UNITED REPUBLIC OF TANZANIA

POVERTY AND HUMAN DEVELOPMENT REPORT 2007

POVERTY AND HUMAN DEVELOPMENT REPORT 2007

The Poverty and Human Development Report (PHDR) provides a consolidated national analysis of trends in development in Tanzania.

Part I presents an analysis of the most recent data for the national set of indicators used to monitor Tanzania's National Strategy for Growth and Reduction of Poverty (MKUKUTA). This is presented under MKUKUTA's three clusters: growth and reduction of poverty; improvement in the quality of life and social well-being, and governance and accountability.

Part II gives an overview of the findings from a public perception survey 'Views of the People' which was conducted in Mainland Tanzania in 2007. These findings present aspects of people's economic progress, their standard of living, quality of and access to economic and social services, as well as peoples' perceptions of trends in governance.

Part III concentrates on growth, which is the overall theme of this PHDR. The argument is made that an overriding strategy is required to provide clear direction for national resource mobilisation and concentration of development efforts. This is followed by an analysis of the water resource in Tanzania and argues for an alignment of the strategies for use of this resource to the national growth strategy.

Published by: REPOA on behalf of the Research and Analysis Working Group
ISBN 978-9987-615-13-1

UNITED REPUBLIC OF TANZANIA

POVERTY AND HUMAN DEVELOPMENT REPORT 2007

Research and Analysis Working Group

MKUKUTA Monitoring System

Ministry of Planning, Economy and Empowerment

December 2007

Further information and further copies of this report can be obtained from:

MKUKUTA Secretariat, Poverty Eradication Division,
Ministry of Planning, Economy and Empowerment

P.O. Box 9242, Dar es Salaam Tanzania
Tel: +255(22) 2113856 / 2124107
Email: mkukutamonitoring@gmail.com
Website: www.povertymonitoring.go.tz

And from the secretariat for the Research and Analysis Working Group:

Research on Poverty Alleviation (REPOA)
Plot 157 Mgombani Street, Regent Estate
P.O. Box 33223, Dar es Salaam, Tanzania
Tel: +255 (22) 2700083 / 0784 555 655
Email: repoa@repoa.or.tz
Website: www.repoa.or.tz

Published by: REPOA on behalf of the Research and Analysis Working Group
Graphic Design and Printing by Total Identity Ltd.

ISBN 978-9987-615-13-1

Suggested Citation: Research and Analysis Working Group, United Republic of Tanzania. ‘Poverty and Human Development Report 2007.’ Dar es Salaam, Tanzania.

Suggested Keywords: Tanzania, poverty, economics, education, health, sanitation, governance, growth, social protection, agriculture, water.

Table of Contents

PART II: RESULTS FROM THE 'VIEWS OF THE PEOPLE SURVEY'

PART III: GROWTH AND DEVELOPMENT IN TANZANIA

PART IV: CONCLUSION

List of Tables

List of Figures

Acknowledgements

The PHDR 2007 was produced by the Research and Analysis Working Group of the MKUKUTA monitoring system. The group is chaired by Laston Msongole, Director of Macro in the Ministry of Planning, Economy and Empowerment (MPEE). Research on Poverty Alleviation (REPOA), as secretariat to the group, coordinated the production of the report under the supervision of Joseph Semboja with support from Alana Albee (MPEE Adviser).

Many people contributed to this report, and their contributions are gratefully acknowledged.

Special thanks go to the staff of the National Bureau of Statistics (NBS) for providing timely data and analysis from national surveys, and to the various government ministries, departments and agencies (MDAs) who forwarded data from their administrative systems. Data for the status chapter was compiled by a group convened by the Poverty Eradication Division (PED) of MPEE and REPOA. Members of the group were: Danford Sango of REPOA; Henry Bwamwebuga, Cheda Luhindi, Pendo Kasoga, Mudith Cheyo Buzenja, Ahmed Lussasi of PED; and Elide Mwanri of NBS.

