



**MINUTES: 2ND TCEP SESSION – DIGITAL DEVELOPMENT IN TANZANIA
WEDNESDAY, NOVEMBER 10, 2021: 10AM – 12.30PM**

BACKGROUND: Following the launch of the inaugural Tanzanian Citizen Engagement Platform (TCEP) on May 28, 2021 the World Bank organized the second TCEP session on November 10, 2021 which focused on Digital Development in Tanzania. The TCEP aims to enhance World Bank-Government-CSO engagement and country development effectiveness in regard to the World Bank portfolio by bringing together government, civil society groups, development partners and citizens to discuss critical development issues within the parameters of the Tanzania Country Partnership Framework (CPF). Presentations focusing on Tanzania’s digital economy were made by World Bank staff, private sector, and civil society with contributions from Government representatives and academia. The session was a hybrid event, combining both virtual and in person aspects, with the Zoom platform used to connect all participants although a number of participants (representatives of Government and World Bank staff, connected from a central point in Dodoma).

WORLD BANK SPEAKERS/PRESENTERS

- **Mara Warwick**, Country Director
- **Tim Kelly**, Lead Digital Development Specialist

GOT REPRESENTATION

- **Dr. Zainab Abdi Chaula**, Permanent Secretary, Ministry of Communication, and Information Technology
- **Mr. John Sausi**, Director of Financial Information Systems Management, Ministry of Finance and Planning (MoFP)
- **Dr. Amos Nungu**, Director General, COSTECH
- **Dr. Suleiman Mndewa**, Director of Communication Zanzibar - Ministry of Infrastructure, Communication and Transport
- Members of the relevant Government agencies connected from Dodoma.

PRESENTERS

- **Kalvin Bahia**, Principal Economist, GSMA
- **Carol Ndos**, Project Manager, Women at Web Tanzania
- **Tim Kelly**, Lead Digital Development Specialist, World Bank

MODERATOR: Immaculata Yanga, Operations Analyst, World Bank

CIVIL SOCIETY PARTICIPATION: Members of civil society, drawn from sectors that link directly with the day’s theme, in addition to individual activists and inventors in the Tanzanian digital space, were invited to the session.

SESSION OPENING

The session was opened with remarks by **Mara Warwick, World Bank Country Director** who provided a brief background, approach, and the objectives of the TCEP, given each session attracts new participants. She then briefly touched on the topic of focus—digital development—stressing its significance for Tanzania, but also highlighting its pertinence as it was the special topic of the World Bank’s [14th Tanzania Economic Update](#), while [the Digital Tanzania Project](#) (DTP) was recently approved by the World Bank Board. DTP aims to increase access to high quality broadband internet services for government, businesses, and citizens, and improve the government's capacity to deliver digital public services. The Country Director noted that while there has been progress in Tanzania’s overall digital landscape, there is still room to expand access to high-speed internet and to reduce the digital divide especially between rural and urban populations and between men and women. She hoped that the discussion would promote an appreciation of the opportunities available for a digital economy in Tanzania as well as solutions that would assure the sector’s full potential.

Mr. John Sausi, Director of Financial Information Systems Management (MoFP) then shared his opening remarks mainly underscoring progress that the government has made investing in digital development, specifically with the e-government systems and how the government has utilized existing technologies and platforms to reach citizens while improving service delivery. He said that the government had transformed payment processes through the Government electronic payment gateway (GEPG) platform. Mr. Sausi also said the government had established feedback systems such as the e-Malamiko which allows citizens to send their feedback, complaints, and suggestions directly to the authorities. He added that digital systems have not only helped boost efficiency and effectiveness but also reduced operational costs and facilitated an increase in government revenue collection by 40 percent. He said digital platforms have helped increase trust in some service delivery areas and that the government would continue coming up with ways to ensure more citizens are utilizing digital platforms.

PRESENTATION HIGHLIGHTS

Tim Kelly, Lead Digital Development Specialist for the World Bank, made the opening presentation [World Bank Presentation by Tim Kelly](#) providing a snapshot on Tanzania’s digital development to date, as well as the tools (policies and infrastructure) still needed to support its transformation. He noted Tanzania has been experiencing an annualized 31 percent rate of growth for international bandwidth since 2015—though this rate is still lagging compared to regional peers. Regarding broadband speed, Tanzania reaches 14.1 Megabits per second (Mbit/s) per user by July 2021, which is also low compared to neighbors such as Kenya with 21.1 Mbit/s. He highlighted three “pain points” in Tanzania’s digital transformation:

- Underinvestment in fiber backbone capacity: although the national ICT backbone has more than 8,000 kilometers of fiber, it’s less than a tenth of what a country like Tanzania needs
- Lack of an effective open access policy that allows the private sector to use that fiber and lay its own fiber so there is effective competition within the market

- The need for more autonomy for TCRA to be able to implement policies that have continuity and predictability.

