) e) Projects that use natural infrastructure to complement or displace grey infrastructure to prevent or remove pollutants	 

	from soil and water f) Sustainable livestock farming such as rotational grazing and land management, silvopastoral agroforestry systems to combine tree growing with production of feedstock, feedstock optimization to reduce methane emissions, enhanced manure management systems by using anaerobic digesters to produce biogas g) Afforestation, restoration and rehabilitation of degraded forests land as identified through IUCN methodology (Restoration Opportunity Methodology (ROAM)) or certified under third party schemes such as the Forest Stewardship Council (FSC), Programme for Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI) h) Landscape restoration in degraded land and degraded ecosystems through natural regeneration, tree nurseries, agroforestry, afforestation, and gully rehabilitation i) Establishment of protective buffer zones that produce agroforestry or forestry commodities that displace products from illegal deforestation and reduce pressures on natural forests (e.g. managed plantations) j) Sustainable management of invasive species, animal pests and disease prevention and control k) R&D on sustainable forestry practices to enhance resilience of forests and communities to climate change and sustainable agriculture technologies	
Terrestrial and Aquatic Biodiversity Conservation **Objective:** **Biodiversity Conservation**	a) Conservation and restoration of terrestrial, marine and coastal ecosystems, habitats and biodiversity such as wildlife, megafauna and endangered or threatened species e.g, seagrass beds, coral reefs and mangrove forests b) Sustainable collection of excess natural organic (plant) or aquatic and marine origin (such as seaweed) and convert them into new sustainable products or substances with alternative use and value without disrupting the local ecosystems c) Sustainable cultivation of bivalves for algae and nutrient removal in eutrophic coastal waters d) Sustainable production of algae and other marine micro or macro-organisms to produce food, feed, pharmaceuticals, cosmetics or other bio-based products through biotechnological applications e) Projects supporting at least 20% reduction per unit of product or replacement of phosphate-based or nitrogen-based synthetic fertilizers with sustainable and biodegradable alternative fertilizers and supplements, in areas connected to rivers or coastal water basins f) Cold chain and storage for small and medium-sized fishing in areas with sustainable fishing quotas g) Integration of ballast water treatment in shipping vessels to	 

	comply with the International Convention for the Control and Management of Ships' Ballast Water and Sediments to avoid the spread of invasive alien species h) Biodiversity conservation in harbour areas such as habitat restoration, invasive species management, ecological protection, rehabilitation and conservation, artificial habitat deployment i) Conservation, restoration and protection of coastal, marine and watershed environment as well as ecosystems, including the establishment and maintenance of no-take zones (NTZ), Marine Protected Areas (MPAs) and Other Effective Area-Based Conservation Measures (OECMs) for coastal conservation and marine habitat protection and restoration j) Enhancement of sustainable Terrestrial Aquaculture certified under third party schemes such as the Aquaculture Stewardship Council (ASC), Marine Stewardship Council (MSC), Best Seafood Practices (BSP), Best Aquaculture Practices (BAP) with two stars or higher, Aquaculture Development certified under Global G.A.P. and equivalent standards k) Nature based freshwater and marine visitor centres, certificates and/or programs showcasing the environment and biodiversity l) Licensed certified sustainable tourism in areas close to a water body and coastal regions with inclusive livelihood elements and business opportunities, such as resorts, hotels, boat operators, sailing schools and diving centres (areas that border a coastline or areas with at least 50% of their surface within 50 km from the coastline or have or are within 50 km from rivers and lakes into which all nearby surface run-off flows) m) Information systems, technology, and instruments deployed for monitoring, measuring, tracking, and reporting physical and chemical indicators of the water body to achieve sustainable fishery and aquaculture management (e.g. drones, autonomous underwater vehicles, ocean buoys) *Exclude financing of hotels, resorts and aquatic transportation*	
Renewable Energy **Objective:** **Climate Change Mitigation**	a) Solar Photovoltaic (PV), floating PV, thermal heating and CSP (with minimum 85% of the electricity derived from solar energy sources) b) Onshore and offshore wind c) Hydropower (medium, small and micro) with lifecycle GHG emissions intensity not exceeding 250gCO2e/kWh d) Bioenergy which delivers at least a 65% reduction in lifecycle GHG emissions versus fossil fuel alternative and sourced from waste residues or non-waste sustainable feedstock by third party schemes such as Forest Stewardship Council (FSC), Programme for Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI), Bonsucro	 

