



The Impact of United States Funding Changes On Tanzania Civil Society Organizations

"Lessons Learnt and Coping Mechanism"



TANZANIA HUMAN RIGHTS DEFENDERS COALITION (THRDC)

THE IMPACT OF UNITED STATES FUNDING CHANGES ON TANZANIA CIVIL SOCIETY ORGANIZATIONS.

"Lesson Learnt and Coping Mechanisms"

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AN ANALYSIS OF THE IMPACT OF UNITED STATES AID SUSPENSION ON CIVIL SOCIETY ORGANIZATIONS IN TANZANIA

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While credible sources underpin statistical data and information contained in this report, they may be subject to errors due to the survey's reliance on a subset of projects and figures, constrained by challenges in accessing comprehensive data. Moreover, most of the data presented in this chapter, covers certain periods only of the U.S. Aid support, especially the 2014–2024 period. Moreover, data and information used in this report are based on some of sampled sectors (in Tanzania). The purpose is to provide an illustrative overview. Therefore, the users of this report are encouraged to continue searching for more data and information basing on their areas of interest.



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ABBREVIATIONS AND ACRONYMS

ACDI/VOCA:	Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance
AGOA:	African Growth and Opportunity Act
CCP:	Center for Communication Programs (Johns Hopkins University)
CEPPS:	Consortium for Elections and Political Process Strengthening
CSOs:	Civil Society Organizations
CSR:	Corporate Social Responsibility
CSSC:	Christian Social Services Commission
C2EYP:	Caring for Children and Empowering Young People
DAC:	Development Assistant Committee
DFC:	International Development Finance Corporation
DOIITAP:	Department of Interior International Technical Assistance Program
DRG:	Democracy, Human Rights, and Governance
EPIc:	Meeting Targets and Maintaining Epidemic Control
FDI:	Foreign Direct Investment
FGDs:	Focus Group Discussions
FTFTMnM:	Feed the Future Tanzania Mboga na Matunda Activity
FYDP II:	Five-Year Development Plan II
GBV:	Gender-Based Violence
HRBA:	Human Rights-Based Approach
HRDs:	Human Rights Defenders
IFES:	International Foundation for Electoral Systems
IFPRI:	International Food Policy Research Institute
IRI:	International Republican Institute
ITA:	Income Tax Act
KIIs:	Key Informant Interviews
LASPNET:	Legal Aid Service Providers' Network
LEAT:	Lawyers' Environmental Action Team
MDH:	Management and Development for Health
MIGA:	Multilateral Investment Guarantee Agency
MIHR:	Momentum Integrated Health Resilience
MoCLA:	Ministry of Constitution and Legal Affairs
MoHA:	Ministry of Home Affairs
MOCISO:	Mwanza Outreach Care and Support Organization
MSME:	Micro, Small, and Medium Enterprises

NACOPHA:	National Council of People Living with HIV/AIDS
NDI:	National Democratic Institute
NGOs:	NonGovernmental Organizations
NPO:	Nonprofit Organizations
NSSF:	National Social Security Fund
OECD:	Organisation for Economic Co-operation and Development
PATA:	Pamoja Tuwekeze Afya
PBO:	Public Benefit Organisation
PEA:	Political Economy Analysis
PEPFAR:	President's Emergency Plan for AIDS Relief
PMI:	President's Malaria Initiative
PS3+:	Public Sector Systems Strengthening Plus
PWDs:	Persons with Disabilities
RAFIKI SDO:	Rafiki Social Development Organization
R.E.:	Revised Edition of the Laws of Tanzania
REPOA:	Research on Poverty Alleviation
RTI:	Research Triangle Institute
SACCOS:	Savings and Credit Cooperative Societies
SBC:	Social and Behavior Change
SHDEPHA+:	Service, Health, and Development for People Living with HIV/AIDS
SHIPO:	Southern Highlands Participatory Organisation
SMEs:	Small and Medium Enterprises
SRH:	Sexual and Reproductive Health
SUGECO:	Sokoine University Graduate Entrepreneurs Cooperative
TCDC:	Tanzania Communication and Development Center
THPS:	Tanzania Health Promotion Support
THRDC:	Tanzania Human Rights Defenders Coalition
TMARC:	Tanzania Marketing and Communications
TMELA:	Tanzania Monitoring, Evaluation, Learning and Adaptation
TRA:	Tanzania Revenue Authority
TZS:	Tanzanian Shilling
U.S.	United States of America
USAID:	United States Agency for International Development
USESA:	Social Enterprise Activity
VAWP:	Violence Against Women in Politics
WASH:	Water, Sanitation, and Hygiene
WILDAF:	Women in Law and Development in Africa
WMA:	Wildlife Management Area



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We are equally grateful for the wealth of information drawn from various sources that underpinned this study. These include official documents such as the U.S. Presidential Order of January 20, 2025, Parliamentary Hansards, Ministry of Community Development reports, and USAID's sectoral reports, alongside publications from CSOs, academic institutions, and international organizations. The survey data collected by THRDC, combined with insights from focus group discussions and key informant interviews conducted between January and May 2025, provided a strong foundation for our findings.

We sincerely thank all contributors for their openness and dedication, which enabled us to produce this unique survey report on the impact of U.S. aid suspension on Tanzania's civil society.

EXECUTIVE SUMMARY

Introduction

This survey, commissioned by the Tanzania Human Rights Defenders Coalition (THRDC), analyzed the impact of the U.S. aid suspension on January 20, 2025, on Civil Society Organizations (CSOs) in Tanzania, following U.S. Presidential Order halting foreign development assistance. The survey (study)'s primary objective was to assess how these suspensions affect CSOs' financial and operational capacity, program delivery, and contributions to national development, while identifying coping mechanisms and resilience strategies. Conducted from January to June 2025, the survey employed a mixed-methods approach, including an online questionnaire with over 200 CSOs, key informant interviews, focus group discussions, and a desk review of relevant documents, ensuring a comprehensive analysis of the aid cut's implications across health, governance, agriculture, education, and environmental conservation sectors.

Key Findings

It is established, *inter alia* that, The abrupt suspension of U.S. aid, particularly through USAID, has profoundly disrupted Tanzania's CSO sector, which annually contributes TZS 2.64 trillion to national development. With 85% of local CSOs reliant on foreign funding, the cut has exposed structural vulnerabilities, including heavy dependence on external donors and restrictive regulatory frameworks. The following findings highlight the multifaceted some of so many effects and implications of this funding crisis – with more details reflected in the main part of this report:

- a) **Severe Operational Disruptions:** Over 40% of surveyed CSOs reported staff suspensions or terminations, particularly affecting frontline workers, severely limiting service delivery in health, legal aid, and education. Additionally, 50% of CSOs experienced high operational impacts, with budgets reduced by up to 90% in some cases, leading to office closures, halted projects, and weakened community engagement.
- b) **Critical Programmatic Setbacks:** Key programs, including PEPFAR's HIV/AIDS initiatives (e.g., DREAMS for vulnerable girls) and Feed the Future agricultural projects (e.g., Kilimo Tija), face suspension, risking increased HIV prevalence, food insecurity, and reduced economic empowerment, particularly for women and youth. Electoral programs, such as USAID Tushiriki Pamoja, are stalled, threatening civic participation in the 2025 elections.
- c) **Socio-Economic Consequences:** Vulnerable populations, including HIV patients, women, youth, and rural communities, face reduced access to healthcare, legal aid, and empowerment services. The funding cut jeopardizes TZS 2.64 trillion in CSO economic contributions, weakening the Tanzanian shilling and straining financial institutions due to loan defaults tied to CSO projects.

- d) **Funding Imbalances and Local Marginalization:** Only 2.6% to 30% of USAID funds were directly allocated to local CSOs, with international NGOs (e.g., Pact Inc., Johns Hopkins) dominating disbursements. This disparity relegates local CSOs to sub-grantee roles, limiting their autonomy, capacity-building, and long-term sustainability.
- e) **Regulatory Barriers Exacerbate Vulnerability:** Tanzania's legal framework imposes heavy compliance costs, such as mandatory audits and NGO registration fees, without tax exemptions or public funding. The lack of incentives for local philanthropy restricts alternative revenue sources, deepening CSOs' reliance on external aid.
- f) **Erosion of Community Trust:** Disrupted services have led to declining community confidence, with CSOs reporting increased risks of gender-based violence, human trafficking, and school dropouts, particularly among girls. For example, halted programs in Iringa have resulted in early marriages and reduced SRH advocacy.
- g) **Democratic and Governance Challenges:** The suspension of governance programs, such as USAID Wanawake Sasa, threatens women's and youth's political participation, potentially reducing female representation in the 2025 elections and weakening electoral integrity through stalled voter education initiatives.
- h) **Environmental Conservation Setbacks:** Projects like USAID Heshimu Bahari and Tuhifadhi Maliasili are at risk, threatening biodiversity protection and community livelihoods in regions like Bagamoyo and Katavi. This could lead to increased poaching and habitat loss.
- i) **Financial Sector Ripple Effects:** CSOs' inability to repay loans, such as CRDB's TZS 320 million MSME facility, due to lost USAID funding, is straining banks' portfolios, prompting tighter lending policies and affecting Tanzania's financial ecosystem.
- j) **Long-Term Sustainability Risks:** With 79% of CSOs lacking diversified income sources, the funding cut threatens organizational viability, with many facing closure or significant downsizing, potentially contracting the CSO sector and reducing its developmental impact.
- k) **Inadequate Transition Support:** Poor communication from contracting agents, with 13% of CSOs receiving no updates and 52% reporting abrupt project terminations, has left organizations stranded, highlighting the need for better donor exit strategies.
- l) **Macro-Economic Pressures:** The halt of USD 500 million in annual U.S. contributions, including FDI and philanthropy, constrains foreign currency inflows, weakening the Tanzanian shilling and hindering imports of critical goods, which impacts fiscal stability.
- m) **Overall CSOs' own perceptions of impact and mitigation measures:** The CSOs in Tanzania (**responding to an online survey**), perceive the USAID grant



suspension as a profound disruption, with 50% reporting a severe budget impact (76–100%) on their 2025 plans, while only 12.5% remain unaffected. They identify Health (70%), Women and Gender (60%), and Education (50%) as the most impacted thematic areas, reflecting USAID’s significant role in these sectors. Operationally, Program Implementation (80%) and Staff Salaries (60%) face the greatest strain, jeopardizing service delivery and workforce retention. To mitigate these challenges, CSOs primarily seek alternative funding sources (62.5%), with 25% reducing project scope to sustain operations, highlighting their proactive yet constrained efforts to adapt to the funding crisis.

Conclusion

As said earlier, the U.S. aid suspension has exposed Tanzania’s CSO sector to significant risks, revealing the fragility of donor-dependent models and the need for diversified funding and supportive regulations. Key lessons include the pitfalls of relying on single donors, the importance of localizing aid, and the value of technology and coalitions in building resilience. Despite these challenges, CSOs’ adaptability and stakeholder collaboration offer hope for recovery.

By prioritizing innovative financing, regulatory reform, and local partnerships, Tanzania can strengthen its civil society to sustain development gains. These lessons underscore the urgency of transformative strategies to ensure CSOs remain vital drivers of inclusive growth and human rights advocacy.

General Recommendations

Specific recommendations are detailed in the report’s sections. Below are broad and strategic solutions to fortify Tanzania’s civil society against the U.S. aid suspension, emphasizing transformative actions over incremental adjustments.

Recommendations for the United States Government

- a) Reinstating targeted aid programs through phased funding restoration, focusing on critical sectors like HIV/AIDS and democratic governance, with clear transition plans to avoid abrupt disruptions – saving collapsing CSOs.
- b) Establishing a bilateral CSO resilience fund to provide emergency grants and technical assistance, enabling Tanzanian CSOs to diversify funding and adapt to the aid suspension.
- c) Promoting public-private partnerships with U.S. firms to channel investments into Tanzanian CSOs, supporting sustainable development initiatives in areas like health tech, governance and agriculture.

Recommendations for Civil Society Organizations (CSOs)

- a) Establishing a national CSO consortium e.g., under THRDC coordination, to centralize advocacy, negotiate large-scale funding, and influence policy reforms, amplifying collective bargaining power.

- b) Pioneering scalable social enterprises, such as community-owned renewable energy projects (and other social enterprise schemes), to generate independent revenue and reduce donor dependency.
- c) Forging strategic partnerships with global tech firms to access funding, data analytics, and digital tools, enhancing operational efficiency and program impact.

Recommendations for the Government of Tanzania

- a) Overhauling CSO legal frameworks to eliminate restrictive compliance burdens, mandate local-international CSO partnerships, and align with global best practices.
- b) Creating a state-backed CSO investment fund, seeded with public and private capital, to finance high-potential civil society initiatives in critical social sectors.
- c) Institutionalizing CSO representation in national budget and policy committees to ensure civil society priorities shape development agendas and resource allocation.
- d) Finalizing the national NGOs/ CSOs policy of Tanzania; and, finalize enactment of the NGOs law of Zanzibar.

Recommendations for Other Development Partners

- a) Committing to direct, multi-year funding contracts with local CSOs, prioritizing investments in high-impact sectors like health and governance to ensure sustainability.
- b) Launching a regional innovation fund to support CSO-led tech solutions, such as blockchain for transparent aid tracking or AI-driven program monitoring.
- c) Mandating 50% of aid allocations to local CSOs, bypassing international intermediaries, to empower Tanzanian organizations who are on the frontlines of responding to community needs and to build long-term capacity.
- d) Implement OECD-DAC Recommendation on CSOs. Providing policy analysis and technical guidance, support and peer learning to implement the DAC Recommendation's three pillars (protecting civic space, supporting civil society, and incentivising CSO accountability)
- e) Strengthened dialogue between civil society, the DAC, informal and formal bodies, and the Development partners in Tanzania in line with the Framework for Dialogue between the OECD members in Tanzania and CSOs through:
 - i. Coordinating the annual DAC-CSO Dialogues as proposed by CSOs.
 - ii. Managing the relationship with the Tanzania DAC-CSO Reference Group (CSO RG)
- f) Allow CSOs to engage on soft and secured investment activities such as treasury bonds using donor grants to generate profit for organizational sustainability.

Recommendations for the Private Sector

- a) Investing in CSO-led social impact projects, such as health and education tech startups or sustainable agriculture ventures, to create shared value and fill funding gaps left by aid suspension.

- b) Partnering with CSOs to develop corporate social responsibility (CSR) programs that align with civil society sector and national development goals, leveraging tax incentives to support community initiatives.
- c) Establishing innovation hubs with CSOs to co-develop market-driven solutions, such as digital platforms for financial inclusion, improving local economies and CSO sustainability.

Recommendations for Community Members (Beneficiaries)

- a) Forming community savings groups to pool resources and fund local initiatives, ensuring continuity of services like health and education previously supported by CSOs.
- b) Engaging in co-creation of CSO programs to align interventions with community needs, contributing in-kind support, such as labor or local expertise, to sustain projects.
- c) Advocating for accountability by participating in local governance forums, pressing CSOs and government to prioritize community-driven development solutions.

Recommendations for Other Stakeholders

- a) Facilitating cross-sector coalitions, including financial institutions and academic bodies, to provide technical expertise and funding to CSOs for capacity building and program scaling.
- b) Advocating for global/ donors' policy shifts through international NGOs and advocacy groups to restore donor commitments and prioritize local CSOs in aid frameworks.
- c) Creating knowledge-sharing platforms to disseminate best practices, enabling CSOs to adopt innovative financing models like endowment loans or impact bonds from global examples.



CHAPTER ONE

GENERAL INTRODUCTION

1.1 BACKGROUND INFORMATION

This report examines the impact of United States aid suspension on Civil Society Organizations (CSOs) in Tanzania, drawing on a comprehensive study conducted by the Tanzania Human Rights Defenders Coalition (THRDC) from January to May 2025. The study was prompted by the United States of American (U.S.) Presidential Order issued on January 20, 2025, which suspended all U.S. development aid to foreign countries, including non-governmental organizations, international agencies, and contractors.

Given the historical reliance of Tanzanian CSOs on U.S. funding to support programs especially in health, education, agriculture, governance, and human rights, this analysis or survey sought to understand the implications of the aid suspension for the civil society sector. The rationale for this study is to provide a clear evidence base for stakeholders to navigate the evolving funding landscape and ensure the continued contribution of CSOs to Tanzania's development.