Going forward, Mr. Kelly highlighted some policy levers that need to be addressed such as making mobile money services and low value cellular bundles more affordable; extending the reach of mobile broadband in rural areas; having carrier-neutral data centers; and facilitating trade in digital services by adopting a Data Protection Act, as other countries in the region have done.

Kalvin Bahia, Principal Economist, GSMA, made a presentation [GSMA Presentation by Kalvin Bahia](#) based on a GSMA report that looked at the impacts of various policies on mobile coverage and connectivity across a number of countries including Tanzania. The report examined the level of connectivity that could be provided by the market under current demand and supply conditions, how much could be provided with new innovations and what the impacts of policy changes might be on connectivity. Beyond policy changes the presentation discussed the level of investment needed to obtain coverage and connectivity. Reflecting on internet coverage based on population and location, Tanzania was found to have a high-level coverage of 2G (94 percent) compared to 3G (83 percent), while 4G coverage is considered relatively low (at 55 percent) and focused on urban areas. Mr. Bahia noted that Tanzania, like other countries in the region, has a large percentage of people who don't use the internet despite being covered by a network (only 21 percent use the internet in Tanzania). Contributing factors range from affordability, accessibility, and ability to use, namely digital skills. Mr. Bahia recommended four policy scenarios for Tanzania to consider:

- Innovation: Modeling the impact of lower cost sites and alternative backhaul
- Active infrastructure sharing
- Taxation: Removing sector specific taxes especially excise duty on electronic communication services
- A national rollout of biometric identity cards for adults.

In the third and final presentation, **Carol Ndosi, Project Manager, Women at Web**, discussed the barriers to digital inclusion in Tanzania [Civil Society Presentation by Carol Ndosi](#) and the role of CSOs in pushing for digitalization and promoting opportunities in the digital economy. She laid out three challenges for the digital economy in Tanzania:

- Accessibility: Beyond the coverage gap (43.7 million mobile phone users while those using the internet are only 23.1 million), she also discussed accessibility regarding the digital gender divide and the need to address social cultural norms that somehow disadvantage women from mobile ownership and internet access.
- Affordability: While Tanzania has been widely cited as one of the African countries with cheap internet bundles, a recent surge in bundle prices has made it difficult for people to stay online even when they get online. This calls for a review of data prices by operators.
- Ability: Low digital skills remain a challenge for a digital economy in Tanzania. She referenced a survey conducted in partnership with Sahara Ventures in which 44 percent of respondents said they had 'basic digital skills', while 22.3 percent said they had 'beyond basic skills', 22.3 percent had "professional skills" and 10 percent considered themselves "experts."

A road map for accelerating digitalization in Tanzania, Ms Ndosi argued, would necessitate ensuring digital society rights and governance while promoting freedom of expression through platforms; promoting safe online spaces given the prevalent problem of online gender-based violence; and facilitating digital infrastructure adoption as well as digital literacy and digital affordability.

As discussant, **Dr. Amos Nungu, Director General, COSTECH**, started off by clarifying the roles of COSTECH vs. the ICT Commission. COSTECH promotes and regulates science, technology, and innovation (STI) in Tanzania, while the ICT Commission oversees the ICT component under the new Ministry of ICT. He noted that the first two presentations focused more on the supply side and what the

government could do on the issues of access and affordability. He agreed the government needed to balance the scale of new projects to ensure supply side concerns relating to internet accessibility and affordability are addressed. On the demand side, he argued the digital ecosystem was skewed in favor of urban areas and the content for people in rural areas (who also have issues of affordability) is sometimes not available. He suggested the government will need to ensure proper structures and a conducive environment to improve the situation, through policies and digital skills training so it would be easier for people in rural areas to also participate in the digital economy.