	(Better Sugarcane Initiative), Round Table on Responsible Soy (RTRS) Standard, Roundtable on Sustainable Palm Oil (RSPO) and equivalent standards e) Geothermal with direct emissions intensity less than 100gCO_2e/kWh f) Wave, tidal and ocean energy g) Integration of renewable energy into the transmission and distribution networks. Related investments in power grid, smart grids and smart meters h) Renewable energy storage solutions including battery storage	
Green Buildings **Objective:** **Climate Change Mitigation**	a) Construction of new buildings or refurbishment to existing buildings with the following green building certification schemes • LEED min Gold • Africa Green Star min 5 Stars • BREEAM min Excellent • IFC Edge min Certified • HQE min Excellent b) Renovation of existing buildings which lead to an improvement in their energy efficiency by at least 30% c) Indoor Environment Quality: Ensuring healthy space with good ventilation, filtration, thermal comfort, daylight and non-toxic materials d) Sustainable Materials & Resources: Using recycled, renewable, local and sustainably sourced materials certified by a third party and minimizing construction waste e) Projects pertaining to natural infrastructure to materially improve resource efficiency, resilience and additional biodiversity benefits (e.g. green roofs and facades, rain gardens) f) Installation or maintenance of specific energy-efficient technologies and products for buildings and appliances such as roof or wall or floor insulation, more efficient heating, ventilation and air conditioning systems, LED lights and televisions	
Energy Efficiency **Objective:** **Climate Change Mitigation**	a) Technologies and products to increase operational energy efficiency or reduce GHG emissions by 20% (excluding activities associated with hard-to-abate and carbon-intensive sectors) b) R&D projects on energy efficiency solutions across various sectors as part of Tanzania's National Energy Efficiency Strategy	

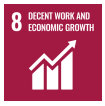
Sustainable Water and Wastewater Management **Objective:** **Sustainable water and wastewater management (including water resource conservation and improved water quality)**	a) Construction, upgrades, renovations or improvements of water infrastructure to reduce water loss or leakage by at least 10% compared to a baseline b) Construction, upgrades, renovations or improvements of the treatment of wastewater, including sewer systems and pumping stations c) Wastewater reuse projects that demonstrate a reduction in water abstraction or contamination of water bodies d) Projects and R&D related to increasing water-use efficiency, such as water recycling and reuse projects, rainwater harvesting, water saving systems and smart water metering e) Construction, maintenance, procurement and R&D for desalination plants running on reverse osmosis technology with a carbon intensity of less than 100gCO2e/kWh over the residual asset life. The assets will be partially powered by renewable energy	
Pollution Prevention and Control **Objective:** **Resource conservation and efficiency**	a) Construction of integrated waste management facilities, pre-treatment facilities such as material recovery facilities (50% for the proportion of weight converted by the material recovery facilities into secondary raw materials), and transfer stations (exclude new or expansion of existing landfills) b) Waste reduction, recovery, sorting, recycling, and composting facilities in accordance with the best available techniques and in line with Tanzania's waste hierarchy and National Solid Waste Management Strategy c) Projects related to reducing air pollutants including carbon capture, utilization and storage or direct air carbon capture. Minimum 90% capture rate as verified by an independent party. Carbon storage will need to comply with the requirements and recommendations of ISO 27914:2017 for geological storage of CO_2 as verified by an independent party. CO2 captured must not be used for enhanced oil recovery and the production of other forms of CO_2 based synthetic fuels d) Construction of biogas Infrastructure (Waste-to-energy facilities for the generation of electricity and/or heat subject to: • Municipal solid waste is source segregated • Plant efficiency >= 25% • Bottom ash recovery >= 75% and recovery of metal from ash • Company with the relevant national regulations and emission standards based on the location of the plant e) Drainage and flood management systems to prevent plastics, chemicals or pollutants from reaching water runoff in areas close to a water body f) Biodegradable plant-based plastics and packaging or compostable plastics and packaging g) Plastics collection and recycling facilities, substitution of	

