

Title: Establishing Feasibility of and Recommending Policy Options for Development of Municipal Bonds Market in Tanzania

Date: January 2009 - Ongoing

Client: Bank of Tanzania

Country / Region: Tanzania

CEPA is currently leading a consortium that is advising the Bank of Tanzania on the feasibility assessment of and policy options necessary to develop a municipal bond market in Tanzania. A municipal bond market is expected to provide greater access to affordable long-term finance for municipalities enabling them to undertake local infrastructure projects. A successful municipal bond market would also strengthen the role of private sector in contributing to local economic development, by mobilising private finance and facilitating Public-Private Partnership projects.

CEPA will undertake the work through a combination of desk-based analysis and extensive consultations with stakeholders, through a field visit to Tanzania and telephone-based meetings when necessary. The feasibility of establishing a municipal bond market will be based on a review of the overall enabling environment (legal, regulatory and policy framework), demand-side strengths (municipal financial and institutional capacity), and supply-side preparedness (breadth and depth of local capital and credit markets) in Tanzania.

In addition, the project includes a Stakeholder Workshop. At this workshop, CEPA will present its analysis and initial recommendations/ policy options to relevant stakeholders, including representatives from Government, local financial institutions and potential investors, municipalities and sub-national parastatals, capital market participants/ authorities etc. The assignment is being sponsored by the World Bank.

Links:

- [Bank of Tanzania](#)
- [The World Bank](#)