

# Partnership in prosperity

By **H.E. DIANNA MELROSE**

HIGH COMMISSIONER TO TANZANIA AND BRITISH REPRESENTATIVE TO THE EAC



**DIANNA MELROSE** has been High Commissioner to the United Republic of Tanzania since February 2013. Prior to the FCO, she was Oxfam GB's Policy Director. She served as Ambassador to Cuba between 2008 and 2012 and also as Head of the FCO Policy Planning Staff and as Head of the South East Europe and European Union Enlargement department. She was seconded from the FCO to the Department for International Development (DFID) to develop the Extractive Industries Transparency Initiative (EITI) from its beginning in 2002 and served as head of DFID's International Trade Department.

Tanzania is a country of great natural beauty, with a strategic location, fast growing economy (7 per cent in 2013) and population of around 51 million. It has the potential to become one of Africa's economic giants and one of the world's largest LNG exporters. In 2013 Tanzania attracted more than half of total FDI into the East African Community (EAC).

Since independence, Tanzania has been an oasis of inter-tribal and inter-religious peaceful co-existence and political stability in a conflict-ridden region – one of Tanzania's attractions to foreign business.

The UK is Tanzania's number one investor, accounting for 35 per cent of Foreign Direct Investment in 2013. According to the Tanzania Investment Centre, UK companies invested around US\$5.1bn in Tanzania between 1990 and 2013, creating 271,000 jobs – almost four times as many as any other investor. British businesses play an important role in major sectors, including energy, communications, banking, agriculture, construction and the nascent oil and gas sector.

UK investment is growing. BG Group and Ophir Energy are major players in gas exploration and development. BG alone has invested over \$1.5 billion and could invest many billions more in an LNG plant. Shell has exploration blocs off Zanzibar, with drilling operations on hold pending constitutional amendments to give Zanzibar control over its oil and gas.

The UK and Tanzania have warm bilateral relations and partnerships across a range of shared priorities. On March 31/April 1 this year, His Excellency President Kikwete made a highly successful Guest of Government visit to the UK, accompanied by a strong ministerial delegation. His meetings with the Prime Minister, Foreign Secretary, HRH Prince Andrew and the Lord Mayor of the City of London helped strengthen our bilateral cooperation. An Investment Forum at the Foreign & Commonwealth Office attracted a large number of UK companies. President Kikwete visited Aberdeen, the centre of the North Sea Oil & Gas Industry, where he saw UK expertise at first hand, and discussed the contribution that the Universities of Robert Gordon and Aberdeen could make in developing specialist skills in Tanzania.

The Minister for Africa visited Tanzania three times between March 2013 and July 2014, and Secretary of State for International Development Justine Greening

visited twice last year. Their visits took forward the UK/Tanzania High Level Prosperity Partnership launched in 2013. Our shared objectives are to increase UK/Tanzania trade and investment and promote accelerated and inclusive, private sector led growth. Our Prosperity Partnership focuses on four priorities: Oil and Gas, Agriculture, Renewable Energy and improving the Business Environment. The UK Energy and Climate Change minister visited Tanzania in April to promote investment in wind power and discuss the climate negotiations with the President.

This year the Prime Minister appointed Lord Clive Hollick as his Trade Envoy to Tanzania and Kenya. Lord Hollick's September visit is designed to help UK companies do business in Tanzania. The Lord Mayor of the City of London, Alderman Fiona Woolf is bringing a delegation from the UK financial services and related sectors in September. With Prime Minister Mizengo Pinda, she will launch a Public Private Partnership and Project Finance Master class by the Law Society of England & Wales, in partnership with the Law Society of Tanganyika. She will also see the Financial Sector Deepening Trust which receives UK support.

Tanzania has one of the UK Department for International Development (DFID)'s largest African country programmes. Our development budget for 2014/15 alone is £165 million, making the UK one of the largest bilateral donors to Tanzania. An independent review of donor support to the government's budget last year concluded that UK funding had enabled Tanzania to expand services, especially in education and roads throughout the country, helping to improve the lives of poor people and create livelihood opportunities.