	plastics packaging with sustainable and biodegradable materials, and reusing or repurposing of plastics in areas close to a water body h) Projects to reduce operational discharges on vessels into seawater (oil, waste, ballast water, chemicals) which could lead to marine ecosystem degradation or biodiversity loss	
Clean Transportation **Objective:** **Climate Change Mitigation**	a) Zero tailpipe emission passenger, freight and public transportation, related infrastructure and R&D b) Electrified railway, related infrastructure and R&D c) Non-motorised forms of transportation (cycling lanes, walking lanes and similar infrastructure) d) Electric vessels and wind powered vessels including charging infrastructure such as electric shore power facilities e) Integration of renewable energy to supply cleaner energy to the port subject to the eligibility criteria under the renewable energy category f) Purchase and maintenance of electrified transportation including automated guided vehicles, electric forklifts, electric cranes, electric container reach stackers, electric loaders, rubber tired gantry cranes g) Transportation of fossil fuels is excluded	
Climate Change Adaptation **Objective:** **Climate Change Adaptation**	a) Projects related to increasing ecosystem resilience, including measures and R&D to address: • Droughts, floods, desertification, rising sea levels, forest fires, torrential rains, earthquakes and other extreme weather events • Epidemics, pests, loss of biodiversity and ecosystems services resulting from global temperature increase b) Projects and R&D that conserve, restore or engineer habitats to increase resilience to storms, droughts, floods, urban heat or other natural climate driven disasters, and provide infrastructure-type services to reduce soil erosion, increase coastal resilience c) Early warning and disaster management system d) Rehabilitation of beaches or landslide prevention projects along the edge of water bodies e) Promotion of nature-based solutions in coastal Local Government Associations communities under threat from sea water level rise	

Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Product **Objective:** **Circular Economy**	a) Products and packaging which can be recycled or composted or reused or are biodegradable plant based and their related production processes (exclude hazardous waste) b) Products and packaging which increase the portion of recycled materials to at least 30% to reduce reliance on virgin materials, and their related production processes (exclude hazardous waste) c) Projects and related production processes which use materials from sustainable feedstock that needs to comply with third party certifications such as the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Roundtable on Responsible Soy (RTRS), Bonsucro (Better Sugarcane Initiative), Roundtable on Sustainable Biomaterials (RSB), International Sustainability, Carbon Certification (ISCC), ISO frameworks for certifying biobased and biodegradable content, and other equivalent standards or waste materials segregated at source (excludes hazardous waste) d) Exclude activities associated with hard-to-abate and carbon intensive sectors	

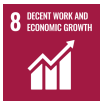
3.1.2 Eligible Social Projects

Project Category	Project Criteria	Contribution to UN SDGs
Socioeconomic Advancement and Empowerment	a) Projects to reduce gender inequality, prevent gender-based violence, and promote women's economic participation b) Social protection and empowerment targeting children, persons with disabilities, elderly persons, and households exposed to extreme poverty c) Child focused socio-economic support programs, including child development and protection services, prevention of child labour, and nutrition support for vulnerable children d) Youth economic empowerment initiatives focusing on skills development, Vocational Education and Training, entrepreneurship, employability, and productivity enhancement e) Financial inclusion initiatives expanding access to affordable financial services, including savings, credit, insurance, and digital financial services for underserved populations f) Targeted social assistance and cash transfer programs designed to cushion vulnerable households against economic shocks, health crises, and climate-related events **Target population:** Children, women, youth, persons with disabilities, elderly persons, informal sector workers, and low-income individuals living below the national poverty line	  