As it explained further in subsequent chapters of the report, the U.S. has been a cornerstone of Tanzania's development efforts, channeling significant financial and technical assistance to CSOs that play a pivotal role in addressing socio-economic challenges and promoting democratic governance. Through initiatives like the President's Emergency Plan for AIDS Relief (PEPFAR), U.S. aid has strengthened Tanzania's health infrastructure, supported educational programs, and empowered human rights defenders (HRDs) among other gains. As such, the abrupt halt of this support creates a critical juncture for assessing how CSOs can adapt to reduce external funding while maintaining their essential services. This study (survey) built on this context to explore the broader significance of U.S. aid suspension for Tanzania's civil society and its beneficiaries.

By focusing specifically on Tanzanian CSOs (or CSOs operating in Tanzania), the study aims to fill a gap in understanding the localized effects of global aid policy shifts. Moreover, it provides a foundation for stakeholders to rethink funding strategies and strengthen the resilience of the civil society sector. As the first comprehensive

analysis of the impact of U.S. aid suspension on CSOs in Tanzania, this report sets the stage for informed dialogue and policy development, ensuring that the sector remains a vital contributor to national development and human rights advocacy despite emerging challenges. Any analysis gap that could be found, is subject to further studies.

1.2 GOAL AND SPECIFIC OBJECTIVES OF THE SURVEY

The overall objective of this study is to assess the impact of the United States (U.S.) aid suspension on CSOs in Tanzania, with a focus on how these suspension have affected their operations, sustainability, and contribution to national development.

Specific Objectives

- a) To analyze the extent to which U.S. aid suspension have affected the financial and operational capacity of CSOs in Tanzania.
- b) To assess the impact of the aid suspension on specific program areas such as human rights, health, education, governance, and economic empowerment.
- c) To examine the socio-economic consequences of reduced funding, including job losses, project disruptions, and reduced service delivery to communities.
- d) To evaluate the coping mechanisms and adaptation strategies adopted by CSOs in response to the funding suspension.
- e) To document stakeholder perspectives on the implications of aid withdrawal on civic space, democratic governance, and Tanzania-U.S. relations.
- f) To provide recommendations for CSOs, development partners, and the government on how to strengthen aid resilience and ensure the sustainability of civil society work in Tanzania.

1.3 METHODOLOGY OF SURVEY

This study or survey employed a mixed-methods approach to evaluate the impact of U.S. aid suspension on the CSOs operating in Tanzania, combining quantitative and qualitative methods to ensure comprehensive and reliable data. Conducted from January to May 2025, the research targeted over 200 CSOs across Mainland Tanzania and Zanzibar, spanning grassroots to national organizations and diverse sectors like health, education, agriculture, governance, and human rights. Both advocacy and service-delivery CSOs, directly or indirectly benefiting from U.S. funding, were included, with a validation phase to enhance data accuracy.

1.3.1 Online Survey

A structured questionnaire with several questions was distributed via Google Forms, engaging CSOs to collect quantitative and qualitative data on funding disruptions, operational changes, and programmatic impacts. Facilitated by the THRDC, the survey captured responses from CSOs that received U.S. aid directly or indirectly, providing measurable indicators of budget, staffing, and program scope changes.

1.3.2 Key Informant Interviews

The physical and virtual interviews were conducted with over 200 CSOs, USAID country office representatives, CSO leaders, community beneficiaries, and government officials, including the Registrar of NGOs. These interactions offered in-depth insights into the operational and sustainability challenges posed by the January 20, 2025, aid suspension, as mandated by U.S. President Donald Trump's Presidential Order.

1.3.3 Focus Group Discussions

In-person FGDs involved CSO representatives and stakeholders from financial institutions, including ABSA Bank, Stanbic Bank, Standard Chartered Bank, NMB etc. These sessions explored the financial implications of aid suspension on the CSO sector, complementing survey and interview data with stakeholder perspectives on economic ripple effects.

1.3.4 Desk Review

A comprehensive literature review analyzed key documents, including the January 20, 2025, Presidential Order suspending U.S. development aid to foreign governments, NGOs/CSOs, international organizations, and contractors. Additional sources included Parliamentary Hansards from the Parliament of the United Republic of Tanzania, reports from the Ministry of Community Development, and various NGO publications, providing contextual and historical data.

1.3.5 Data Analysis and Validation

The data analysis triangulated survey responses, KII insights, and FGD findings to identify patterns and trends across the civil society sector. The quantitative data quantified changes in budgets, staffing, and program scope, while qualitative inputs enriched understanding of stakeholder perceptions and challenges. A validation phase, conducted during the five-month study, ensured data reliability by cross-verifying findings across methods. This rigorous approach delivers robust, representative, and actionable insights to inform policies supporting Tanzania's civil society in the wake of U.S. aid suspension.

1.4 ANALYTICAL FRAMEWORKS OF THE SURVEY

This survey or study employed three analytical frameworks to evaluate the impact of the U.S. aid suspension on January 20, 2025, on CSOs: the Human Rights-Based Approach (HRBA), the Political Economy Analysis (PEA), and the Resilience Framework. These frameworks were chosen to provide a comprehensive lens for assessing the aid suspension's effects on human rights, funding dynamics, and CSO adaptability within Tanzania's development landscape.

The HRBA grounds the analysis in principles of participation, accountability, non-discrimination, and empowerment, focusing on how the aid suspension affect CSOs' ability to protect human rights and deliver services to vulnerable populations,

particularly in U.S.-supported programs like health and governance. The PEA examines the power structures, stakeholder incentives, and institutional relationships influencing CSO operations, shedding light on the implications for civic space and donor-government dynamics.

The Resilience Framework analyzes CSOs' capacity to adapt to funding disruptions, highlighting strategies to sustain advocacy and service delivery. Together, these frameworks ensure a nuanced understanding of the aid suspension's immediate and long-term impacts, supporting the study's goal of informing policies to strengthen Tanzania's civil society sector.

1.5 LIMITATIONS OF ANALYSIS

A significant barrier was the limited access to precise statistics on the volume of U.S. funding, types of interventions supported, and number of grantees prior to the January 20, 2025, aid suspension, which constrained the ability to fully quantify the financial impact across sectors. Therefore, the financial data indicated in this report are not exhaustive, a situation which suggest users of this report to seek more clarifications from the relevant U.S. authorities and other stakeholders. Apparently, more time was needed to have exhaustive mapping e.g., of each sector, locations and beneficiaries of U.S. aid supports.

Moreover, the reliance on a digital survey platform, while successful in engaging over 200 CSOs, likely underrepresented smaller organizations with limited internet access, particularly in rural areas of Mainland Tanzania and Zanzibar. Additionally, the study's timeframe, spanning January to June 2025, restricted its scope to immediate impacts, potentially missing longer-term effects of the aid suspension. Nevertheless, the mixed-methods approach, incorporating surveys, Focus Group Discussions (FGDs), and Key Informant Interviews (KIIs), ensured a robust and diverse dataset.

These limitations suggest opportunities for future research to secure detailed funding data and extend the analysis period. Despite these challenges, the study's findings remain credible and valuable, offering a critical foundation for stakeholders to address funding uncertainties and strengthen Tanzania's civil society sector.



CHAPTER TWO

GLOBAL AND COUNTRY'S US-AID SUPPORT AND ALLOCATIONS: AN OVERVIEW

2.1 INTRODUCTION

This chapter examines the global and regional context of U.S. foreign assistance from 2014 to 2024, focusing on its critical role in Tanzania and the implications of the abrupt aid suspension on January 20, 2025. It outlines the scale, sectoral priorities, and strategic importance of U.S. aid, primarily through USAID, in supporting peace, health, and humanitarian efforts globally and in Sub-Saharan Africa. In Tanzania, U.S. funding, notably through PEPFAR and PMI, has supported civil society organizations (CSOs) addressing HIV/AIDS, malaria, and socio-economic challenges. By detailing these contributions, the chapter emphasizes the significant impact of the aid suspension on Tanzania's CSOs and national development, stressing the need for resilient, locally-driven strategies to sustain progress.

Disclaimer:

While credible sources underpin these data, they may be subject to errors due to the survey's reliance on a subset of projects and figures, constrained by challenges in accessing comprehensive data. Moreover, most of the data presented in this chapter, covers the 2014–2024 period only; and also, such data are based on a few sampled sectors (in Tanzania). The purpose is to provide an illustrative overview. The users of this report are encouraged to continue searching for more data.

2.2 U.S. FOREIGN ASSISTANCE AND ROLE AT THE GLOBAL LEVEL

Understanding first the scope and strategic priorities of U.S. foreign assistance globally is essential for assessing the impact of the 2025 aid suspension on Tanzania's CSOs, because it reveals the country's reliance on USAID's extensive support. This survey observes from various sources that, between 2014 and 2024, the United States disbursed over \$635.2 billion in foreign assistance, with the U.S. Agency for International Development (USAID) leading as the primary agency, allocating \$314.2 billion—nearly half the total. The State Department contributed \$174.9 billion, followed by the Department of Defense (\$63.7 billion) and other agencies (\$82.1 billion). These funds supported critical sectors aligned with U.S. strategic interests, including Peace and Security, Health, and Humanitarian Assistance as it is highlighted below.¹

2.2.1 Peace and Security

Peace and Security received the largest share, with \$160.6 billion allocated to promote global stability, counterterrorism, and conflict resolution. USAID and other agencies funded programs strengthening rule of law, disarmament, transnational crime control, and military education for partner nations. These efforts complemented diplomatic and defense initiatives, using soft power to mitigate instability in fragile regions and prevent local conflicts from escalating into global crises.

2.2.2 Health

The health sector, allocated \$148 billion, focused on improving global health systems through programs in maternal and child health, family planning, nutrition, HIV/AIDS prevention, and pandemic response. USAID's leadership in disease surveillance and public health workforce development enhanced resilience in low- and middle-income countries against threats like Ebola, Zika, and COVID-19.

In Tanzania, the U.S. provided \$394 million annually, including \$345.1 million for HIV/AIDS programs under the President's Emergency Plan for AIDS Relief (PEPFAR)². Initiatives like the Caring for Children and Empowering Young People (C2EYP) project (2016–2021) supported orphans and vulnerable children with healthcare, education, and social services³. Additionally, \$48.5 million annually via the President's Malaria Initiative (PMI) funded malaria prevention, including the Vector Link project (2018–2023), which protected 2 million Tanzanians yearly through indoor residual spraying, bed nets, and health coupons.⁴

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1 <https://www.pewresearch.org/short-reads/2025/02/06/what-the-data-says-about-us-foreign-aid/> , <https://foreignassistance.gov/>

2 https://docs.aiddata.org/reports/investing-in-tanzanias-people/full-report.html?utm_source=chatgpt.com

3 https://www.federalgrants.com/Caring-For-Children-And-Empowering-Young-People-c2eyp-48556.html?utm_source=chatgpt.com

4 AidData. (2022). Investing in Tanzania's people: U.S. assistance to Tanzania, 2012–2022. AidData, William & Mary. Retrieved from <https://www.aiddata.org/publications/investing-in-tanzanias-people>

In Sub-Saharan Africa, health investments were significant:

- a) Ethiopia: \$1.47 billion for HIV/AIDS and \$0.45 billion for malaria, supporting prevention, treatment, and maternal health.
- b) Kenya: \$4.75 billion for HIV/AIDS and \$1.81 billion for protection programs, leveraging strong civil society infrastructure.
- c) Nigeria: \$3.02 billion for HIV/AIDS, \$0.85 billion for malaria, and \$0.48 billion for maternal and child health, addressing its large disease burden.
- d) South Sudan: Health funding supported reproductive health and disease prevention for displaced populations, alongside humanitarian aid.

2.2.3 Humanitarian Assistance

With \$117 billion allocated, Humanitarian Assistance addressed emergency relief and post-crisis recovery, covering food aid, shelter, water, sanitation, and protection services. USAID coordinated responses to crises like the Syrian refugee emergency, Rohingya crisis, and major natural disasters, reinforcing U.S. humanitarian diplomacy and global partnerships.

In South Sudan, \$9.7 billion in assistance from 2014–2023 primarily supported emergency response and humanitarian relief, addressing conflict-driven displacement while integrating health services.

2.2.4 USAID's Strategic Role

USAID not only led disbursements but also managed obligated funds across sectors, aligning U.S. development goals with long-term program delivery. Its projects spanned emergency responses, governance reform, economic inclusion, climate adaptation, and civic engagement, positioning USAID as a cornerstone of U.S. soft power and a counter to authoritarian development models.

2.2.5 U.S. Global Leadership in 2023

In 2023, the U.S. disbursed \$60 billion in official development assistance, outpacing other OECD countries (Germany: \$40 billion; UK: \$20 billion; France: \$10 billion). USAID's management of these funds underscored its accountability and innovation, reinforcing U.S. leadership in addressing global poverty and crises.⁵

2.2.6 Regional Focus: Sub-Saharan Africa (2014–2023)

Sub-Saharan Africa was a priority, with billions allocated to health, peace, humanitarian response, and social development. Total assistance included:⁶

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5 OECD. (2024). ODA Levels in 2023 – preliminary data: Detailed summary note. OECD. Retrieved from <https://one.oecd.org/document/DCD%282024%2931/en/pdf>

6 Arieff, A., Blanchard, L. P., & Cook, N. (2023). U.S. Assistance for Sub-Saharan Africa: An Overview (CRS Report R46368). Congressional Research Service. Retrieved from <https://crsreports.congress.gov/product/pdf/R/R46368>.

- **Ethiopia:** \$13.5 billion, driven by its strategic importance and population size.
- **Kenya:** \$10.4 billion, a model for health program implementation.
- **South Sudan:** \$9.7 billion, focused on humanitarian and health support.
- **Nigeria:** \$9.5 billion, addressing significant public health challenges.

These efforts combined direct interventions with capacity-building through local and international organizations, ensuring sustainable outcomes in a region facing epidemics, conflict, and fragile health systems.

2.3 SYNPNOSIS OF U.S.-TANZANIA DEVELOPMENT COLLABORATION

As for Tanzania in particular, the survey established that, the country was equally beneficiary of similar supports as other countries. For instance, since Tanzania's independence in 1961, the United States has forged a dynamic partnership, e.g., recently delivering over \$7.5 billion in foreign assistance from 2012 to 2022 to advance sustainable development. Tanzania's engagement in the African Growth and Opportunity Act (AGOA) has deepened economic ties, boosting trade and market access, while U.S. contributions through public, private, and civil society channels have fostered shared prosperity.⁷

This collaboration, yielding \$1.0 billion annually, spans health, agriculture, infrastructure, and governance, with significant private sector investments and philanthropy amplifying impact. Further analysis of specific USAID allocations in Tanzania follows in subsequent sections of this chapter, detailing sectoral contributions and challenges.