The status chapters were drafted by Dennis Rweyamamu of REPOA, Kate Dyer of Maarifa ni Ufunguo, Paul Smithson of Ifakara Health Research and Development Centre, Ben Taylor of Water Aid, Brian Cooksey of TADREG and Lemayon Melyoki of the University of Dar es Salaam. Draft material was finalised by members of the RAWG and REPOA staff (Joseph Semboja, Dennis Rweyamamu, and Valerie Leach).

The summary of the Views of the People Survey 2007 was produced by Flora Kessy of Ifakara Health Research and Development Centre based on the full survey report drafted by Brian Cooksey of TADREG. Valerie Leach gave a substantial contribution to the preparation of the final full report.

The growth strategy chapter was written by Joseph Semboja of REPOA, based on round-table discussions chaired by Enos Bukuku, the former Permanent Secretary of MPEE. Additional inputs were contributed by a range of reviewers including staff of the Government of Tanzania, REPOA and the World Bank.

Rehema Tukai of REPOA contributed the analysis of the water sector with support from colleagues at the Ministry of Water and REPOA.

This report has been edited by Chris Daly.

Executive Summary

The purpose of the Poverty and Human Development Report (PHDR) is to provide a consolidated national analysis of trends and outcomes in development in Tanzania. A new report is produced every two years as a key output of the national poverty monitoring system. PHDR 2007 is the fourth in the series since 2000, and the overall theme of this year's analysis is growth. The report seeks to stimulate discussion on the need for a clear, coherent and prioritised growth strategy without losing sight of the national vision to build strong basic social services.

Analysis begins with examination of the most recent data for the national set of indicators used to monitor Tanzania's National Strategy for Growth and Reduction of Poverty (MKUKUTA). MKUKUTA's three major clusters of desired outcomes for poverty reduction: growth, social well-being and governance, are used as the framework for presentation of data in the status chapter. These findings are complemented with information, relevant to MKUKUTA's indicators, on public perceptions of the performance of public institutions and actors gathered during the Views of the People Survey 2007 (VoP 2007). A total of 7,879 people aged from 7 to 90 years from ten regions of mainland Tanzania participated in VoP 2007.

Three thematic chapters follow the status chapters. Chapters 4 to 8 provide a summary of key findings from VoP 2007. Chapter 9 then discusses key issues in developing a strategic direction for growth in Tanzania, and Chapter 10 examines management of the nation's abundant water resources to better enable economic growth.

The report's analysis of growth and reduction of income poverty reveals that growth has increased steadily since 1993, but its slow trajectory is cause for concern. Consistent with the overall growth trend, sectoral growth rates have been slow with only slight fluctuations indicating modest structural change. Trends in key macroeconomic indicators present a mixed picture. Inflation rates, fiscal deficits, and the trade balance have suffered since 2002/03. In addition, while credit to the private sector has increased, finance remains limited to a small number of firms and a large portion of bank liquidity is invested in government securities. The spread between lending and savings rates also remains high, reflecting the continued high cost of borrowing from commercial banks in Tanzania as well as the low incentives for saving. In addition, there has been a significant slowdown in foreign direct investment (FDI) since 2000, and most investment remains heavily concentrated in the natural resource sector, particularly mining and tourism, with minimum spillover to other parts of the economy. Overall, the foundation of growth in sustained macroeconomic stability through sound fiscal and monetary policies is well understood, but the degree of stability and its knock-on effect to private sector-led growth requires further examination.