Affordable Basic Infrastructure	a) Expenditures, subsidies, tax incentives, reduced interest financing and grants related to: production, deployment or purchase of clean cook stoves, training on clean cooking, Research and Development related to clean cooking solutions. The type of clean cooking solutions includes LPG, biogas, bioethanol, electric and solar cookstoves b) Construction and maintenance of water, roads and telecommunication network infrastructures in rural or underserved areas c) Construction of electricity transmission and distribution network in rural areas d) Improvement of efficiency in electricity transmission and distribution network to reduce losses e) Subsidy programmes for basic utilities for low-income households **Target Population:** General Public, low-income households[22], households which meet the eligibility criteria for the national subsidy programmes, rural or underserved areas[23]	
Affordable Housing	a) Construction, maintenance or renovation of social housing units through government affordable housing programs b) Construction of temporary low-cost shelter for emergency housing solutions **Target Population:** Households and persons who meet the eligibility criteria of the affordable housing programs	
Employment Generation, and Programs designed to prevent and/or Alleviate Unemployment	a) Direct job creation for youth, women and persons with disabilities b) Employment-linked skills development, apprenticeships, internships, and certification programmes aligned with labour market demand c) Projects related to support start-ups Micro, Small and Medium-Sized Enterprises (MSME)[24] that demonstrate clear job creation potential d) Women owned businesses (at least 51% owned) e) Formalization and productivity upgrading of informal sector	

[22] Low-income households must fall below the national poverty line or food poverty line. This determination is usually conducted through community-based targeting and household means-testing such as low or unstable income, lack of productive assets, food insecurity or poor housing conditions.
[23] Rural or underserved area is defined as a geographical area located outside cities and towns, characterised by low population density, small settlements and commonly, agricultural or natural landscapes. Often called "the countryside," these areas feature open spaces, fewer services and a slower pace of life as compared to urban environments.
[24] According to the URT's SME Development Policy (2003), microenterprises are defined as those with up to four employees and capital investment of up to Tanzanian shilling (TSh) 5 million (approximately $2,100); small enterprises as those with 5-49 employees and capital of TSh 5 million-TSh 200 million ($2,100-$85,000); and midsize enterprises as those with 50-99 employees and capital of TSh 200 million-TSh 800 million ($85,000-$340,000).

	workers to transition into sustainable and decent employment f) Labor intensive and local value chain employment in priority sector such as agriculture, construction and manufacturing, tourism and service g) Projects related to an emergency response to a crisis to alleviate unemployment and/or provide financial support for individuals and businesses **Target Population:** MSMEs, Unemployed persons or businesses facing business disruption due to crisis, youths, elderly, women, people with disabilities	
Access to Essential Services	**Health and wellbeing** Project supporting or promoting public or subsidised hospitals, clinics and healthcare services: a) Preventive services for infectious and non-infectious diseases and curative services b) Health infrastructure construction, improvements and health equipment installation in health facilities c) Installation and improvements of national diagnostic services at national, regional and sub-nationals d) Access to health services for vulnerable groups, maternal and child health care at national, regional and sub-national levels e) Skills development, apprenticeships, internships, and certification programmes for health personnel and healthcare workers **Education** Project supporting or promoting public or subsidized schools, training centres and other related infrastructure or facilities: a) Education infrastructure and safe learning environments b) Skills development, Technical and vocational education and training (TVET), workforce readiness innovation hubs aligned to labour market needs c) Digital, STEM and innovation learning, including ICT infrastructure, digital classrooms, e-learning platforms, STEM laboratories and assistive learning technologies d) Inclusive access and learner support, including early childhood education, scholarships, school feeding, disability-inclusive education and gender equity programs **Disaster response and recovery** a) Evacuation shelters, suppliers of essential goods and medicines, reconstruction of basic infrastructure, financial support for retail and commercial activities temporarily	 

	disrupted by the disasters, temporary housing and financial support for displaced persons **Target Population:** General public	
Food Security and Sustainable Food Systems	a) Projects to improve climate resilience and sustainability in the production of crop, livestock and fisheries b) Access to financing for agricultural value chains for smallholder farmers and small-scale fisheries c) Upskilling and training for persons working in the smallholder farms, small-scale fisheries d) Access to agricultural post-harvest handling technologies in crops, livestock and fisheries for smallholder farms e) Project that supports sustainable/alternative/income generation in rural areas such apiculture, fish cages and aquaculture f) Investments in infrastructure or facilities to reduce food loss, reduce and recover food waste (exclude waste to energy) g) Emergency relief to ensure access to sufficient food after a natural disaster h) Investments to rebuild agriculture value chains and improve resilience of crops to climate change after a climate driven disaster **Target Population:** Smallholder farms[25], Small scale fisheries[26], populations in rural areas[27], general populations	 