The U.S. aid and private engagement have driven transformative outcomes, as summarized in the **table below**, capturing bilateral and multilateral assistance, private sector investments, and contributions from U.S. entities. From \$7.4 billion in direct bilateral aid to \$1.8 billion in annual private contributions, these efforts have supported Tanzania's Vision 2025 (and other policies or programs), though recent funding shifts suggests for the need for diversified strategies. The data reflect a multifaceted partnership, with examples like Symbion Power's energy projects and high-spending U.S. tourists highlighting the breadth of U.S.-Tanzania collaboration.⁸

7 <https://docs.aiddata.org/reports/investing-in-tanzanias-people/full-report.html>

8 AidData. (2024). Investing in Tanzania's people: U.S. contributions to Tanzania, 2012–2022 (AidData report). Retrieved from <https://docs.aiddata.org/reports/investing-in-tanzanias-people/full-report.html>

Table: Summary of U.S.-Tanzania Development Collaboration (2012–2022)

Category	Brief Narrations/ Details	Figures	Examples
Bilateral and Multilateral Assistance	U.S. provided \$1.0 billion annually, including direct and indirect aid from 2012–2022, with 19 agencies involved. In 2021, U.S. aid doubled the next six donors combined. Key sectors: public health (\$3.8 billion for HIV/AIDS, \$534 million for malaria), agriculture (\$546 million), infrastructure (\$579 million), security/ governance (minimal military aid). In 2023, Vice President Kamala Harris pledged \$560 million for 2024.	Total: \$7.4 billion direct bilateral aid; 2022: \$824.2 million direct (TZS 2.64 trillion), \$205.3 million indirect.	USAID, Millennium Challenge Corporation, President Samia Suluhu Hassan's 2023 meeting with Harris.
Private Sector Investment	U.S. International Development Finance Corporation (DFC) and World Bank's MIGA supported FDI for Vision 2025. DFC funded eight projects in transportation, SMEs, housing; MIGA backed poultry business, creating 925 jobs.	DFC: \$79.2 million (2012–2022), including \$31.3 million for logistics in 2017; MIGA: \$14.1 million (2014–2015); Total FDI attracted: \$93.3 million.	Alistair James Company Limited's logistics expansion, Silverlands Tanzania Limited's poultry business.
U.S. Private Contributions	Annual \$1.8 billion from philanthropy, FDI, tourism, remittances. Philanthropy from 22 foundations; FDI focused on energy; tourism driven by high-spending visitors; remittances from Tanzanian diaspora.	Philanthropy: \$96.3 million/year; FDI: \$1.3 billion/year, \$14.36 billion since 2010, energy \$851.3 million; Tourism: \$317.7 million/year (\$400–495/person/night); Remittances: \$103.7 million/year.	Bill & Melinda Gates Foundation, Ford Foundation, GAVI, Global Fund, Symbion Power's 120 MW Ubungo plant, Dodoma (55 MW) and Arusha (50 MW) plants, 2013 Power Africa Initiative, President's 2022 "Tanzania: The Royal Tour" premiere, 2024 direct flights.

Source: THRD's Survey Data, April 2025.

It is further noted during the survey that, the U.S.-Tanzania development collaboration included several health and agriculture interventions where USAID-funded programs were **co-implemented by government agencies and CSOs**, ensuring effective delivery and local ownership. In health, the Afya Endelevu project, led by the Benjamin William Mkapa Foundation, collaborated with Tanzania's Ministry of Health to integrate contracted health workers into government systems, strengthening HIV and maternal health services. Similarly, the m-Mama National Emergency Transportation System, implemented by the Vodafone Foundation with government stakeholders, worked with the Ministry of Health to provide emergency transport for mothers and newborns via a toll-free number, enhancing maternal care access.

In agriculture, the Feed the Future Tanzania Kilimo Tija, implemented by ACDI/VOCA, partnered with the Tanzanian government's agricultural ministries to strengthen horticulture market systems, engaging local CSOs to support farmers in regions like Morogoro and Mbeya. Additionally, the USAID Lishe (Nutrition) project, led by Save the Children, collaborated with government health and agriculture departments to improve nutrition outcomes for women and children, integrating CSO-led community education with national health systems. These examples illustrate how government-CSO partnerships amplified the impact of USAID-funded interventions; and therefore, how the suspension could halt such collaborative efforts as well.

2.4 THEMATIC ALLOCATION OF USA-GRANTS IN TANZANIA (2014–2024)

Examining the thematic allocation of U.S. grants in Tanzania is crucial to understanding the scope and sectoral focus of USAID funding, particularly in health, agriculture, and governance, where CSOs play a pivotal implementation role. By mapping these allocations, stakeholders can identify gaps and prioritize strategies to mitigate the impact on CSOs and sustain development gains. This sub-section starts with an overview of sectorial investments and then, reflects some sectors albeit briefly.

2.4.1 Tanzania–US-Aid Sectorial Investment Overview

The USAID's \$7.5 billion investment in Tanzania from 2014 to 2024, aligned with national priorities in health, agriculture, infrastructure, conservation, and governance, significantly empowered local civil society organizations (CSOs), with \$2.8 billion channeled through them to drive community-level impact. Programs like Feed the Future Tanzania Kilimo Tija (\$38 million, 2022–2027), implemented by ACDI/VOCA, and USAID Lishe (\$40 million, 2023–2028), led by Save the Children, engaged local CSOs in collaboration with government agencies to enhance food security and nutrition, fostering local ownership. Similarly, health initiatives such as Afya Endelevu (\$33.7 million, 2020–2025), implemented by the local Benjamin William Mkapa Foundation, strengthened healthcare systems. However, the sudden U.S. aid suspension in January 2025 severely disrupted these efforts, as local CSOs, contributing TZS 2.6 trillion annually to development, received only about

25% of USAID funds directly, with international NGOs like Pact Inc. and Johns Hopkins dominating allocations.⁹ This funding imbalance, coupled with the abrupt cut, threatens CSOs' operational capacity, risking setbacks in disease control, food security, and community resilience, as highlighted in USAID's 2024 Tanzania Project Briefer and AidData's 2024 Tanzania Snap Poll.

2.4.2 Health Sector

The USAID's health sector investments in Tanzania, totaling \$3.8 billion from 2014 to 2024, significantly strengthened HIV/AIDS, malaria, TB, and maternal health outcomes, empowering communities and enhancing healthcare systems through initiatives like PEPFAR and PMI. The local CSOs were vital in delivering community-based services in this sector as well. However, only about 2.6% (approximately \$100 million) of the funds were directly allocated to them, with international NGOs mentioned below, had a lion share according to various sources¹⁰ referred during this survey. Apart from obvious adverse implications of the funding cut to local CSOs, this move could have some setbacks in disease control and health system resilience, particularly for vulnerable populations including those living with HIV/AIDS.

As part of its initial response to the USAID exit, the Tanzanian government adopted a supplementary budget in the second half of the 2024/25 financial year. According to the Ministry of Health, TZS 93 billion was allocated to offset the anticipated budget shortfall.

In an official statement on April 25, 2025, the Minister for Health, Hon. Jenista Mhagama, assured the public of the government's contingency measures:

“Through the coordination of the Prime Minister’s Office, we have conducted a comprehensive assessment. We have reviewed what we currently have, what we have ordered, and what we expect to receive. We have already put in place a strategic plan for the short term, medium term, and long term.”

9 Sources: USAID Tanzania Project Briefer May 2024: <https://www.usaid.gov/tanzania/fact-sheets> ; AidData's 2024 Tanzania Snap Poll: <https://www.aiddata.org/publications/investing-in-tanzanias-people> ; USAID Foreign Assistance Dashboard: <https://www.foreignassistance.gov> ; USAID Tanzania Health Program Details: <https://www.usaid.gov/tanzania/our-work/health>

10 Several sources include: USAID Tanzania Health Fact Sheet 2024: <https://www.usaid.gov/tanzania/fact-sheets/health>; USAID Foreign Assistance Dashboard: <https://www.foreignassistance.gov>; USAID Afya Yangu Southern Project Details: <https://www.usaid.gov/tanzania/afya-yangu>; USAID Pamoja Tuwekeze Afya Fact Sheet: <https://www.usaid.gov/tanzania/fact-sheets/pamoja-tuwekeze-afya>; USAID Afya Endelevu Fact Sheet: <https://www.usaid.gov/tanzania/fact-sheets/afya-endelevu>; USAID Tanzania Press Releases: <https://www.usaid.gov/tanzania/press-releases>; Deloitte Tanzania Project Overview: <https://www.deloitte.com/tz/en/pages/public-sector/projects/usaid-afya-yangu.html>; Pact Inc. ACHIEVE Project: <https://www.pactworld.org/country/tanzania>; Americares Uzazi Staha Project: <https://www.americares.org/what-we-do/global-programs/tanzania/>; Tanzania Health Promotion Support Projects: <https://www.thps.or.tz/projects>; Ifakara Health Institute PMI Shinda Malaria: <https://www.ihl.or.tz/projects/shinda-malaria>; USAID Tanzania Monitoring, Evaluation, Learning and Adaptation (T-MELA): <https://www.usaid.gov/tanzania/t-mela>

She further emphasized the adequacy of key medical supplies despite the withdrawal:

 *“For malaria medications and diagnostic supplies, we have enough stock to last until February 2026. For other medications, such as HIV drugs and others, we have already taken action. As of now, we have sufficient supplies to last us until June.”*

This government intervention demonstrates a proactive fiscal and logistical response aimed at maintaining continuity in healthcare delivery while mitigating the effects of the USAID funding suspension. Below are some of the relevant project, just to illustrate the magnitude of funding and potential risks of suspending the same:

- a) **ACHIEVE Project:** Allocated \$86 million (2020–2026) to reduce HIV infections among pregnant and breastfeeding women, adolescents, and children across mainland Tanzania. Implemented by Pact Inc. (international NGO), it partnered with local CSOs like Mwanza Outreach Care and Support Organization (MOCSO) to strengthen community systems. The 2025 aid cut endangers HIV prevention efforts.
- b) **Afya Endelevu:** Funded with \$33.7 million (February 2020–February 2025) to address healthcare worker shortages in Iringa, Njombe, Morogoro, and Zanzibar, focusing on HIV and maternal health. Led by Benjamin William Mkapa Foundation (local NGO), it supported government integration of health workers. The funding suspension threatens workforce stabilization.
- c) **Afya Shirikishi:** Allocated \$15.3 million (October 2020–September 2025) to improve TB case finding and family planning in Katavi, Kigoma, Dar es Salaam, and Zanzibar. Implemented by Amref Health Africa (international NGO), it engaged local CSOs like Tanzania Community Health Network for community outreach. The aid cut risks TB service disruptions.
- d) **Afya Yangu:** Funded with \$265.4 million (November 2021–November 2026) to enhance HIV, TB, and family planning services in Iringa, Lindi, Morogoro, Mtwara, Njombe, and Ruvuma. Led by Elizabeth Glaser Pediatric AIDS Foundation, Deloitte, and Jhpiego (international NGOs) with Management and Development for Health (MDH) and T-MARC Tanzania as sub-partners, it had limited direct local CSO involvement. The 2025 cut threatens service access.
- e) **Breakthrough Action:** Allocated \$9.3 million (June 2022–January 2025) for behavior change interventions nationwide. Led by Johns Hopkins University Center for Communication Programs (CCP) (international NGO), it collaborated with local CSOs like Tanzania Health Promotion Support (THPS) for outreach. The funding suspension endangers health behavior campaigns.
- f) **Digital Square:** Co-funded with \$50 million (2016–2026) by USAID and Gates Foundation to develop digital health infrastructure nationwide. Implemented by PATH Limited (international NGO), it had minimal local CSO involvement. The aid cut risks digital health system progress.

- g) Hebu Tuyajenge: Allocated \$17.5 million (December 2019–December 2024) to increase HIV testing and family planning in Dar es Salaam, Mwanza, and Kilimanjaro. Led by EngenderHealth (international NGO) with NACOPHA (local NGO), it emphasized community engagement. The 2025 cut threatens community-led responses.
- h) Kizazi Hodari: Funded with \$56 million (March 2022–March 2027) to support orphans and vulnerable children in Mtwara, Iringa, Njombe, and Zanzibar. Led by Deloitte Consulting Limited (international company) in southern regions and Evangelical Lutheran Church in Tanzania (local NGO) in the northeast, it partnered with local CSOs like RAFIKI SDO. The funding suspension risks child welfare services.
- i) Pamoja Tuwekeze Afya (PATA): Allocated \$10.4 million (September 2020–September 2025) to build sustainable health facilities nationwide for TB, HIV, and maternal health. Led by Christian Social Services Commission (CSSC) (local NGO), it strengthened faith-based facilities. The aid cut threatens health system resilience.
- j) Tuwajali Watoto: Funded with \$13.6 million (February 2023–February 2028) to improve health outcomes for HIV-affected children in Morogoro, Iringa, and Njombe. Implemented by CSSC (local NGO), it focused on family-centered care. The 2025 cut endangers community-based health systems.
- k) m-Mama National Emergency Transportation System: Allocated \$5 million from USAID and \$10 million from Vodafone Foundation (April 2023–March 2025) for emergency maternal transport nationwide. Led by Vodafone Foundation (international NGO) with government partners, it had limited local CSO involvement. The funding suspension risks maternal care access.
- l) Meeting Targets and Maintaining Epidemic Control (EPIc): Funded with \$135 million (April 2019–April 2027) for HIV epidemic control in Dar es Salaam, Dodoma, and Arusha. Led by FHI 360 (international NGO), it engaged local CSOs like SHDEPHA+ for vulnerable populations. The aid cut threatens HIV control efforts.
- m) Momentum Integrated Health Resilience (MIHR): Allocated \$5 million (June 2021–March 2025) to integrate health and conservation in Kigoma, Katavi, Manyara, and Arusha. Led by Pathfinder International (international NGO), it partnered with local CSOs like Kigoma Environmental Management Association. The 2025 cut risks health-conservation linkages.
- n) Police and Prisons Healthcare: Funded with \$20.11 million (August 2020–August 2025) for HIV and TB services nationwide. Led by Tanzania Health Promotion Support (THPS) (local NGO), it supported correctional facilities. The funding suspension threatens health equity.
- o) Public Sector Systems Strengthening Plus (PS3+): Allocated \$49.6 million (July 2020–July 2025) to strengthen public health systems in Dodoma, Iringa, and Zanzibar. Led by Abt Associates (international NGO), it had limited local CSO involvement. The aid cut risks system improvements.

- p) PMI Shinda Malaria (Defeat Malaria): Funded with \$18 million (August 2022–August 2027) for malaria reduction in Katavi, Kagera, and nationwide technical support. Led by Ifakara Health Institute (local NGO), it strengthened local institutions. The 2025 cut threatens malaria control.
- q) Uhuru wa Afya (Health Freedom): Allocated \$12.3 million (July 2020–June 2025) for TB and family planning in Rukwa, Songwe, Katavi, and Kigoma. Led by THPS (local NGO), it enhanced community interventions. The funding suspension risks TB service continuity.
- r) PMI Vector Control (TTVCA): Funded with \$48.23 million (July 2020–July 2025) for malaria control nationwide. Led by Johns Hopkins University CCP (international NGO), it distributed nets and sprayed homes. The aid cut endangers malaria prevention.
- s) Social Enterprise Activity (USESA): Allocated \$19 million (January 2017–December 2024) to prevent HIV and unintended pregnancies in Dar es Salaam and Mwanza. Led by T-MARC Tanzania (local NGO), it promoted market-driven solutions. The 2025 cut threatens health outcomes.
- t) Tanzania Monitoring, Evaluation, Learning and Adaptation (T-MELA): Funded with \$19 million (January 2023–January 2027) to enhance monitoring nationwide. Led by International Business Initiatives (IBI) (international NGO), it had minimal local CSO involvement. The funding suspension risks data-driven programming.
- u) Uzazi Staha: Allocated \$12.5 million (May 2020–May 2025) for maternal, newborn, and child health in Mwanza. Led by AmeriCares (international NGO) with CSSC (local NGO) as a sub-partner, it addressed disrespectful care. The aid cut threatens maternal health gains.

2.4.3 Democracy, Human Rights, and Governance

The USAID's Democracy, Human Rights, and Governance (DRG) programs in Tanzania from 2014 to 2024, with an estimated \$50 million in funding, significantly enhanced institutional transparency, citizen participation, and accountability, fostering inclusive democratic engagement through partnerships with both local and international organizations. Local civil society organizations (CSOs) were critical in implementing community-level initiatives, yet only about 30% (approximately \$15 million) of the funds were directly allocated to them, with international NGOs like the Consortium for Elections and Political Process Strengthening (CEPPS) dominating disbursements, as noted in USAID's 2023 Tanzania Democracy and Governance Assessment. As it is a case for all other sectors, the sudden U.S. aid suspension in January 2025 threatens local CSOs' ability to sustain their struggles on the promotion of rule of law, civic space and governance reforms generally especially at this time when such advocacy

areas are highly needed in Tanzania. Below are just a few examples of DRG related projects as picked from various sources¹¹ collected during this survey:

- a) USAID Tushiriki Pamoja (Let's Participate Together): Allocated \$11.1 million (November 2017–ongoing) to strengthen electoral transparency and inclusiveness in Dar es Salaam, Dodoma, Iringa, and Zanzibar. Implemented by Consortium for Elections and Political Process Strengthening (CEPPS) (international NGO, including IFES, NDI, and IRI), it collaborated with local CSOs like Tanzania Constitution Forum for civic education. The 2025 aid cut jeopardizes democratic engagement efforts (Source: USAID Tushiriki Pamoja Project Details).
- b) USAID Kijana Kwanza (Youth-First): Funded with \$1.2 million (August 2022–ongoing) to promote youth engagement in governance in Mtwara. Led by International Rescue Committee, Inc. (international NGO), it partnered with local CSOs such as Mtwara Youth Network to foster trust in local governance. The funding suspension threatens youth-led initiatives (Source: USAID Tanzania Democracy and Governance Fact Sheet 2023).
- c) USAID Wanawake Sasa (Women Now): Allocated \$3 million (March 2024–ongoing) to enhance women's and girls' civic participation in Dar es Salaam, Iringa, Arusha, Mwanza, and Unguja, Zanzibar. Implemented by Women in Law and Development in Africa (WiLDAF) (local NGO), it directly empowered local women's groups, but the 2025 aid cut risks stalling equitable representation gains (Source: USAID Wanawake Sasa Project Announcement).