DFID also works through civil society partners, international NGOs and multilaterals and has established a number of new programmes to support Tanzanian civil society organisations in improving the quality of education and holding government to account. Our overarching objective is to help Tanzania reduce poverty and become independent from aid through a shift to sustainable development that delivers jobs and raises rural incomes. In Tanzania, DFID is piloting innovative co-investments with the private sector, using returnable capital, for example to encourage investment in commercial agriculture that improves the yields and livelihoods of smallholders.

In 2013 we invited Tanzanian Agriculture Minister Christopher Chiza to visit the UK to alert potential UK investors to opportunities in agriculture and agro-processing, for example in fruit and vegetables, tea, cashew nuts and flowers. In the run up to the Gleneagles G8 Summit hosted by the UK, Tanzania was the only country to agree two new Transparency Partnerships with the G8 – one on Lands, the other the Extractives industry. DFID is working closely with the Lands Ministry and other partners to tackle some of the challenges, including lack of security of tenure or transparency over land ownership. This should help both villagers and development of more productive commercial agricultural.

FCO, DFID and UK Trade & Investment (UKTI) colleagues in Tanzania are working together to deliver the UK/Tanzania Prosperity Partnership objectives. Each is making its distinctive contribution through a ‘One HMG’ approach, working closely with the Tanzanian government, private sector and NGOs. We are doubling the size of UKTI Tanzania from two staff to four, and relocating UKTI’s East Africa Regional Manager to Dar es Salaam. Tanzania has an active British Business Group with around 210 members.

In July, the Minister for Africa launched Tanzania’s new British Business Chamber. These developments underline the growing importance of the Tanzanian market and UK companies’ interest in exploring opportunities, despite the challenges of doing business in Tanzania. The UK is committed to helping foster skills development and local content partnerships between UK and Tanzanian companies.

The British Council has a sizeable presence in Tanzania with a strong focus on improving English Language skills. President Nyerere succeeded in creating a sense of nationhood, uniting Tanzanians of different tribes, religions and ethnicity with a common language – Swahili. The downside of children being taught only in Swahili at primary school is that English language skills are weak compared to some neighbouring countries, putting Tanzania at a relative disadvantage competing in the global economy. The British Council has fostered some 300 school links between Tanzania and the UK, through which 30,000 teachers and 3,000 school leaders have been trained in 25 hubs around Tanzania.

There is also cooperation with Tanzania in the Arts and making sports more accessible to young people through the ‘International Inspiration’ London Olympics legacy programme. The UK is also creating opportunities for young Tanzanians to study abroad on scholarship programmes like the Chevening and Commonwealth Schemes, including in partnership with BG Group.

More widely, the UK National Crime Agency (NCA) and Crown Prosecution Service cooperate closely with their Tanzanian counterparts in building capacity to tackle organised crime, particularly heroin trafficking. Tanzania is being used by criminals as a transit hub for heroin from Asia that, if not intercepted, can find its way to dealers in the UK. Following training, Tanzanian agencies have successfully intercepted large quantities of heroin. A UK Criminal Justice Adviser based in Dar is working with the Tanzanian Judiciary to strengthen prosecutions skills.

Tanzania is one of the leading troop contributor countries to UN Peace Keeping operations, with forces currently deployed in Eastern DRC, Darfur and South Sudan. The British Armed Forces have been assisting the Tanzanian military with training. During the Guest of Government visit, the UK and Tanzanian Defence Ministers signed a Memorandum of Understanding to facilitate future training.

Despite the occasional friction in our bilateral relationship, for example over corruption, I am convinced that UK/Tanzanian relations will go from strength to strength. The UK is committed to achieving results with Tanzania on our shared partnership objectives.

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Climbing Kilimanjaro for charity is a popular activity for Britons in Tanzania