[25] Smallholder farms are typically family farmers managing land up to 10 hectares (FAO).
[26] Small scale fisheries are traditional fisheries involving fishing households as opposed to commercial companies, using relatively small amount of capital and energy, relatively small fishing vessels (if any), making short fishing trips, close to shore and mainly for local consumption (FAO).
[27] Rural or underserved area is defined as a geographical area located outside cities and towns, characterised by low population density, small settlements and commonly, agricultural or natural landscapes. Often called “the countryside,” these areas feature open spaces, fewer services and a slower pace of life as compared to urban environments.

3.2 Exclusions

To avoid ambiguity, any expenditure related to the following activities will not be eligible under this framework as Eligible Expenditure.

a) Deforestation and degradation of Biodiversity activities
b) Manufacture and production of alcoholic beverages.
c) Any project having a connection with fossil fuels (energy production based on oil or natural gas, extraction as well as storage and transport dedicated to fossil fuels
d) Military contracting.
e) Gambling.
f) Weaponry.
g) Manufacture and production of tobacco products.
h) Nuclear energy.
i) Activities involving exploitation of human rights (modern slavery and child labour)
j) Production or commercialization of any product or activity considered illegal under national or international laws or regulations, conventions, and agreements ratified by Tanzania,
k) Any project or activity that directly or indirectly violates the rights of the people in the local communities.

3.3 Process for Project Evaluation and Selection

The process for project evaluation and selection under this Framework shall be governed under the Public Investment Management Guidelines (PIMG) and fully integrated into the National Public Investment Management Information System (NPMIS) under the National Planning Commission (NPC).

Through the process, the project implementing agencies (Sector Ministries, Local Government or Government agencies) will identify or collaborate with private entities to identify and propose projects within their respective sectors and ensure any Eligible Projects financed are aligned with the eligibility criteria outlined in this Framework. All proposed projects shall be registered in NPMIS and supported by the requisite documentation prescribed under the PIMG.

Moreover, implementing agencies shall assess any known material risks of negative environmental and/or social impacts to ensure that while an environmental and/or social objective is achieved, it will not negatively impact other material environmental and/or social objectives when submitting these documents to NPC. The Eligible Projects shall require certification by the National Environment Management Council (NEMC). All Eligible Projects require an Environmental Impact Assessment issued by the NEMC.

The NPC shall serve as the technical gatekeeper for all Eligible Projects through its Technical and Executive Teams. In this role, the NPC shall confirm, inter alia, alignment with national development priorities, compliance with climate and social screening requirements, environmental and social regulations, safeguards, and procurement standards, economic and financial viability, fiscal affordability, implementation capacity, and overall readiness for implementation.

Only Eligible Projects that have been prioritized and approved by the NPC shall be submitted to the MOF for financing consideration. Such consideration and approval shall be undertaken in accordance

with the Budget Act, Cap. 439; the Loans, Guarantees and Grants Act, Cap. 134; and the Annual Plan and Financing (APF) Strategy.

Furthermore, the MOF in consultation with the NPC shall exclude or replace Eligible Projects in the Asset Register if they no longer meet the eligibility criteria, review allocation of net proceeds to Eligible Projects and determine if any changes are necessary on an annual basis.

3.4 Management of Proceeds

URT will deposit the net proceeds of Sustainable Finance Instruments in a Consolidated Fund and earmarked for allocation in a Sustainable Finance Register. In the case of Green, Social or Sustainable loans, if the loan consists of one or more tranches, each tranche applicable to Eligible Expenditures will be clearly labelled. Net proceeds or equivalent amount pertaining to the specified tranches will be earmarked for allocation in the Sustainable Finance Register and tracked by URT.