2.4.4 Agriculture and Nutrition

The USAID's \$571 million investment in Tanzania's agriculture and nutrition sectors from 2014 to 2024 transformed food security and rural livelihoods, empowering smallholder farmers, particularly women and youth, through modernized farming practices, enhanced market access, and nutrition interventions. The local CSOs or other groups, though critical to community-level implementation, received less than 15% (approximately \$85 million) of the funds. Some of the projects under this funding support as learned from various sources,¹² were/ are :

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 11 Such sources include: USAID Tushiriki Pamoja Project Details: <https://www.usaid.gov/tanzania/our-work/democracy-human-rights-governance/tushiriki-pamoja> ; USAID Tanzania Democracy and Governance Fact Sheet 2023: <https://www.usaid.gov/tanzania/fact-sheets/democracy-governance> ; USAID Wanawake Sasa Project Announcement: <https://www.usaid.gov/tanzania/press-releases/mar-2024-usaid-launches-wanawake-sasa> ; USAID 2023 Tanzania Democracy and Governance Assessment: <https://www.usaid.gov/tanzania/documents/democracy-governance-assessment> ; and others.

12 Including: USAID Tanzania Agriculture Fact Sheet 2024: <https://www.usaid.gov/tanzania/fact-sheets/agriculture> ; USAID Feed the Future Tanzania Kilimo Tija Overview: <https://www.usaid.gov/tanzania/feed-the-future> ; USAID Lishe Project Details: <https://www.usaid.gov/tanzania/our-work/nutrition> ; USAID Tanzania Project Briefer May 2024: <https://www.usaid.gov/tanzania/fact-sheets> ; USAID Feed the Future Tanzania Reports: <https://www.feedthefuture.gov/country/tanzania> ; USAID Foreign Assistance Dashboard: <https://www.foreignassistance.gov>

- a) U.S. International Development Finance Corporation (DFC) Initiative: Allocated \$50 million (2014–2033) to mobilize local financing for underserved borrowers, prioritizing the Southern Agricultural Growth Corridor. Implemented by DFC with local financial institutions, it supported agricultural development and economic empowerment. Local CSOs, like the Tanzania Agricultural Council, were marginally involved in outreach. The funding cut jeopardizes financial inclusion goals (Source: USAID Tanzania Agriculture Fact Sheet 2024).
- b) Feed the Future Tanzania Kilimo Tija: Funded with \$38 million (September 2022–September 2027), this project strengthened horticulture market systems in Morogoro, Iringa, Mbeya, Njombe, and Zanzibar. Implemented by ACDI/VOCA, it engaged local CSOs like the Tanzania Horticultural Association to empower youth and women farmers. The 2025 aid suspension threatens its continuity (Source: USAID Feed the Future Tanzania Kilimo Tija Overview).
- c) Feed the Future Tanzania Agri-Finance: Allocated \$3 million (October 2023–September 2026) to expand inclusive agricultural finance ecosystems, focusing on climate-smart technologies in the Southern Agricultural Growth Corridor, Zanzibar, Dar es Salaam, and Arusha. Implemented by TechnoServe, with minimal direct involvement of local CSOs, the project’s future is uncertain post-funding cut (Source: USAID Tanzania Agriculture Fact Sheet 2024).
- d) Feed the Future Tanzania Imarisha Sekta Binafsi: Funded at \$12.5 million (May 2020–May 2027), it aimed to boost youth entrepreneurship in agriculture in Iringa, Mbeya, Morogoro, Zanzibar, and Dodoma. Led by DAI Global, it partnered with local CSOs like SUGECO for training. The aid suspension risks stalling economic opportunities (Source: USAID Feed the Future Tanzania Reports).
- e) Feed the Future Tanzania Sera Bora: Allocated \$12 million (May 2022–May 2027) to promote agriculture and nutrition policies in the Southern Agricultural Growth Corridor. Implemented by International Food Policy Research Institute (IFPRI), it had limited local CSO involvement, with the funding cut halting progress (Source: USAID Tanzania Agriculture Fact Sheet 2024).
- f) USAID Tuhifadhi Chakula (Let’s Save Food): Funded with \$24 million (August 2023–July 2028), this initiative reduced food loss and waste in Mbeya, Njombe, Morogoro, and other regions. Led by Tetra Tech, it collaborated with local CSOs like REPOA for market access programs. The 2025 aid cut endangers food security gains (Source: USAID Tanzania Project Briefer May 2024).
- g) USAID Lishe (Nutrition): Allocated \$40 million (August 2023–July 2028) to improve nutrition for women and children nationwide. Implemented by Save the Children, it partnered with local CSOs like HakiKazi Catalyst for community education. The funding suspension threatens nutrition outcomes (Source: USAID Lishe Project Details).

2.4.5 Environmental Conservation

USAID's environmental conservation programs in Tanzania from 2014 to 2024, totaling approximately \$134.4 million, significantly advanced biodiversity protection, sustainable land use, and water security, with local civil society organizations (CSOs) playing a vital role in community-level implementation, though often in secondary roles to international NGOs. These initiatives, aligned with Tanzania's ecological priorities, strengthened anti-poaching efforts, marine and wildlife conservation, and community governance of natural resources. However, of this funding, less than 20% (approximately \$26 million) was directly allocated to local CSOs, with international organizations like Tetra Tech and Chemonics International dominating disbursements, as noted in USAID's 2023 Tanzania Environment Report. Be it as it may, CSOs operating in this sector can also be severely affected by an abrupt U.S. aid suspension for reasons already mentioned earlier. The broader picture of this effect could be seen by considering the potential risks of reversals in country's ecological heritage preservation and community resilience. Gathering from various sources,¹³ below are some of interventions which had direct or indirect U.S. funding support:

- a) USAID Heshimu Bahari (Respect The Ocean): Allocated \$25 million (August 2022–August 2027) to reduce threats to coastal and marine biodiversity in Bagamoyo, Pangani, Tanga, and Zanzibar (Pemba and Unguja). Implemented by Chemonics International (international NGO), it collaborated with local CSOs like MWAMBAO to enhance community co-management of marine protected zones. The 2025 aid cut endangers sustainable marine governance (Source: USAID Heshimu Bahari Overview).
- b) Department of Interior International Technical Assistance Program (DOI-ITAP): Funded with \$1.8 million (2015–2024) to support marine biodiversity and anti-wildlife trafficking nationwide, particularly strengthening the Zanzibar Ministry of Blue Economy. Implemented by the U.S. Department of the Interior (U.S. government agency), it had limited direct local CSO involvement, with training programs benefiting government entities. The funding suspension threatens anti-trafficking efforts (Source: USAID Tanzania Environment Fact Sheet 2023).
- c) USAID Tumaini Kupitia Vitendo (Hope Through Action): Allocated \$29.5 million (August 2023–August 2028) to protect chimpanzees and habitats in Kigoma and Katavi using the Tacare community-led approach. Led by Jane Goodall Institute Tanzania (local NGO), it empowered local CSOs like Kigoma Women's Development Group for sustainable livelihoods. The aid cut risks disrupting biodiversity and community programs (Source: USAID Tanzania Press Release August 2023).

13 Including: USAID Heshimu Bahari Overview: <https://www.usaid.gov/tanzania/heshimu-bahari>; USAID Tanzania Environment Fact Sheet 2023: <https://www.usaid.gov/tanzania/fact-sheets/environment> ; USAID Tanzania Press Release August 2023: <https://www.usaid.gov/tanzania/press-releases/aug-2023-usaid-announces-new-conservation-project> ; USAID Maji Safi Project Details: <https://www.usaid.gov/tanzania/our-work/water> ; USAID Tuhifadhi Maliasili Project Details: <https://www.usaid.gov/tanzania/our-work/environment>; and, USAID Foreign Assistance Dashboard: <https://www.foreignassistance.gov>

- d) USAID Maji Safi (Clean Water Sanitation): Funded with \$25 million (August 2022–August 2026) to improve water, sanitation, and hygiene (WASH) services in Iringa, Morogoro, Njombe, and Rukwa. Implemented by Tetra Tech, Inc. (international NGO), it partnered with local CSOs like SHIPO for youth engagement. The 2025 funding cut jeopardizes WASH sustainability (Source: USAID Maji Safi Project Details).
- e) USAID Mara River Catchment: Allocated \$2 million (April 2022–April 2025) to strengthen water security and climate resilience in the Mara region, enhancing transboundary governance with Kenya. Implemented by World Wildlife Fund, Inc. (international NGO), it engaged local CSOs like Mara River Water Users Association for conservation practices. The aid suspension threatens project completion (Source: USAID Tanzania Environment Fact Sheet 2023).
- f) USAID Tuhifadhi Maliasili (Preserve Natural Resources): Funded with \$30 million (June 2021–June 2026) to safeguard wildlife corridors in Iringa, Katavi, Mbeya, Njombe, Rukwa, and Singida. Led by Research Triangle Institute (RTI) (international NGO), it partnered with local CSOs like Southern Tanzania Elephant Program for land-use planning. The funding cut risks biodiversity loss (Source: USAID Tuhifadhi Maliasili Project Details).
- g) USAID Usimamizi Endelevu wa Maliasili (Resilient Communities Governance): Allocated \$2 million (March 2020–March 2025) to enhance community resource management in Rukwa’s forest areas. Implemented by Lawyers’ Environmental Action Team (LEAT) (local NGO), it directly supported local communities in developing governance frameworks. The 2025 aid cut threatens community-led conservation momentum (Source: USAID Tanzania Environment Fact Sheet 2023).

2.4.6 Education Sector

The USAID’s education programs in Tanzania from 2014 to 2024, with funding peaking at \$25.2 million in 2021 and declining to \$11.5 million by 2024, significantly enhanced early-grade literacy, numeracy, teacher training, and vocational skills for youth, fostering equitable access and human capital development (among other several gains). In this too, the local CSOs played a key role in community engagement and implementation, yet only about 20% of the estimated \$80 million total education funding (approximately \$16 million) was directly allocated to local CSOs. The international organizations like RTI International leading major initiatives, as noted in USAID’s 2024 Tanzania Education Fact Sheet. The aid suspension could have some adverse implication to the education sector as well especially if the government and other stakeholders had reasonable expectations of continuity of funding. One of the critical under-served areas in the education sector is disability inclusive learning. Basing on several sources¹⁴ reviewed, below are some of initiatives supported through U.S. funding:

14 Sources include: USAID Tanzania Education Fact Sheet 2024: <https://www.usaid.gov/tanzania/fact-sheets/education>; USAID Jifunze Uelewe Fact Sheet: <https://www.usaid.gov/tanzania/fact-sheets/jifunze-uelewe>; USAID Kijana Nahodha Fact Sheet: <https://www.usaid.gov/tanzania/fact-sheets/kijana-nahodha>; RTI International Jifunze Uelewe Overview: <https://www.rti.org/impact/usaid-jifunze-uelewe>; USAID Foreign Assistance Dashboard: <https://www.foreignassistance.gov>; The Citizen, USAID Launches Kijana Nahodha: <https://www.thecitizen.co.tz/tanzania/news/national/usaid-launches-sh24-billion-youth-programme-in-tanzania-4138858>

- a) Jifunze Uelewe (Learn to Understand): Allocated \$38.6 million (April 2021–September 2025) to improve literacy, numeracy, and social-emotional skills for 1.4 million pre-primary to Grade IV students in Iringa, Morogoro, Mtwara, Ruvuma, and Zanzibar. Implemented by RTI International (international NGO), it partnered with local CSOs like eKitabu for digital learning resources and collaborated with the Ministry of Education.
- b) Kijana Nahodha (Young Captains): Funded with \$10.6 million (2022–2026) to empower 45,000 out-of-school youth aged 15–25 in Dar es Salaam, Morogoro, and Zanzibar (Unguja and Pemba) with vocational, life, and leadership skills. Led by T-MARC Tanzania (local NGO), it engaged local CSOs like Tanzania Youth Coalition for youth-led programming.

2.5 SUMMARY OF THEMATIC ALLOCATION OF USAID GRANTS IN TANZANIA (2014–2024)

The survey noted that, USAID’s decade-long investment in Tanzania e.g., taking a sample of 2014 to 2024 duration, significantly advanced national development across health, democracy, agriculture, environmental conservation, and education sectors (among other sectors). Such support have evidently empowered communities through partnerships with the government, private sector as well as both local and international CSOs.

The local CSOs were and have remained to be pivotal in translating aid into community-level impact. However, as some of data obtained by this survey show, the majority of funds were channeled through international CSOs, a situation which is perceived by stakeholders interviewed as being a barrier to direct support to local organizations and their capacity-building. On the other hand, the survey is informed that, the abrupt suspension or cut of U.S. aid in January 2025 could possibly pose severe risks or adverse effects not only to local CSOs’ operational sustainability, but also can threaten progress in disease control, food security, democratic governance, and other effects summarized in the Table below and clarified further elsewhere in this report.

The estimated statistics are presented below. They reflect the distribution of funds and the implications of the funding cut.

Disclaimer:

While credible sources underpin these data, they may be subject to errors due to the survey’s reliance on a subset of projects and figures, constrained by challenges in accessing comprehensive data. Moreover, the data presented in this chapter and table below, covers the 2014–2024 period only so as to provide an illustrative overview.

Table: Summary of USAID Sampled Thematic Allocation in Tanzania (2014–2024)

Survey's Sampled Sectors	Estimated Amount Received (2014–2024)	Percentage of Intern'l CSOs vs. Local CSOs	Some of Possible Adverse Implications of the Abrupt Cut of U.S. Aid
Health	\$3.8 billion	97.4% International (\$3.7 billion) vs. 2.6% Local (\$100 million)	Disrupts HIV/AIDS, malaria, and TB programs; risking increased disease burden; and weakened health systems, particularly for vulnerable groups.
Democracy, Human Rights, and Governance	\$50 million	70% International (\$35 million) vs. 30% Local (\$15 million)	Threatens advocacy for transparency and civic space, and undermining governance reforms and human rights protections. Less involvement of CSOs in 2025 elections.
Agriculture and Nutrition	\$571 million	85% International (\$486 million) vs. 15% Local (\$85 million)	Halts food security and nutrition gains; income poverty (and its relation to GBV and access to justice); limiting smallholder farmers' access to markets and resources, etc.
Environmental Conservation	\$134.4 million	80% International (\$108.4 million) vs. 20% Local (\$26 million)	Jeopardizes biodiversity protection and WASH services; risking ecological degradation and community resilience; risking more effects of climate change; etc.
Education	\$80 million	80% International (\$64 million) vs. 20% Local (\$16 million)	Undermines literacy, numeracy, and vocational training, including disability-inclusive education; stalling human capital development; slowing efforts towards quality education; etc.

Source: THRD's Survey Data, April 2025.

Despite being not exhaustive, the data indicated in this chapter reveal a heavy reliance on international NGOs, with local CSOs receiving only 2.6% to 30% of funds across sectors. This imbalance, also documented in USAID's sectoral reports, left local CSOs vulnerable to the January 2025 aid suspension, which disrupted critical programs and reduced their capacity to address community needs.

As it is suggested further in subsequent sections, in order to mitigate these impacts, Tanzania must diversify funding sources, strengthen local CSO capacity e.g., by improving their operating environments, and enhance public-private partnerships, so as to sustain progress amid reduced external aid of the USA and possibly, other funding partners.