How have current trends in the economy impacted upon poverty levels? A simulation exercise was undertaken to provide preliminary indications on the trend in poverty since 2000/01 while awaiting new household income and consumption data (expected in 2008) from the Household Budget Survey (HBS) 2007. The findings from the simulation exercise indicate that the incidence of poverty has slightly but smoothly declined since 2000/01. At the same time, however, the share of government consumption in GDP has rapidly increased, and government investment has been growing faster than household consumption. This implies that household consumption may be being crowded out not only by the relatively modest increase in private investment but more so by government activities. With respect to the domestic labour market, unemployment rates have reduced slightly in both rural and urban areas. The share of public sector in total employment has increased slightly, while employment in agriculture has declined. Informal sector employment has expanded in both rural and urban areas. Gender disparities in employment persist particularly in urban areas. Analysis of food self sufficiency since the 1999/2000 season indicates improvement in recent years, although national aggregates hide significant variations between regions and districts. Periodic droughts and floods highlight the need for specific interventions to assist families practicing rain-fed agriculture in high-risk areas.

National growth strategies, including the Poverty Reduction Strategy (2000-2004) and MKUKUTA, have contributed to the overall growth path, yet growth performance has been slower and more limited than is needed to substantially reduce poverty. To accelerate and sustain growth with strong impact upon poverty and employment, a more focused growth strategy is necessary. Alignment of national and sectoral policies, a focus upon a select number of growth drivers and accompanying interventions, and the promotion of the local private sector are required. The identification and selection of potential growth drivers must be based on a comprehensive analysis of each driver's comparative and competitive advantage for Tanzania within the global context. Once the drivers are decided, investments in these priority areas - including essential investments in human and capital resources as well as physical, administrative and technological infrastructure - will need to be increased.

Despite the need for faster growth, have advances in the provision of basic social services during recent years improved the quality of life and well-being of Tanzanians? National educational indicators reveal largely positive trends at all levels, although quality of education remains a major concern. Additionally, ongoing challenges exist in achieving geographic equity in educational outcomes and in meeting the needs of vulnerable children. In health, sharp reductions in infant and under-five mortality have been recorded, with rates approaching the MKUKUTA target and on trajectory to meet the targets set by the Millennium Development Goals (MDGs). However, enormous disparities in mortality rates persist between regions. Maternal health is the notable exception to positive health trends in Tanzania, with no indication of any improvement in maternal mortality. Moreover, neonatal mortality, which is closely linked to poor maternal outcomes, remains stubbornly high and now accounts for nearly half of all infant deaths. Concerted efforts at all levels are required to address the very high levels of maternal and neonatal mortality and morbidity, focused upon raising the proportion of births attended by skilled personnel and ensuring the widespread availability of emergency obstetric care to treat complications arising during pregnancy and delivery.

Governance issues also concern most Tanzanians. Improvements are reported in some areas including gender equity in the civil service and compliance with public procurement regulations, but the number of cases reported of official corruption nationally has increased significantly. Positively, recent survey findings also indicate public confidence in the government's fight against corruption, as well as a high level of confidence in the capacity of the current national leadership to develop and implement policies in the public interest. Many more Tanzanians reported improvement in the provision of social services than reported a deterioration, yet in rural areas in particular, they reported that the condition of the roads, shortages of drinking water, and the cost of medical treatment were 'major problems'. One serious failure in health services is the limited implementation of the policy that young children and adults over 60 years of age are eligible for free health care in government health facilities.

Any perceived gains in social services, however, do not seem to have impacted the overall perceptions of Tanzanians on their quality of life. Generally, fewer adult Tanzanians think they are enjoying the fruits of economic growth compared with those who see their livelihoods getting worse. In all income groups, including the least poor, more people perceive falling rather than rising living standards. There is popular appreciation of public investment in education, yet a majority of Tanzanians surveyed in VoP 2007 believed that civil servants rather than the public were the main beneficiaries of development aid. Although the Government is committed to private sector led growth, the VoP 2007 findings suggest that the public expects the state to provide economic assistance.