The net proceeds will be allocated to Eligible Expenditures in accordance with the eligibility criteria and project evaluation and selection process of the Framework.

Tanzania will over time, achieve a level of allocation for Eligible Expenditures that matches or exceeds the balance of net proceeds from outstanding Sustainable Finance Instruments. During the life of the Sustainable Finance Instruments, if the designated Eligible Expenditures cease to comply with the eligibility criteria or are withdrawn, the net proceeds will be re-allocated to other Eligible Expenditures as soon as reasonably practicable and, in any case, within 12 months.

URT will commit to, on a best effort basis, allocate net proceeds from the Sustainable Finance Instruments to Eligible Expenditures in accordance with the implementation schedule of the project.

Pending full allocation of the net proceeds, any unallocated funds will be held in cash and cash equivalents and managed per the MoF's general cash management policies. For the avoidance of doubt, unallocated proceeds will not be allocated to greenhouse gas intensive or controversial activities as per the exclusion criteria of the Framework.

3.5 Reporting

The URT will publish a report on the allocation of net proceeds and impact metrics within one year from issuance, and annually thereafter until full allocation of the net proceeds, and as necessary in the event of material developments. This report will be made available on the URT's website: https://www.mof.go.tz.

3.5.1 Allocation Reporting

The report will include where feasible:

i) The amount equal to the net proceeds allocated to eligible Green and Social projects.

ii) The total amount of Green, Social, Sustainable and other ESG thematic securities outstanding.

iii) The balance of unallocated proceeds.

iv) The amount or the percentage of new financing and refinancing and the geographical distribution of the projects.

v) A breakdown of allocated amounts to eligible Green and Social project categories and the relevant Institution responsible for the projects financed.

3.5.2 Impact Reporting

Impact reporting will include relevant SDG indicators whose attainment is supported by the selected underlying project. The impact report will be based on best market practices, particularly those defined by the ICMA Harmonized Framework for Impact Reporting. The reporting will be on a best-efforts basis, subject to the availability of relevant data on key impact metrics. The impact report will include, where feasible:

3.5.3 Impact Reporting Metrics

Project Categories	Reporting Indicator
Environmentally Sustainable Management of Natural Living Resources and Land Use	• Percentage increase in irrigated land size (ha) • Percentage increase in quantity of crops produced from sustainable agricultural activities • Increase in the amount of green space per capita (ha) • Amount of the protective agriculture field (ha) • Number of farms which practice sustainable livestock farming • Percentage increase of land restored or rehabilitated or certified under third party schemes (ha) • Percentage increase of protective buffer zones (ha)
Terrestrial and Aquatic Biodiversity Conservation	• Increase in number of previously threatened Marine and Aquatic organisms • Number of Indigenous species, flora, or fauna restored • Number of vessels with ballast water treatment • Number of aquaculture projects certified under third party schemes • Number of licensed certified sustainable tourism and marine visitor centres
Renewable Energy	• Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Annual renewable energy generation in MWh/GWh (electricity) • Share of renewable energy in total energy mix (%) • Number of households, businesses, or public facilities connected to renewable energy systems • Grid integration investments completed (e.g. km of transmission/distribution upgraded, number of smart meters installed)
Green Buildings	• Level of certification by property • Energy efficiency improvement (%) • Water savings achieved(m^3) • Estimated avoided GHG emissions (tCO2e) • Improvement in indoor air quality (IAQ) metrics • Percentage of recycled, renewable, or sustainably sourced materials used
Energy efficiency	• Percentage improvement in operational energy efficiency • Percentage reduction in GHG emissions • Number of energy-efficient technologies/products installed or upgraded