CHAPTER THREE

DIRECT EFFECTS OF USA'S GRANT SUSPENSION TO CSOs IN TANZANIA

3.1 INTRODUCTION

This chapter examines the direct impacts of the U.S. aid suspension in January 2025 on Tanzanian civil society organizations, detailing operational, programmatic, and socio-economic consequences. It highlights CSOs' reliance on U.S. funding, the challenges posed by regulatory frameworks, and stakeholder testimonies, aiming to emphasize the need for adaptive strategies to mitigate disruptions and ensure sectoral resilience.

3.2 CSOs AND U.S. GRANTS IN TANZANIA

Understanding the relationship between CSOs and U.S. grants in Tanzania is crucial because CSOs are vital for socio-economic development, filling gaps in health, education, and governance with significant U.S. funding support. The sub-chapter reveals how their heavy reliance on these grants, coupled with a restrictive legal framework, creates vulnerabilities exposed by the 2025 aid cut. This insight highlights the need for, *inter alia*, diversified funding and regulatory reforms to ensure CSO sustainability and resilience.

3.2.1 Overview of CSOs in Tanzania

The CSOs in Tanzania, operating at local and international levels, play a critical role in socio-economic development, driving economic growth, community welfare, and citizen engagement. In a context of limited government capacity, CSOs complement public efforts in health, education, agriculture, governance, and human rights, heavily relying on foreign funding, particularly U.S. grants, to execute their mandates.

The CSOs in Tanzania operate under a fragmented legal framework, regulated by multiple laws and institutions, leading to inconsistencies and coordination challenges including in relation to resource mobilization. This framework permits CSOs to mobilize

resources from any legal source, including foreign donors, and engage in alternative revenue-generating activities, such as social enterprises, provided earnings are reinvested into CSO operations. However, the absence of public funding, even for critical services like pro bono legal aid services, heightens CSOs 'overwhelming' dependence on external support, aggravating vulnerabilities to aid suspension like this of USA.

There is multiple laws regulating CSOs including on aspects of funding and expenditure e.g., monetary liabilities to the registrars of CSOs, revenue tax and social security authorities (i.e., TRA and NSSF respectively). The key legislation includes:

- a) Constitution of the United Republic of Tanzania of 1977: Guarantees freedoms of association and expression, forming the foundational legal basis for CSOs to establish and operate. While it does not directly regulate CSO funding or activities, it provides the constitutional underpinning for civil society's role in public participation and advocacy, enabling CSOs to address socioeconomic challenges.
- b) Non-Governmental Organizations Act of 2002, R.E. 2019: Governs NGOs under the Registrar of NGOs, appointed by the President, and overseen by the Ministry of Community Development, Gender, and Special Groups. It defines NGOs as non-profit, non-partisan entities focused on community welfare, promoting economic, environmental, social, or cultural development, and mandates registration, compliance with reporting standards, and operational transparency to ensure accountability – including on funding.
- c) Trusteeship Incorporation Act, Cap.318: Regulates trusts, managed by the Administrator-General under the Ministry of Constitution and Legal Affairs (MoCLA). It enables individuals or groups to hold and manage property for religious, educational, literary, scientific, social, or charitable purposes, ensuring legal compliance and protection of beneficiaries' interests, with trusts serving as a vehicle for community-focused initiatives.
- d) Societies Act, Cap.337: Oversees societies, administered by the Registrar of Societies under the Ministry of Home Affairs (MoHA). It regulates non-partisan, non-political associations of ten or more persons formed for professional, social, cultural, religious, or economic benefits, requiring registration to operate legally and fostering member-driven development activities.

As of 2021, Tanzania (Mainland) had 10,690 registered NGOs, approximately 5,000 trustees, and 9,868 societies. Those numbers reflect the sector's diversity despite regulatory complexities (which are not subject matter of this analysis).

3.2.2 Challenging Legal Frameworks to Support Funding

Generally, the legal framework highlighted above, does not support CSOs to address funding challenges including in the situation when donors suspend their grants. Instead, there are critical legal and operational gaps in the regulatory framework governing CSOs in Tanzania, including the following in relation to funding situation:

- a) **Lack of automatic charitable status:** CSOs in Tanzania face heavy taxation similar to businesses, with no automatic charitable status to exempt them from certain taxes, limiting funds for core activities. This is contrary to situation in other jurisdictions. For instance, South Africa's Nonprofit Organizations (NPO) Act of 1997 allows registered CSOs to apply for Public Benefit Organisation (PBO) status under Section 30 of the Income Tax Act (ITA).¹⁵ Approved PBOs are exempt from income tax, enabling organizations to allocate more funds to HIV/AIDS advocacy. The Tanzanian ITA offer same opportunity but with complex procedures (to be discussed further in a separate study).
- b) **No legal protection for local CSOs against international CSOs:** Tanzania lacks laws mandating international CSOs to partner with local CSOs, allowing foreign organizations to dominate funding and sideline local expertise. There are best practices on this to learn e.g., the Ethiopia's CSO Proclamation (No. 1113/2019) which encourages international CSOs to align projects with national priorities and collaborate with local CSOs. For instance, Oxfam partners with local Ethiopian CSOs for community development, enhancing local capacity.¹⁶
- c) **Absence of public funding for service-oriented CSOs:** CSOs providing essential services like legal aid or healthcare in Tanzania receive no public funding, relying on unpredictable donor grants. In other countries like Uganda, there are some efforts to support such CSOs' initiatives from public funding. For instance, the Uganda's National NGO Policy facilitates government-CSO partnerships, with public funding for service delivery. The Legal Aid Service Providers' Network (LASPNET) receives government contracts to provide legal aid, expanding access to justice in rural areas.¹⁷
- d) **Overregulation of CSOs especially NGOs:** Tanzania's stringent regulations, such as mandatory disclosures of financial statements, discretionary powers to freeze CSOs operation including banking accounts and short-term NGO certificates (of 10 years of validity subject to renewal), create administrative burdens and deter funders. Best practice could be fetched from Kenya which is currently reforming its NGO Coordination Act through government-CSO collaboration, proposing extended registration periods and simplified reporting.¹⁸

15 South African Revenue Service, "Tax Exemption Guide for Public Benefit Organisations in South Africa," 2023, <https://www.sars.gov.za/wp-content/uploads/Ops/Guides/LAPD-IT-G07-Tax-Exemption-Guide-for-Public-Benefit-Organisations-in-South-Africa.pdf>

16 FDRE Authority for Civil Society Organizations, "Proclamation No. 1113/2019: Organisation of Civil Society Organisations," 2019, <https://acso.gov.et/wp-content/uploads/2023/09/CSO-Proclamation-No-1113-2019.pdf>

17 Ministry of Internal Affairs, Uganda, "The National NGO Policy: Strengthening Partnership for Development," 2010, <https://www.mia.go.ug/sites/default/files/NGO%20Policy%202010.pdf>

18 International Center for Not-for-Profit Law, "Civic Freedom Monitor: Kenya," 2023, <https://www.icnl.org/resources/civic-freedom-monitor/kenya>

- e) **Limited access to tax incentives for donors:** The Tanzania's framework lacks clear or insufficient tax incentives for donors. This discourages local philanthropy and corporate support for CSOs. On this, the best practice could be drawn from the Nigeria's Company Income Tax of 2007 (as amended), which offers tax deductions for corporate donations to registered CSOs. The Dangote Foundation leverages these incentives to fund CSO initiatives in education and health, which has, indeed fostered corporate-CSO partnerships.¹⁹
- f) **Inadequate Capacity-Building Support:** Tanzania's regulatory framework does not prioritize capacity-building to help CSOs navigate funding challenges like grant writing or financial management. To the contrary, the current legal framework penalize or criminalized most of the CSOs practices instead of facilitating them to rectify.

3.2.3 Mapped Roles and Contributions of CSOs

Annually, CSOs contribute TZS 2.6 trillion to Tanzania's development, driving progress in health, education, microfinance, and governance. With 85% of local organizations relying on foreign funding, including the USD 2.8 billion in yearly USAID support, CSOs spearhead poverty reduction, policy reforms, environmental stewardship, and capacity building, filling critical gaps in government services. By offering collateral-free micro-credit and emergency response, they empower communities to launch income-generating ventures, aligning with National Development Plans e.g., the current FYDP II. Their multifaceted role as service providers amplifies their impact, directly supporting Tanzania's socioeconomic goals.

Simultaneously, CSOs advance democracy, human rights, and trade facilitation, fostering accountability and inclusive growth. Yet, lacking public funding, their heavy dependence on external aid exposes vulnerabilities, with recent U.S. aid suspension threatening service delivery and civic engagement. *'The sudden suspension of USAID funding has disrupted over 80% of our planned 2025 budget, crippling our ability to deliver critical health and legal aid services to vulnerable communities,'* said a representative from 'R' organization (anonymity observed). This reliance risks destabilizing Tanzania's development if funding disruptions persist. In response, some CSOs explore social enterprises to build financial resilience, a shift examined later in this report.

3.3 CSOs' RELATIONSHIP WITH U.S. GRANTS: GAINS AND CHALLENGES

This survey notes that, the U.S. aid grants have significantly empowered CSOs in Tanzania, advancing democratic governance, human rights, and service delivery. Through funding from agencies like USAID, PEPFAR, and the State Department, as well as private foundations, the U.S. has strengthened both local and international CSOs, enabling them to tackle Tanzania's development challenges effectively. These

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 19 Federal Inland Revenue Service, Nigeria, "Companies Income Tax Act (as amended)," 2007, <https://www.firs.gov.ng/wp-content/uploads/2021/02/CITA.pdf>

grants have enhanced institutional frameworks and aligned with national priorities, nurturing a strong partnership that amplifies CSO impact. As explored elsewhere in this report, this relationship delivers substantial benefits but also presents challenges, particularly for local organizations navigating funding disparities – also indicated in previous chapter of this report.

Beyond health and other sectors, U.S. funding supports initiatives have contributed into promotion of democratic governance – one of the core functions of the local CSOs in Tanzania. Additionally, capacity-building efforts have strengthened CSO governance and sustainability, ensuring alignment with Tanzania’s development goals and U.S. foreign policy objectives. Indeed, these achievements highlight the transformative power of U.S. support in enhancing CSO effectiveness.

Despite these successes, funding imbalances mentioned earlier, pose significant obstacles for local CSOs. Approximately 70% of USAID grants are awarded to international organizations, leaving only 30% and below for Tanzanian-registered CSOs, often those affiliated with USAID.

Moreover, the grassroots CSOs, typically limited to sub-grantee or temporary roles, struggle to achieve autonomy and long-term sustainability.

Surveys spanning grassroots to national CSOs across various sectors indicate that these disparities reflect broader U.S. aid patterns in Tanzania, Sub-Saharan Africa and globally. This is a reason why the Tanzanian CSOs must diversify funding sources, particularly given the lack of public funding and other challenges of Tanzania’s regulatory framework (outlined above).

3.4 OVERALL PERCEPTIONS AND IMPLICATIONS OF U.S. FUNDING CUT

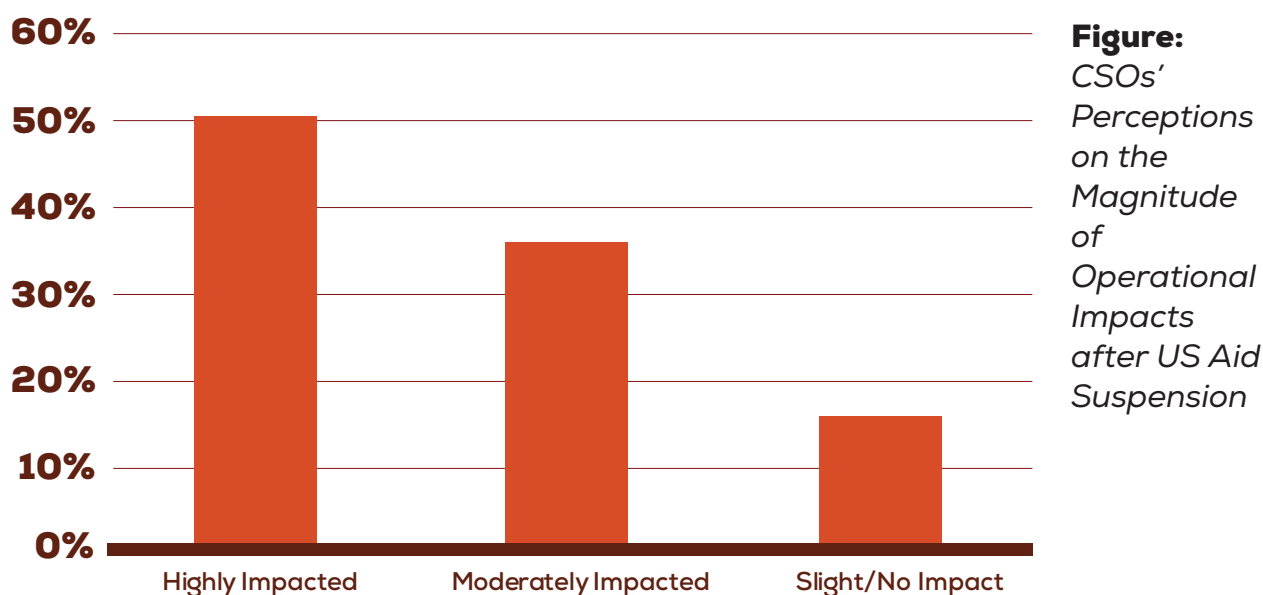
Across Tanzania – as it is evidenced by real stories of the CSOs and their beneficiaries, the abrupt halt of U.S. funding in January 2025, has disrupted critical sectors, notably health. For instance, as said earlier, PEPFAR’s \$6.6 billion program suspension has stopped HIV/AIDS interventions like the DREAMS initiative for vulnerable girls, voluntary medical male circumcision, and PrEP (Pre-Exposure Prophylaxis) for at-risk populations. Despite the fact that actual number of individual beneficiaries of this funding was not immediately obtained, this pause risks wasting commodities, halting technical support to health facilities, and sparking fears of antiretroviral hoarding, potentially increasing HIV transmission and drug-resistant strains.

Beyond health (and support to other key sectors), the local CSOs face operational crises, unable to sustain youth empowerment, legal aid services and other community services. There is also possibility of a widespread job losses especially for the project directly supported by such funding or connected to the value chain of such projects in Tanzania. For instance, a CSO leader in Iringa shared, *“though not direct recipients, we thrived indirectly through USAID-funded health and adolescent programs, especially SRH advocacy, which empowered our communities.”* In this region, USAID massively supported economic empowerment schemes as well including construction of market stalls to facilitate tomato farmers accessing markets especially through its

‘Feed the Future Tanzania Mboga na Matunda Activity (FTFT-MnM)’ intervention. Note that, economic empowerment of women has significant implications to the reduction of gender-based violence and access to justice.

Another survey organization (anonymity observed) remarked that, *‘[T]hough ‘R’ did not receive direct U.S. funding, our work as a sub-grantee under TCDC’s Tulonga Afya project thrived on the financial stability it provided. We upheld every contractual obligation, yet the U.S. funding suspension’s shadow looms over us, as disruptions to TCDC’s resources could ripple through to our operations, leaving us navigating uncertainty without formal notice.’*

The survey data for this analysis gathered from over 100 CSOs across diverse sectors show 50% of CSOs reporting high impact of the abrupt halt of U.S. funding. The figure below shows more responses.



Source: THRD’s Survey Data, April 2025.

Such findings could imply that, at least 80% of CSOs have highly or moderately affected by such change. There were also other CSOs which had ‘reasonable expectation’ of US funding support through others. For instance, one organization responded to the survey that, *‘I applied to implement a Malaria SBC project under Medical Team, but their lack of U.S. funding meant we, too, lost access to those resources, halting our plans.’* – Anonymous CSO Representative

Basing on the statistical responses displayed above, it means that, only around 15% sensed slightly or no impact at all apparently due to over depending on other funding sources. An overwhelming majority of local CSOs feeling the pinch of changed funding policy could depict the significance of U.S. funding and also, suggest a need for immediate funding options.

CSOs TZS 2.64 trillion contribution to Tanzania's development, also threatened

Annually, CSOs contribute TZS 2.64 trillion to Tanzania's development, a vital economic force partly enabled by USAID's USD 638 billion yearly support, now jeopardized by the abrupt U.S. funding halt. These organizations significantly drive the national economy through money circulation, PAYE taxes, social security contributions, and more, fueling public revenue and economic activity. This sudden withdrawal threatens CSOs' ability to sustain these contributions, directly impacting national outcomes in service delivery and growth. Consequently, the Tanzanian government holds a critical stake in partnering with CSOs to address this funding crisis, safeguarding the stability of these development gains.