KEY HIGHLIGHTS

- A. The paradox of Tanzania having the lowest data costs in the region, yet the prices are considered high domestically:** A CSO representative wanted clarity on the analyses that showed prices of data in Tanzania are not affordable enough to expand the demand for data-driven mobile services, yet they are considered among the lowest in the region. In response, **Kalvin Bahia** said that while data prices in Tanzania were competitive in the regional market, when you measure the metrics in the proportion of income, most Tanzanians are unable to afford mobile data prices. He added that the costs of mobile data were driven by sector specific taxes. Another GSMA representative revealed findings that showed sector specific taxes in Tanzania were higher than the regional average. She said taxes as a percentage of revenues for mobile operators in 2019 constituted 34 percent, which is higher than the regional average of 22 percent in Sub-Saharan Africa. With the introduction of mobile money levies and airtime levies in July 2021, the amount rose to 47 percent. She also said that mobile money has been one of the tools that have stimulated the use of mobile services and advised that there needs to be a holistic view around what can be done by mobile operators and by the government to enable its (mobile money) use particularly in rural areas and in the low- and middle-income households who are most affected on the issue of affordability.
- B. Digital literacy should focus on both teachers and learners:** One contributor noted that digital literacy was being encouraged among young learners while teachers were left behind. In response. To this **Carol Ndos** responded that there is ongoing work by the Ministry of Education to roll out teacher-training programmes and that there was a component in the DTP that caters for that. **Tim Kelly** added that through the DTP, this is being addressed in three ways; (i) providing general digital literacy skills for the population; (ii) focusing on civil servants to enhance their digital skills; and (iii) establishing an ICT performance center of excellence to be established potentially in Dodoma. He added that the project is not touching on digital skills in early learning as it is an area the government needs to address and establish related policies.
- C. The usage gap vis-à-vis economic engagement:** A participant from academia, noting that 80 percent of people in the country are engaged in agriculture, wondered whether the existing usage gap in mobile services also bears roots in the kind of economic activities people engage in. He wanted to know whether the Digital Tanzania Project considered usage patterns. He suggested the establishment of broadband connectivity threshold to improve accessibility and reach more people. He cited research by the University of Dar es Salaam that showed were comfortable with the broadband speed of two megabits per second (even if it's by normal standards very low) and are using that for social media interaction and other digital activities. He called for establishing a broadband connectivity threshold. Responding to the issue of usage gap vs economic activities, **Carol Ndos** noted that there was an ongoing push by stakeholders in the eco-system to create content that would speak to the local and specific needs of people engaged in different economic activities. The government representatives also said they would look into this.

D. Building trust: One contributor wanted to know what specific laws the government had in place to curb the recent incidences of cyber security. Another contributor asked about the issue of data privacy in Tanzania citing a recent admission (while in court) by a Mobile Network Operator (MNO) representative that data privacy was essentially non-existent. He wanted to know how the government can assure users that their data privacy is protected and will not be used without their consent. He argued that if trust in digital spaces is not addressed transparently, it would hobble the ambitions of digital transformation as people would be suspicious of the government and MNOs. **Carol Ndos** added her concerns on this point and expressed hope that the government would take it into consideration. The government responded that it had adopted the 2015 Cyber Crime Act and that the new ministry was in the final stages of preparing to bring forward the Cyber Security Act to stakeholders.

WORLD BANK/GOVT REACTIONS

- I. **Dr. Zainab Chaula, Permanent Secretary, Ministry of Information, Communication and Technology** expressed appreciation that the session provided an opportunity to exchange ideas and experiences and join efforts to promote digital development in Tanzania. She said the government's plan is supported by the World Bank through the \$150 million DTP and she expressed confidence that the project would address issues of accessibility, affordability, innovation, and effectiveness as highlighted by contributors. She said the government has undertaken various initiatives to build an enabling environment for digital development including the formation of a new ministry to give the sector a special focus. She also said that the government had worked to improve the legal policy framework with the ICT Policy and the Cyber Crime Act. The construction of the national ICT Broadband Backbone optic fiber cable was in progress, in addition to a ten-year plan to construct 15,000 kilometers of optic fiber in 26 regions and in Zanzibar. So far, she said, the government had constructed 8,319 kilometers of optic fiber and mobile operators would also contribute to construct more infrastructure. To improve skills, she said the government would build a state-of-art digital technology institute in Dodoma. She called for cooperation from all stakeholders.
- II. **Dr. Suleiman Mndewa, Director of Communication, Zanzibar Ministry of Infrastructure, Communication and Transport**, stressed the role of ICT as a driver of economic and productivity growth as well as in areas of health, education, good governance, industry, environmental and sustainable development. He stressed the importance of digital skills adding that the government had embarked on efforts to construct community centers where people will acquire ICT skills and knowledge. On infrastructure, he said both Mainland and Zanzibar governments have built backbone and access networks to reach district levels and increase accessibility. He stressed the need for a clear roadmap for Tanzania's digital transformation, further requesting stakeholders to cooperate in ensuring digital transformation in Tanzania is achieved.
- III. In her closing remarks, **Mara Warwick** said the discussion left no doubt about the importance of developing the digital economy in the broader trajectory of Tanzania's development from the economic perspective, as well as education and governance. She emphasized digital infrastructure as an important element in digital transformation which requires support from government, private sector, and development partners. She said while improvements in infrastructure had been achieved, Tanzania's infrastructure was insufficient to reap the full potential of the digital economy. She underlined the audience contributions that underscored complementary improvements on policies and skills development to make sure Tanzanians have the skills to be able to access the technology that will be provided to them. She highlighted potential policy reforms proposed by

private and public stakeholders to address the issue of affordability, noting that promoting digitalization in the rural economy should investigate how benefits are going to be rolled out to people for whom affordability is an issue. On the issue of cybersecurity, she said it was crucial to develop systems of cyber security and Tanzania could borrow from experiences of other countries. She said that people's confidence in the digital economy and accessibility will depend on the country being able to assure security for their data and information as they participate in the digital space.