Sustainable Water Management and Wastewater Management	• Number of water treatment facilities built or upgraded • Amount (m3) or percentage of water recycled • Amount of water saved (m3)
Pollution Prevention and Control	• Waste prevented/minimized/reused/recycled (tonnes) • Annual GHG emissions reduced/avoided (tones of CO_2 equivalent • Waste that is prevented, minimized, reused, or recycled before and after the project in tons or in % of the total waste • Amount of waste reused or recycled in tons or in % of total waste
Clean Transportation	• Length and type of clean transportation infrastructure built • Annual GHG emissions reduced/avoided (tCO_2e) • Number of electrified vessels • Number of electrified transportations within the port
Climate Change Adaptation	• Reduction in repair costs due to natural disasters (storms, flood, wildfires etc.) • Area of beach rehabilitated (ha) • Reduced / avoided loss of livestock and/or crops
Circular Economy Adapted Products, Production Technologies, and Processes and/or Certified Eco-efficient Product	• Percentage increase in materials, components and products that are reusable, recyclable and/or certified compostable as a result of the project and/or in absolute amount (tonnes) • Number of projects which use materials from sustainable feedstock that needs to comply with third party certifications
Socioeconomic Advancement and Empowerment	• Number of people supported through economic empowerment programs • Number of beneficiaries of Gender Based Violence prevention and protection services • Number of vulnerable individuals and households reached with social protection interventions • Number of vulnerable children receiving comprehensive socio-economic support services • Percentage of youth beneficiaries who secure employment or self-employment • Number of underserved individuals accessing formal financial services (savings, credit, insurance, or digital finance) • Number of youths attending vocational training, skills, development and entrepreneurship programs
Affordable Basic Infrastructure	• Number of households that have access to clean and affordable energy • Number of household provided with adequate and equitable sanitation / clean water • Number of clean cookstoves deployed (LPG, biogas, bioethanol, electric, solar) • Kilometers of rural roads constructed or rehabilitated • Number of households or underserved communities connected to electricity and telecommunications infrastructure • Number of low-income households receiving utility subsidies • Number of social or affordable housing units constructed, renovated, or maintained

Affordable Housing	• Number of beneficiaries • Number of affordable housing units constructed • Number of emergency or temporary shelter units constructed
Employment Generation, and Programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance	• Number of new jobs created • Number of women supported • Number of beneficiaries • Number of start-ups and MSMEs supported through financing and technical assistance • Number of informal workers graduated into formal and decent employment
Access to Essential Services	• Number of health facilities constructed, renovated, or equipped • Number of functional diagnostic facilities upgraded or installed • Number of people accessing preventive and curative health services • Percentage increase in access to maternal and child, • Number of health care workers trained through the project • Percentage increase in population covered by improved health financing mechanisms • Number of education facilities constructed or rehabilitated • Number of beneficiaries from skills, TVET and workforce readiness programmers • Number of learners accessing digital, STEM, or ICT-enabled learning facilities • Number of scholarships or leaners support package provided
Food Security and Sustainable Food Systems	• Number of beneficiaries • Amount of food loss reduced or avoided (tonnes)

PART FOUR: EXTERNAL REVIEW

4.1 Second Part Opinion (SPO)

The URT will appoint S&P to assess this Framework and its alignment with the ICMA and LMA Principles and Guidelines. The Second Party Opinion will be made available on the URT's website: https://www.mof.go.tz.

4.2 Post-issuance Verification

The URT will appoint a third-party external verifier to verify the allocation of net proceeds to Eligible Projects in alignment with the Framework. The report will be made available on the URT's website: https://www.mof.go.tz.

PART FIVE: AMENDMENT OF THE FRAMEWORK

The URT will review this Framework when the need arises to ensure its alignment to updated versions of the principles and guidelines as and when they are released, aiming to adhere to market best practices. Such amendment may result in this Framework being updated and amended.

Any updated version of this Framework will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external reviewer. The revised Framework, if any, will be published on the Ministry responsible for Finance website and will replace this Framework.

In summary, reviewing a framework for sustainable projects is a proactive and adaptive process that helps governments stay current, effective, and accountable in their sustainability efforts. It ensures that sustainable projects continue to make a positive impact on the environment, society, and governance while responding to evolving challenges and opportunities