Furthermore, compounding these disruptions, the funding cut exposes structural flaws in donor-dependent models, affecting compliance, governance, and economic stability. Many CSOs struggle with statutory obligations like tax filings and audits, while banking relationships weaken due to reduced liquidity. At a macro level, declining donor inflows pressure the Tanzanian shilling, impacting the broader **economic ecosystem**. The vulnerable groups, including women, youth, and rural communities, lose access to empowerment and justice services, and governance suffers, with stalled voter education (e.g., IFES-supported electoral reforms), and human rights advocacy undermining accountability.

Generally, this cascade of challenges suggest for an urgent need for diversified funding and institutional resilience to protect Tanzania's progress in service delivery, inclusive growth, and democratic engagement, with comprehensive analyses and recommendations presented later in this chapter.

3.5 OPERATIONAL AND PROGRAMMATIC IMPACTS OF U.S. FUNDING SUSPENSION

3.5.1 A Synopsis on Diversity and Funding Reach of Local CSOs in Tanzania

The survey data from over 200 CSOs indicate their work across a broad spectrum of thematic areas, including health, legal aid, women's rights, child rights, governance, environmental protection, human rights advocacy, water and sanitation, economic empowerment, gender-based violence, and climate change. Many organizations blend service delivery with advocacy, amplifying their impact on Tanzania's social development. This diversity underscores the extensive influence of U.S. aid, particularly through USAID, which has supported initiatives touching nearly every facet of civil society, from rural health clinics to urban governance reforms. Such wide-reaching engagement has strengthened community resilience and driven national progress, as detailed in subsequent sections.

Yet, survey responses reveal a critical funding imbalance, with only between 2% to 30% of USAID grants directly allocated to local CSOs, while 70 - 75% flow to international organizations. This disparity, explained in the previous chapter and illustrated in a figure to be presented, limited local CSOs' autonomy and sustainability, relegated many to sub-grantee roles with restricted control over resources and project design.



Consequently, grassroots organizations seemed to have struggled to build long-term capacity, undermined their ability to address local needs effectively. As such, the sudden cutting of aid, has left such organizations hanging in critical balance of sustainability. Indeed, this remains as a good lesson or call to have equitable funding models that not only promote developmental agenda, but also, sustainability and resilience of CSOs which carry such agenda into actions.

Below are specific affected areas of projects or other interventions under U.S-AID support. It is just a small sample randomly picked from CSOs responses and availability of other data. Therefore, affected areas could definitely be more than the ones narrated below.

3.5.2 Staff Suspension and Termination

The survey findings from at least 100 CSOs (directly and indirectly beneficiaries) indicate that over 40% suspended or terminated staff due to USAID funding suspension, unable to sustain salaries without core donor support. The frontline workers, outreach staff, and project officers faced the impact e.g., directly diminishing CSOs' capacity to deliver services like health outreach and legal aid. A Kigoma-based CSO shared, *"losing our outreach staff has broken our connection with communities. We've had to let go of skilled workers who ran our health programs, leaving villages without support."* Meanwhile, 40% of CSOs avoided layoffs but warned of looming risks if funding gaps persist. This workforce reduction undermines service delivery, erodes community trust e.g., in relation to projects which were ongoing, and stalls progress in critical development areas, threatening long-term engagement.

More than 5 USA based organizations such as US-AID, International Republican Institute (IRI) National Democratic Institute (NDI), International for Electro Systems(IFES), and many more have terminated their operations in Tanzania with employment implications to thousands of citizens of Tanzania employed directly or indirectly by these organizations.

According to recent report on decline of foreign aid to Tanzania by International Monetary Fund (IMF), most foreign assistance cuts have affected the health sector – both supplies and staff.²⁰

20 <https://www.imf.org/en/Publications/CR/Issues/2025/07/03/United-Republic-of-Tanzania-Staff-Report-for-the-2025-Article-IV-Consultation-Fifth-Review-568276>

“For instance, USAID employed over 20,000 workers, both directly and indirectly (including CSO and community workers), mostly involved in HIV, malaria, family planning and child health treatments. Another 30,000 health workers were paid by USAID to carry out additional activities beyond their official duties”

3.5.3 Communication with Contracting Agents

The communication with contracting agents varies widely, with only 20% of CSOs maintaining consistent contact, 18% reporting irregular exchanges, 13% occasional dialogue, and 13% none at all. A Singida CSO expressed, *“We’re stranded without clear updates from our donor partners. No communication means no guidance on next steps, leaving us to guess how to survive this funding crisis.”* One respondent highlighted that 52% of their annual portfolio ceased abruptly without notice. Indeed, this reveals a critical gap in transition management.

Such disconnection isolates CSOs, forcing them to navigate financial uncertainty alone, which slows recovery efforts and weakens donor-CSO partnerships. This is a case because the **cutting did not suggest an adaptive or resilience strategies**; and that, funding package had no sufficient reflection of the internal capacity building support.

3.5.4 Organizational Vulnerabilities

The ‘organizational vulnerability’ in the context of this THRDC’s survey, refers to the structural fragility of Tanzanian CSOs stemming from their heavy dependence on USAID funding e.g., as found, with 79% lacking diversified income sources or financial reserves. This reliance places both U.S.-based organizations registered in Tanzania, often 90% dependent on USAID grants, and local CSOs with direct (or indirect) funding at high risk of closure or severe downsizing as explained earlier on. This too is a critical situation observed. For instance, a Dar es Salaam-based CSO voiced their struggle, saying, *“with no alternative funds, our ability to cover costs and sustain programs is collapsing, threatening the trust we’ve built with communities over years in Kigoma and elsewhere ... we are forcing to terminate contract terms of the key staff including international experts.”* It is found further that, such apart from that fragility fueling operational instability, it also erodes institutional credibility e.g., with the project that they had with the government and communities. *‘We struggled so much to have this project and engagement with the government in Kigoma to be smooth and effective. At the time when everything becomes perfect, this cutting happens.’* Lamented further the said CSO.

3.5.5 Programmatic Disruptions

The funding cut’s human toll is profound, with layoffs, program suspensions, and halted services leaving communities vulnerable and other stakeholders in suspense as said above. The women, youth, people living with HIV, and rural populations face heightened risks as CSOs struggle to maintain health, education, and advocacy initiatives. A

Mbeya CSO reported, *'our women's empowerment programs are collapsing without USAID funds. We've stopped training sessions for youth and can't support survivors of gender-based violence, leaving entire communities adrift.'* Furthermore, the halt of IFES-supported electoral initiatives generally undermines voter education and electoral justice, while stalled human rights advocacy slows accountability.

Moreover, as hinted above, disruptions have both micro and macro effects e.g., the over CSOs' TZS 2.6 trillion annual contribution, tied to USD 638 billion in USAID support, is also at risk, affecting national service delivery and growth. Furthermore, the reduced donor inflows strain the Tanzanian shilling, and compliance crises e.g., unmet tax filings, audits, and social security obligations (among other implications).

3.5.6 CSOs Internal and External Operations

For over three decades, USAID has been a cornerstone of financial support for Tanzanian CSOs, enabling critical interventions in gender equality, reproductive health, youth empowerment, environmental conservation, and education. The sudden suspension of this funding has led to an immediate halt in CSO activities, with many organizations facing project suspensions, office closures, and widespread staff layoffs, particularly impacting community-based facilitators and field researchers. Table and figure below show CSOs' own responses (to the survey) on the most affected operational areas or issues – with program implementation generally score high (80%) followed by salaries (60%).

Table: Most Affected Operational Area

Operational Area	Number of Mentions	Percentage of Responses (%)
Program Implementation	40	80.0%
Staff Compensation/ Salaries	30	60.0%
Organizational Sustainability	25	50.0%
Support to Beneficiaries	20	40.0%
Office Rent	15	30.0%



Source: CSOs' Online Responses to THRDC Survey, February-April 2025

At external operational level, the funding cut has left rural CSOs, often the primary support for local communities, unable to address pressing issues like domestic violence, access to justice, and healthcare, resulting in stalled services and growing public frustration. *"The abrupt end to USAID funding has shattered our ability to maintain community trust and deliver essential services,"* said Amina Salum, a CSO director in Dodoma, *"leaving vulnerable populations without support and threatening decades of progress in civil engagement."* This operational crisis has created significant gaps that local governments lack the resources to fill, risking the permanent closure of vital grassroots organizations and weakening Tanzania's social development framework.

3.5.7 Impact on Statutory Compliance

As said earlier, the CSOs in Tanzania have been clipped to donor-centric funding models that sidelined institutional resilience, leaving them critically exposed when external support, like USAID grants, evaporates. The sudden funding suspension have plunged CSOs into a compliance crisis, unable to afford statutory obligations such as NGO registration renewals, tax remittances, or mandatory financial audits, which affects their legal standing and risks permanent deregistration. This systemic flaw in funding design, which failed to prioritize governance or financial diversification, has eroded CSOs' credibility and threatens to unravel decades of community advocacy. *"Without funds to cover registration fees or audits, we're facing the prospect of being struck off the NGO registry,"* said a CSO director in Iringa. The crisis reveals a glaring need for CSOs to cultivate local revenue streams and robust compliance frameworks to survive such disruptions.

The funding suspension have also destabilized CSOs' financial ties with financial institutions, as interviews with CRDB, NMB, Stanbic, and Equity Bank reveal a cascading impact on loan portfolios linked to donor-funded programs. The CSOs and their staff, who secured loans like CRDB's TZS 320 million MSME facility, relied on grant revenues for repayment, but now face defaults, straining bank balance sheets and prompting tighter lending policies. *"CSOs are crucial corporate clients, some with institutional loans or employees with personal loans secured by salaries tied to donor grants,"* said an official from one of the banks interviewed. *"Their repayment struggles due to USAID's exit are creating a ripple effect across our portfolio."* This dual crisis demands urgent regulatory reforms and localized funding strategies to stabilize CSOs and safeguard Tanzania's financial ecosystem.

3.5.8 Impact on Foreign Currency and Direct Investments

The suspension of USAID funding could also severely disrupt Tanzania's foreign currency inflows, which is vital for stabilizing exchange reserves and supporting sectors like health, education, and agriculture. Combined with the cessation of USD 500 million annual U.S. contributions from 2012 to 2022, including USD 1.3 billion in Foreign Direct Investment (FDI) for infrastructure, USD 103.7 million in remittances, and USD 96.3 million in philanthropy, this withdrawal has created a significant economic gap.

“Bilateral partners have announced that they will reduce ODA support to Tanzania or refocus it toward investments over time, while UN agency (e.g., WHO, UNICEF, WFP and UNHCR) operations will likely be affected by funding gaps. In particular, Tanzania is among the largest recipients of USAID operations in SSA (chart). These operations amounted to about US\$400 million, about 0.5 percent of Tanzania's GDP and 40 percent of its total health expenditures, in FY24; and they are expected to decline by at least US\$200 million in FY25.”²¹

21 <https://www.imf.org/en/Publications/CR/Issues/2025/07/03/United-Republic-of-Tanzania-Staff-Report-for-the-2025-Article-IV-Consultation-Fifth-Review-568276>

The reduced foreign currency flow is weakening the Tanzanian shilling, constraining foreign exchange liquidity, and hindering imports of critical goods, while also challenging the government's ability to manage external debt and inflation. *"The abrupt halt of U.S. funding has paralyzed our ability to sustain agricultural export programs. This is a potential risk to rural livelihoods,"* said a lecturer of one of the colleges in Morogoro. If this situation could be left go as it is, can undermine Tanzania's fiscal stability to a certain extent. Of course, this argument is subject to a separate deep analysis.

Furthermore, the stakeholders consulted during the survey, were of the opinion that, an erosion of FDI-driven innovation and philanthropic support could further weakens sectors reliant on external investment especially if other donors pull-out as well. If that will happen, could threaten inclusive development, among other adverse effects. The failure to anticipate such funding cliffs exposes a critical need for Tanzania to strengthen domestic revenue systems and forge new international partnerships to mitigate the social and economic fallout – to ensure resilience against future donor withdrawals.

3.6 VOICES OF IMPACT: CSOs' TESTIMONIES ON THE USAID FUNDING CUT IN TANZANIA

This sub-section synthesizes the most compelling testimonies from affected CSOs, drawn from a comprehensive survey. This is intended to illustrate the profound consequences of the funding cut and complementing what have already been said earlier. The testimonies are organized into thematic areas, each narrates the specific impacts through the voices of CSOs, weaving their direct quotes into a cohesive story of disruption and resilience, with the region, district, or place of each CSO indicated. From the breached contracts to stalled community-serving efforts, the narratives reveal a (CSO) sector under strain, yet striving to adapt. Below are such voices tapped by the survey tools in March and April 2025.

3.6.1 Contractual Disruptions and Broken Agreements

The sudden halt of USAID funding shattered the financial foundations of many CSOs, particularly those with signed or pending contracts. A CSO in Kasulu, Kigoma, having secured a significant commitment, lamented, "Our organization had already signed a 3 year contract under USAID support that worth \$750,000 from 2025 to 2027 so by 2025 lost about \$200,000." Others faced similar unmet expectation; a CSO in Urban West, Zanzibar, was on the point of formalizing an agreement when the suspension intervened: "PYI was to sign the agreement but the suspension of grants from the U.S Department of State destructed the process." Similarly, a CSO in Singida Municipal, Singida, noted, "we were about to sign an agreement but it has immediately stopped following the executive order." The lack of procedural clarity compounded the chaos, as a CSO in Ruangwa, Lindi, reported, "the financial agent with our contract agent were not properly followed by the notice of suspension of agent due to stop suddenly without prepared so that makes the interference of some activities in terms of money," while a CSO in Kinondoni, Dar es Salaam, received only a blunt directive: "was not followed. We received a general stop work order."

The lack of proper e.g., sufficient notification or adherence to contractual terms, as the CSO in Ruangwa described, left organizations scrambling to adjust plans midstream. According to some of these sampled CSOs, the implication is a potential erosion of confidence in international donor commitments, which could deter CSOs from engaging in future partnerships. This uncertainty may push organizations toward risk-averse strategies, limiting their ambition and innovation. Moreover, the financial losses such as the \$200,000 deficit reported by the CSO in Kasulu, could force CSOs to divert resources from programs to cover operational gaps – if at they have such ‘other’ resources.

3.6.2 Severe Budgetary and Operational Impacts

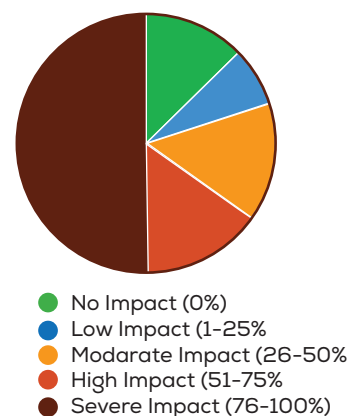
In relation to what stated above, the USAID funding cut has also inflicted crippling budgetary wounds on CSOs, with many reporting massive shortfalls that have paralyzed operations. A CSO in Singida Municipal, Singida, heavily reliant on USAID, stated, “it has affected the planned budget by 90% due to the fact that, budget of the organization depended on the aids from the USAID. Therefore, without their grants, we failed to undertake our interventions.” A CSO in Mkoani, Kusini Pemba, quantified the dual blow: “administration cost- 80% Program cost 95%,” while a CSO in Kigoma Ujiji, Kigoma, described a near-total collapse: “it has paralyzed our plans for over 80%.” Smaller organizations, dependent on larger USAID-funded partners, felt the ripple effects acutely, as a CSO in Lindi Municipal, Lindi, explained, “it has affected us 100% because we were relying on large organizations that receive grants to work with us, who are of lower status.”

The operational toll are starkly evident in a CSO in Ruangwa, Lindi, which struggled: *“I have failed to pay rent and to follow up on various results that arise on time, as well as transport costs for reporting and office expenses.”* A CSO in Dodoma City, Dodoma, reported a significant shortfall: “52% of Annual budget of the organizational budget was cut off from termination of US Aid,” while a CSO in Kinondoni, Dar es Salaam (mentioned earlier), tied the cut to a specific project: “More than 60% of our budget for 2025 was expected to be obtained from USAID through PSSA project. Now we are in difficult time to make sure the budget is covered.”

The statistical survey data indicate that 50% of organizations reported a **severe impact** (76–100%) on their 2025 budget, while only 12.5% report **no impact**, likely organizations not directly reliant on U.S. funding. Table below shows more responses:

Table: Budget Impact on 2025 Planned Budget - CSOs Own Responses

Budget Impact Range	Number of Organizations	Percentage of Total (%)
0% (No Impact)	5	12.5%
1-25%	3	7.5%
26-50%	6	15.0%
51-75%	6	15.0%
76-100%	20	50.0%



Source: CSOs' Online Responses to THRDC Survey, February - April 2025

Apparently, the long-term implication is a potential contraction of the CSO sector in Tanzania, as organizations unable to secure alternative funding may downsize or close as this survey found. If that happens, it could reduce the diversity and reach of civil society, particularly in rural areas like Ruangwa or Kigoma, where smaller CSOs serve marginalized communities. The struggle to cover basic costs like rent, as the CSO in Ruangwa noted, also risks diverting resources from mission-driven work, creating a vicious cycle of reduced capacity and impact.

3.6.3 Community and Social Consequences: Most Affected Thematic Areas

The funding suspension ripple effects also have reached deep into CSOs' constituencies i.e., the communities they are serving, particularly harming vulnerable groups who rely on CSO services e.g., for legal aid and other services. A CSO in Singida Municipal, Singida, working with HIV patients issued a dire warning: "for health projects, many HIV patients will die due to lack of medicine." The education programs also suffered, with a CSO in Kigoma Ujiji, Kigoma, lamenting, "feel painful to explain, very bad even our nearly close the school."

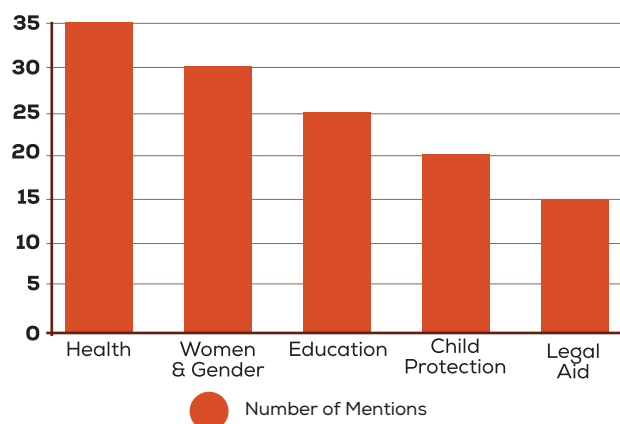
The erosion of community trust was a recurring theme, as a CSO in Kasulu, Kigoma (mentioned earlier), noted, "implementation of project stopped and we cannot reach the expected goals also we lost society trust." Anti-trafficking efforts were hit hard, with a CSO in Dar es Salaam, reporting, "Disruption of ongoing cases caused by human trafficking, increase in rate of trafficking and child labour as human traffickers are not taken upon action, loss of jobs, hard living conditions among victims of violence who are under safe house custody." On the other hand, the girls faced heightened risks, as a CSO in Iringa Municipal, Iringa, observed, "some of girls drop out from schools, forced and early marriage. We fail to act more and this halt trust of our interventions."

Broader human rights advocacy faltered, with a CSO in Ruangwa, Lindi, stating, "the community regressing in the protection of human rights," while a CSO in Dar es Salaam, warned, "advocacy activities stalling, leading to an increase in acts of violence."

The statistical survey data gathered from CSOs' responses between February and April 2025 show that, the most affected thematic areas or sectors are health (70%) and interventions on women and children e.g., GBV and access to justice (60%). Table and Figure below, shows more responses.

Table: Most Affected Thematic Areas - CSOs Own Perceptions

Thematic Area	Number of Mentions	Percentage of Responses (%)
Health	35	70.0%
Women and Gender (incl GBV)	30	60.0%
Education	25	50.0%
Child Protection Programs	20	40.0%
Legal Aid and Access to Justice	15	30.0%



Source: CSOs' Online Responses to THRDC Survey, February - April 2025

All these situations suggest that the implications are particularly severe for vulnerable populations, such as HIV patients or trafficking victims, who may face life-threatening gaps in care. The increase in violence and exploitation, as predicted in such areas, could exacerbate social inequalities, reversing years of progress in human rights and gender equity.

3.6.4 Threats to Democratic and Electoral Processes

With Tanzania approaching its 2025 elections, the USAID funding cut has jeopardized some of the critical programs aimed at fostering democracy and civic engagement, particularly for women and youth. For instance, JUWAUZA, a female-based disability organization, was already in an engagement agreement with IFES and a baseline on women, youth and PWDs engagement in electoral process, was already been conducted in 2024 in Unguja and Pemba.

A CSO in Ubungo, Dar es Salaam, tied the suspension directly to electoral setbacks: “the USAID grant that was suspended is in election process regarding that this is the year of election and the suspension may take 3 months whereby we will be very out of time in implementing some planned activities and this will affect the organization plan and reduce the quality of our desired goal.”

A CSO in Kigoma, highlighted the broader impact: “to a large extent, the activities we planned, especially those related to implementing democracy and encouraging community participation in elections, particularly for women and youth, have been affected budget-wise, and thus they may be implemented to a limited extent or fail to be implemented entirely.” A particularly poignant testimony from a CSO in Dar es Salaam outlined the gender-specific consequences: “A concrete long-term impact of the suspension of U.S. grants would be a decline in women’s political participation and leadership, reversing progress toward gender equality in governance. Without sustained funding, programs that train women aspirants, engage political parties, and combat violence against women in politics (VAWP) will be significantly weakened. This will likely result in fewer women running for office in upcoming elections, reducing their representation in decision-making spaces.”

From this survey’s perspective, the implications are profound, including reduced civic engagement which could weaken electoral integrity, while diminished female representation may lead to policies that overlook gender-specific needs, such as healthcare or education access, among other effects. Moreover, this setback could also discourage youth participation and therefore, result into apathy and undermining the democratic process. Owing to the current political situation which is heating up due to the electoral processes of this year (2025), more financial and technical supports are highly deed. It is therefore unfortunate that the cutting happens at the time the funding support on democratic processes is needed the most in Tanzania.

3.6.5 Environmental and Conservation Setbacks

The environmental CSOs reported significant setbacks in conservation efforts, critical for both ecological balance and community livelihoods. A CSO in Morogoro Municipal, noted a stalled initiative: “failure to implement the environmental conservation project.” A CSO in Babati, Manyara, highlighted a specific loss: “projects for the conservation of the Burunge WMA area stopping.” These disruptions reflect the broader challenge of sustaining environmental work amid funding uncertainty, particularly in regions where wildlife management areas support local economies.

The halt of conservation projects, as these CSOs in these and so many other places including Iringa, Arusha, Morogoro, Rukwa, Mbeya , apparently risks long-term ecological damage and economic hardship for communities dependent on sustainable tourism or resource management. For instance, two organizations in Arusha working on climate change and conservation have been largely affected because they relied on US grants between 60% and 80% of their total budget. The implications extend beyond immediate project failures; weakened climate change projects, weakened conservation efforts could lead to increased poaching or habitat loss, undermining Tanzania’s biodiversity and global environmental commitments.

3.6.6 Long-Term Sustainability and Organizational Viability: Operational Issues

The USAID funding cut has also cast a shadow over the long-term sustainability of Tanzania’s CSO sector, with many organizations fearing closure or significant downsizing as said earlier. A CSO in Kagera, highlighted the challenge of replacing lost funds: “it took a long of time to build working reputation with USAID and eventually almost overwhelming depended on them. Therefore, it could be difficult to have another source of funds soon.” A CSO in Iringa Municipal, Iringa, outlined multiple losses: “1. Loose of trust from government authority and society; 2. Failure to address success of implemented projects; 3. Loosing experienced and skilled workers, whom we have invested a lot to enhance their carrier and capacities.”

Moreover, a comprehensive testimony from a CSO in Kasulu, Kigoma (quoted earlier), captured the sector-wide impact:

 *“[T]he suspension of U.S. government grants is likely to have long-term effects on ‘R’ Tanzania and other CSOs in Tanzania. As a sub-grantee under the Tulonga Afya project, ‘R’ relied on U.S.-funded partners like TCDC for malaria control interventions. If such funding opportunities decline, our ability to implement similar health initiatives may be affected. Additionally, we foresee increased competition for limited funding, potential program scale-downs, and greater reliance on alternative fundraising methods. The overall impact could weaken civil society’s role in health advocacy, service delivery, and community development efforts.”* 

Furthermore, a CSO in Arusha Municipal, Arusha, emphasized advocacy challenges: “failure to implement democracy and human rights programs, sustainability challenge, poor engagement with various stakeholders, challenge on staffing financial support and administration challenge.”

Many organizations working on agriculture have been also affected significantly. For instance, over 60 NGOs involved in agricultural value chain faced operational challenges because of suspension of US Aid. **Feed the Future -Tuhifadhi Chakula** is among the USAID-funded program facing the risk of closure.²²

These accounts paint a grim picture of a sector at a crossroads, with CSOs in regions from Lindi, Rukwa, Songwe, Mara, Katavi, Simiyu to Arusha and Pembe and elsewhere, struggling to maintain their relevance and operations. The loss of experienced staff and trust, as said earlier, could diminish organizational capacity. Moreover, increased competition for funds, as the Kasulu CSO predicted, may favor larger organizations, marginalizing smaller, community-based groups. Eventually, there will be low activism and therefore, reduced advocacy for policy change, limit community empowerment, and hinder Tanzania's progress toward sustainable development goals.

3.7 COPING MECHANISMS SUGGESTED AND EMPLOYED BY CSOs

3.7.1 Provoking Reasons for Having Coping Mechanisms

As it is said above, the U.S. grants suspension or termination, was expected to send shockwaves through all beneficiaries including the CSOs in Tanzania. The most critical effects include the disruption of their internal and external operations – which altogether pose a potential risk of their survival and sustainability of the interventions.

Indeed, this is not the first time Tanzanian CSOs have faced such challenges, as the sector has historically navigated the ebb and flow of individual donor support e.g., DANIDA²³ in recent years. However, the magnitude of U.S. aid, often a **cornerstone of funding** for health, governance, and human rights initiatives, combined with the **abrupt nature** of the suspension or withdrawal without adequate resilience measures, has made this crisis particularly 'acute.'

The Government of Tanzania also took several strategies to minimize the impact of this aid shocks on several key sectors such as health, education etc. For instance, initial response to this crisis by the Tanzanian government was to adopt supplementary budget in the second half of the 2024/25 financial year. According to the Ministry of Health, Tsh 93 billion was allocated to offset the anticipated budget shortfall.²⁴

“Through the coordination of the Prime Minister’s Office, we have conducted a comprehensive assessment. We have reviewed what we currently have, what we have ordered, and what we expect to

22 <https://www.esrf.or.tz/usaidreflections.pdf>

23 It announced closure of its program in 2021, but reversed its decision in 2023. See: The Citizen Reporter, Denmark Reverses Decision to Close Embassy in Tanzania. Friday, November 17, 2023. Accessible through: <https://www.thecitizen.co.tz/tanzania/news/national/denmark-reverses-decision-to-close-embassy-in-tanzania-4435934>

24 <https://thechanzo.com/2025/07/17/imf-estimates-about-50000-tanzanian-health-workers-to-be-affected-by-usaid-shutdown/>

receive. We have already put in place a strategic plan for the short term, medium term, and long term,” Tanzania’s Minister of Health, Jenista Mhagama, told reporters on April 25, 2025, regarding the USAID exit”²⁵ “For malaria medications and diagnostic supplies, we have enough stock to last until February 2026. For other medications, such as HIV drugs and others, we have already taken action. As of now, we have sufficient supplies to last us until June,” she continued. The Ministry also highlighted that it will also structure some of the roles which were supported by USAID programs to be under direct government budgetary support, an initiative that is done in coordination with the President’s Office, Public Service Management, and Good Governance’s”²⁶

- a) According to Finance Minister Mwigulu Nchemba, the National Assessment was completed and the government re-directed domestic resources to ensure the continuity of critical projects such as health, education etc.
- b) Fiscal adjustments were among the other copying mechanism used by the Government of Tanzania. For instance, the loss of approximately \$ 450 million in annual U.S Aid to Tanzania , the government introduced new domestic revenue streams in its 2025/26 budget. These include higher taxes and fees on items such as beer, fuel, and air travel, with a portion of the revenue designated for health and social programs.
- c) Policy adaptation was also used as the copying mechanism by the government. The government shifted from its long-term strategy towards greater financial self-reliance by prioritizing domestic revenue, public-private partnerships (PPPs), and diversification of donor sources aiming to outlast any single donor’s program.

This kind of government intervention and copying mechanism strategy was only for government institutions. According to this study, there is no reported NGOs that managed to receive any government support to mitigate the impact of U.S. Aid on their operations. Drawing from stakeholders’ responses to this survey and some of best practices across the African continent – accessed through online sources, this section outlines the coping mechanisms suggested by Tanzanian CSOs and proposes additional strategies to enhance resilience and sustainability.

3.7.2 Stakeholders-Suggested Coping Mechanisms

The stakeholders from various Tanzanian CSOs, reached through this survey between March and April 2025, have proposed and started (and other continued) implementing several strategies to mitigate the impact of the U.S. grant suspension and similar funding crisis. These include:

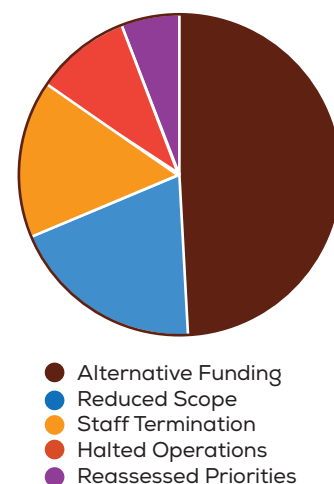
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- 25 <https://thechanzo.com/2025/07/17/imf-estimates-about-50000-tanzanian-health-workers-to-be-affected-by-usaid-shutdown/>
- 26 <https://thechanzo.com/2025/07/17/imf-estimates-about-50000-tanzanian-health-workers-to-be-affected-by-usaid-shutdown/>

- a) **Seeking alternative funding sources:** A majority of local CSOs are actively pursuing funding from alternative donors, including European Union agencies, United Nations programs, and local private sector partners. This approach aims to diversify funding streams and reduce reliance on a single donor.
- b) **Reassessing project priorities, scope and scale:** Organizations like those in Singida, Kigoma, Morogoro and Pemba are prioritizing high-impact, low-cost programs to maintain essential services while scaling down less critical activities. For instance, use of community media outlets which are cost effective.
- c) **Termination or suspension of staff:** Several organizations, such as those in Dar es Salaam, Mtwara, Iringa and Zanzibar, have resorted to laying off staff or suspending contracts to cut operational costs, though this risks losing institutional knowledge and capacity. This one include also international organizations e.g., the one with ground operations in the refugee camps of Kigoma.

Table and figure below shows rating of preference of the mitigation or coping measures basing on the CSOs' own responses interviewed between February and April 2025.

Table and Figure: Preferred Mitigation/Coping Measures - CSOs Own Perceptions

Thematic Area	Number of Mentions	Percentage of Responses (%)
Sought Alternative Funding Sources	25	62.5%
Reduced Project Scope or Scale	10	25.0%
Termination/Suspension of Staff	8	20.0%
Temporarily Halted Operations	5	12.5%
Reassessed Project Priorities	3	7.5%



Source: CSOs' Online Responses to THRDC Survey, February - April 2025

Seeking an alternative funding sources scored high (62.5%), followed by reducing project scope or scale as table and figure above show.

- d) **Temporarily halting operations:** Some CSOs including the USA-based international organization, have paused operations entirely - probably while seeking new funding, a measure that threatens long-term sustainability.
- e) **Engaging local stakeholders:** CSOs like two youth-based organizations in Mwanza (on domestic workers) and Mjini Magharibi region (Zanzibar) claim to have called for increased collaboration with local private sectors, communities, and regulatory authorities to foster local support and reduce financial burdens through in-kind contributions or tax waivers.

- f) Capacity building for resource mobilization:** Stakeholders emphasized the need for training in fundraising, grant writing, and local resource mobilization to build self-reliance. Some of the organizations are now developing resource mobilization strategies. However, funding challenge to facilitate such initiative is mentioned by majority of interviewees.
- g) Advocacy for emergency funds:** CSOs, including those in Mbeya Dar es Salaam and Arusha, have urged contracting agents e.g., the Government of USA and other donors to provide emergency funds to bridge the funding gap, particularly for sensitive programs like health and child protection.
- h) Establishing income-generating activities:** Some organizations in Singida, Kagera, Pemba and other places, proposed initiating social enterprises programs e.g., small-scale businesses including beekeeping or agricultural projects, so as to generate sustainable income.

3.7.3 Best Practices from Across Africa – Coping Mechanisms

Learning from best practices across the African continent, Tanzanian CSOs can adopt additional or affirm (strengthen) existing strategies to build resilience against donor funding shocks. These approaches, drawn from successful examples in other African countries,²⁷ emphasize diversification, local ownership, and innovation:

- a) Crowd-funding and digital fundraising:** In Nigeria, CSOs like the Stand to End Rape Initiative have successfully used crowd-funding platforms to raise funds for GBV programs, engaging both local and **diaspora** communities. Tanzanian CSOs could leverage platforms like *M-Changa* or *GoFundMe* to mobilize small-scale contributions.
- b) Forming CSO coalitions/ Co-creation:** In South Africa, the Southern Africa Trust has facilitated coalitions among CSOs to pool resources, share expertise, and **jointly apply** for grants, increasing their bargaining power with donors. Tanzanian CSOs could form regional or thematic coalitions to enhance efficiency and impact.
- c) Engaging local philanthropy:** In Ghana, the STAR-Ghana Foundation has mobilized local philanthropy by partnering with high-net-worth individuals and corporate social responsibility (**CSR**) programs to fund governance initiatives. Tanzanian CSOs could cultivate relationships with local businesses and philanthropists e.g., ASASI, Vodacom Foundation, GGM, etc., to secure sustainable funding.

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²⁷ Picked from numerous online sources including: Kenya Community Development Foundation, 2023, "Sustainable Community Development," <https://kcdf.or.ke/annual-reports/>; Stand to End Rape Initiative, 2024, "Crowdfunding for Social Impact," <https://standtoendrape.org/impact-reports/>; Southern Africa Trust, 2022, "Collaborative Funding Models," <https://southernafricatrust.org/our-work/>; STAR-Ghana Foundation, 2023, "Local Philanthropy for Development," <https://star-ghana.org/our-impact/>; Uganda National NGO Forum, 2024, "Policy Advocacy for NGOs," <https://ngoforum.or.ug/advocacy/>; Consortium of Christian Relief and Development Associations (CCRDA), 2023, "Digital Transformation in NGOs," <https://ccrdaeth.org/reports/>; and, Nelson Mandela Foundation, 2023, "Financial Sustainability Strategies," <https://www.nelsonmandela.org/annual-reports/>.

- d) Developing social enterprises:** In Kenya, organizations like the Kenya Community Development Foundation (KCDF) have established social enterprises to generate revenue, such as consultancy services or community-based businesses, reducing dependence on external grants. Tanzanian CSOs, as said earlier on, could continue exploring similar models, such as setting up training centers or agricultural cooperatives or SACCOS to fund programs.
- e) Policy advocacy for enabling environments:** In Uganda, the Uganda National NGO Forum has successfully advocated for tax exemptions and simplified registration processes for CSOs, easing financial pressures. Tanzanian CSOs are currently doing the same especially under the championship of THRDC, FCS and Policy Forum. This initiative should be scaled-up.
- f) Leveraging technology for cost efficiency:** In Ethiopia, the Consortium of Christian Relief and Development Associations (CCRDA) has adopted digital tools for remote program monitoring and virtual training, reducing operational costs. Tanzanian CSOs could invest in affordable technologies to streamline operations and maintain program delivery especially in urban and peri-urban locations.
- g) Building endowment funds:** In South Africa, the Nelson Mandela Foundation has established an endowment fund to ensure long-term financial stability. Tanzanian CSOs with sufficient capacity could explore creating endowment funds through diversified investments. Institutions like the Nelson Mandela Institute of Science and Technology (NM-ISTC) operationalized endowment fund some years back. Similar efforts could be adopted by local CSOs in Tanzania.



CHAPTER FOUR

KEY LESSONS, CONCLUSION AND GENERAL RECOMMENDATIONS

4.1 INTRODUCTION

This chapter captures the key lessons from the abrupt U.S. aid suspension in February 2025, offers a concluding overview of its impacts on Tanzania's civil society, and provides strategic recommendations for stakeholders. Its purpose is to deliver actionable insights and bold solutions to enhance CSO resilience, ensure sustainability, and maintain their vital role in national development amid funding challenges.

4.2 KEY LESSONS LEARNT FROM THE ABRUPT U.S. AID CUT

The abrupt suspension of U.S. aid to CSOs in February 2025, as mandated by the U.S. Presidential Order, has exposed critical vulnerabilities in the civil society sector while illuminating pathways for resilience and transformation. As such, reflecting on the lessons from this funding 'crisis' and the whole incident is essential for (local) CSOs to navigate future uncertainties, adapt to evolving donor landscapes, and strengthen their role as catalysts for Tanzania's development.

One of the critical lessons observed is a revealed systemic weaknesses in funding models, which then, suggest for an importance of local ownership, and also, an urgent need for innovative strategies to ensure sustainability. Furthermore, by reflecting on these insights i.e., lessons, CSOs can reimagine their operational frameworks, work on greater self-reliance, and build a more effective civil society capable of withstanding external shocks. Key among other issues and lessons that this survey gathers from stakeholders' own opinions are:

- a) Limited localization of aid in Tanzania: The survey revealed that only between 2% and 30% (bilateral) aid reached local CSOs directly, with international NGOs dominating resource allocation. This limits, among other issues, local ownership, decision-making and sustainability of interventions legal frameworks. *"Funding civil society actors in partner countries remains marginal despite recognition of the importance of localising support and international commitments to strengthening partner-country civil society actors' ownership. Only 7% of*

OECD Development Assistance Committee (DAC) members' civil society organisation (CSO) funding goes directly to partner-country CSOs" ²⁸. **Lesson:** Prioritizing international intermediaries over local entities weakens community-driven impact. This shows a need for aid structures that empower Tanzanian organizations – supported by policy and laws.

- b) Dependence on a single donor source:** The survey found that many CSOs relied heavily on single sources including U.S. aid, but the abrupt halt led to operational disruptions, including staff layoffs and program suspensions. **Lesson:** Anchoring operations to one or few donors, breeds fragility, as the sudden loss of funding can unravel organizational stability and impact.
- c) Unequal distribution of aid funds:** Most aid was channeled to international NGOs e.g., USA based international organizations, with local CSOs receiving only a small fraction, often as 'sub-grantees' with limited control. **Lesson:** Sidestepping local CSOs in funding flows stifles their ability to lead or innovate, exposing them to external shocks as it is a case at the moment.
- d) Limited direct funding to local CSOs:** In relation to immediate point above, the survey noted that international intermediaries dominated aid, restricting local CSOs' access to resources and decision-making power. **Lesson:** Bypassing local entities in resource allocation weakens their capacity to sustain community-driven efforts. This reveals a need for direct funding streams.
- e) Lack of domestic funding mechanisms:** CSOs faced a funding void due to absent public support or local philanthropy incentives. As such relying almost entirely on foreign donors. **Lesson:** Without local financial avenues, organizations falter when external support vanishes, exposing the gap in domestic resource mobilization.
- f) Restrictive regulatory frameworks:** Stringent laws imposed heavy compliance costs on CSOs without tax relief, draining their resources. **Lesson:** Cumbersome regulations diminish organizational vitality ('energy'), hindering adaptation to funding disruptions and showing the need for enabling legal environments.
- g) Underdeveloped private sector partnerships:** CSOs had minimal ties with business/ private sector, mostly limited to occasional corporate social responsibility (CSR) efforts, missing alternative support. **Lesson:** Neglecting business alliances forgoes resources that could buffer donor exits, revealing untapped potential in private sector ties.
- h) Unutilized organizational expertise:** CSOs' expertise in areas like health and governance was rarely leveraged for revenue-generating consultancy work. **Lesson:** Overlooking opportunities to monetize knowledge leaves organizations without income diversity, demonstrating missed financial resilience.

28 <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5021>

- i) **Low community financial engagement:** The survey indicated that few CSOs sought local contributions, relying instead on external grants. **Lesson:** Failing to tap community support misses chances to foster ownership and stability, as local engagement can cushion external funding losses.
- j) **Weak governance practices:** Some CSOs struggled to meet financial obligations like audits during the aid cut, eroding stakeholders' trust. **Lesson:** Lacking effective or sound governance hampers credibility and recovery, revealing the value of transparent systems in tough times.
- k) **Short-term funding focus:** Aid prioritized quick project outcomes over institutional capacity, leaving CSOs unprepared for sudden halts. **Lesson:** Favoring immediate results over long-term strength undermines sustainability, exposing the flaws of short-sighted funding models.
- l) **Widespread program disruptions:** The halt of key initiatives in health and governance broadly affected communities, disrupting services and progress. **Lesson:** Funding interruptions ripple beyond CSOs, destabilizing wider development goals and revealing their interconnected impact. This calls for CSOs-government common solutions.
- m) **Loss of skilled staff:** Staff reductions due to the aid cut diminished organizational expertise and community connections. **Lesson:** Shedding talent cripples service delivery and recovery prospects, demonstrating need for having retainership programs of part-time experts or advisors or strong boards of directors.
- n) **Limited collective action:** Few CSOs leveraged coalitions to share resources or advocate during the funding cut. **Lesson:** Underusing collective efforts misses opportunities to strengthen resilience. This triggers a need to strength unified action as survival strategy during crisis like this of aid suspension.
- o) **Underuse of technology:** Minimal adoption of digital tools for operations left CSOs less efficient during the funding cut. **Lesson:** Ignoring cost-effective technology limits resource efficiency, revealing its potential to sustain programs under strain.
- p) **Constrained civic engagement:** Reduced funding threatened advocacy efforts, shrinking space for democratic participation. **Lesson:** Resource shortages curb civic influence, demonstrating that financial support is vital to maintaining open democratic spaces.
- q) **Fragile community trust:** Disrupted programs eroded confidence among communities reliant on CSO services. **Lesson:** Breaking community bonds weakens long-term impact, showing that trust is a critical asset to preserve during disruptions.

4.3 CONCLUSION

The survey found that, an abrupt suspension of U.S. aid in February 2025 has significantly disrupted Tanzania's CSOs e.g., weakening their ability to deliver vital services in health, legal aid, governance, education, environmental conservation, etc. This funding cut has exposed the sector's heavy reliance on external support, which have led to operational challenges such as staff layoffs, program interruptions, and diminished community trust, with widespread socio-economic consequences for vulnerable populations. Furthermore, the situation reveals the fragility of depending on foreign donors and emphasizes a need for local CSOs to diversify funding and build resilience. Key lessons picked by this survey include the importance of reducing dependence on single donors, fostering local ownership, and adopting adaptive strategies to navigate funding uncertainties, pointing toward a more sustainable civil society model grounded in self-reliance and innovation.

To address these and so many challenges deeply reflected in the main text of the report, several recommendations stand out. Main among others include, CSOs should seek diverse funding sources by engaging local philanthropy, establishing income-generating activities, and leveraging digital platforms for resource mobilization to ensure financial stability beyond external grants; and, secondly, the Tanzanian government should create a supportive environment by reforming restrictive regulations, offering tax incentives for local donations, and promoting partnerships among public, private, and civil society sectors to strengthen domestic support.

4.4 GENERAL RECOMMENDATIONS

Specific recommendations are detailed in the report's sections. Below are bold, strategic solutions to fortify Tanzania's civil society against the U.S. aid suspension, emphasizing transformative actions over incremental adjustments.

4.4.1 Recommendations for the United States Government

- a) Reinstating targeted aid programs through phased funding restoration, focusing on critical sectors like HIV/AIDS and democratic governance, with clear transition plans to avoid abrupt disruptions – saving collapsing CSOs.
- b) Establishing a bilateral CSO resilience fund to provide emergency grants and technical assistance, enabling Tanzanian CSOs to diversify funding and adapt to the aid suspension.
- c) Promoting public-private partnerships with U.S. firms to channel investments into Tanzanian CSOs, supporting sustainable development initiatives in areas like health tech, governance and agriculture.

4.4.2 Recommendations for Civil Society Organizations (CSOs)

- a) Establishing a national CSO consortium e.g., under THRDC coordination, to centralize advocacy, negotiate large-scale funding, and influence policy reforms, amplifying collective bargaining power.
- b) Pioneering scalable social enterprises, such as community-owned renewable energy projects (and other social enterprise schemes), to generate independent revenue and reduce donor dependency.

- c) Forging strategic partnerships with global tech firms to access funding, data analytics, and digital tools, enhancing operational efficiency and program impact.

4.4.3 Recommendations for the Government of Tanzania

- a) Overhauling CSO legal frameworks to eliminate restrictive compliance burdens, mandate local-international CSO partnerships, and align with global best practices.
- b) Creating a state-backed CSO investment fund, seeded with public and private capital, to finance high-potential civil society initiatives in critical social sectors.
- c) Institutionalizing CSO representation in national budget and policy committees to ensure civil society priorities shape development agendas and resource allocation.
- d) Finalizing the national NGOs/ CSOs policy of Tanzania; and, finalize enactment of the NGOs law of Zanzibar.

4.4.4 Recommendations for Other Development Partners

- a) Committing to direct, multi-year funding contracts with local CSOs, prioritizing investments in high-impact sectors like health and governance to ensure sustainability.
- b) Launching a regional innovation fund to support CSO-led tech solutions, such as blockchain for transparent aid tracking or AI-driven program monitoring.
- g) Mandating 50% of aid allocations to local CSOs, bypassing international intermediaries, to empower Tanzanian organizations who are on the frontlines of responding to community needs and to build long-term capacity.
- h) Implement OECD-DAC Recommendation on CSOs. Providing policy analysis and technical guidance, support and peer learning to implement the DAC Recommendation's three pillars (protecting civic space, supporting civil society, and incentivizing CSO accountability)
- i) Strengthened dialogue between civil society, the DAC, informal and formal bodies, and the Development partners in Tanzania in line with the Framework for Dialogue between the OECD members in Tanzania and CSOs through:
 - iii. Coordinating the annual DAC-CSO Dialogues as proposed by CSOs.
 - iv. Managing the relationship with the Tanzania DAC-CSO Reference Group (CSO RG)
- j) Allow CSOs to engage on soft and secure investment activities such as treasury bonds using donor grants to generate profit for organizational sustainability.

4.4.5 Recommendations for the Private Sector

- a) Investing in CSO-led social impact projects, such as health and education tech startups or sustainable agriculture ventures, to create shared value and fill funding gaps left by aid suspension.
- b) Partnering with CSOs to develop corporate social responsibility (CSR) programs that align with civil society sector and national development goals, leveraging tax incentives to support community initiatives.
- c) Establishing innovation hubs with CSOs to co-develop market-driven solutions, such as digital platforms for financial inclusion, improving local economies and CSO sustainability.

4.4.6 Recommendations for Community Members (Beneficiaries)

- a) Forming community savings groups to pool resources and fund local initiatives, ensuring continuity of services like health and education previously supported by CSOs.
- b) Engaging in co-creation of CSO programs to align interventions with community needs, contributing in-kind support, such as labor or local expertise, to sustain projects.
- c) Advocating for accountability by participating in local governance forums, pressing CSOs and government to prioritize community-driven development solutions.

4.4.7 Recommendations for Other Stakeholders

- a) Facilitating cross-sector coalitions, including financial institutions and academic bodies, to provide technical expertise and funding to CSOs for capacity building and program scaling.
- b) Advocating for global/ donors' policy shifts through international NGOs and advocacy groups to restore donor commitments and prioritize local CSOs in aid frameworks.
- c) Creating knowledge-sharing platforms to disseminate best practices, enabling CSOs to adopt innovative financing models like endowment loans or impact bonds from global examples.



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