Overall, therefore, the analysis in this year's PHDR indicates the need to reassert efforts towards macroeconomic stability while enabling faster paced growth. This may require new policy approaches. The prioritisation of interventions and investments, including public spending, will be critical, and growth needs to provide the context for future social service development. As a starting point, analysis is required that re-positions and re-conceptualises social sectors, and views them in conjunction with, not in isolation from, economic growth. Discovering and harnessing the potential for mutual reinforcement and symbiosis between the national growth agenda and the provision of social services will be central to development and the reduction of poverty in Tanzania.

Introduction

The Poverty and Human Development Report (PHDR) is produced every two years by the Government of Tanzania as a key output of the national poverty monitoring system. The report provides consolidated national analysis of trends and outcomes in development, as well as discussion of key socio-economic issues. PHDR 2007 is the fourth in the series published since 2000. The first two PHDRs were produced during the implementation of the Poverty Reduction Strategy (2000-2004); the third and fourth reports during implementation of the National Strategy for Growth and Poverty Reduction 2005-2010 (MKUKUTA).

Each PHDR begins with examination of progress towards key development targets utilising national indicators as a framework. PHDR 2007 analyses the most recent data for the national set of indicators used to monitor progress under MKUKUTA and, for the first time, incorporates public opinion, particularly public perceptions on governance and accountability, based on findings from the Views of the People Survey 2007. MKUKUTA's three major clusters of desired outcomes for poverty reduction - growth, social well-being and governance - are used as the framework for presentation of data in the status chapter.

Each PHDR has also included thematic chapters from research commissioned by the Research and Analysis Working Group (RAWG) of the MKUKUTA Monitoring System. RAWG is a multi-stakeholder group chaired by the Ministry of Planning, Economy and Empowerment (MPEE). Research on Poverty Alleviation (REPOA), a national research institute, serves as the secretariat to the group.

The main themes of previous reports were:

PHDR 2002:	Poverty estimates for Tanzania (urban/rural) Social sector analysis (health, education water/sanitation)
PHDR 2003:	Vulnerability and social protection; benefit incidence, agriculture and governance analyses.
PHDR 2005:	Spatial aspects of poverty and inequality (to the district level)

The **theme of PHDR 2007 is growth**, and the report seeks to stimulate discussion on the need for a clear, coherent and prioritised growth strategy. The case for such a strategy is underpinned by both statistical evidence and public opinion. Three thematic chapters follow the status chapter in this year's report. Chapters 4 to 8 provide a summary of key findings from VoP 2007. Chapter 9 then discusses key issues in developing a strategic direction for growth in Tanzania, and Chapter 10 examines management of the nation's water sector to better enable economic growth.

The report contends that a strategic focus on growth need not entail losing sight of the vision to build stronger basic social services. However, the relationship between growth and social services needs to be mutually reinforcing and symbiotic. In this way, growth needs to provide the context for further social service development. As a starting point, a new approach to analysis is required that views social sectors in conjunction with, not in isolation from, economic growth. Such analysis would examine the potential for mutual reinforcement and, through this research, provide vital information to help prioritise interventions and public expenditure allocations. The water sector is used to illustrate this type of analysis in the current report (see Chapter 10). The management of water resources as a whole is examined rather than viewing water as a constraining social service or as a mere input into growth, and the analysis clearly demonstrates the potential of this sector to be a growth enabler. Similar analyses for other sectors may need to be considered in future.

PART I STATUS OF GROWTH AND POVERTY REDUCTION

Chapters 1 to 3 provide a consolidated view of the progress of Tanzania's National Strategy for Growth and Reduction of Poverty 2005-2010 (MKUKUTA). The most recent data on indicators for the goals and targets of MKUKUTA's three major clusters of desired outcomes for poverty reduction are presented: growth and reduction of income poverty (Cluster I); improvement of quality of life and social well-being (Cluster II); and governance and accountability (Cluster III). Conclusions and recommendations are provided for each cluster, and summary tables of statistics for all three clusters are included at the end of each chapter.

CHAPTER 1

MKUKUTA Cluster I
Growth and Reduction of Income Poverty

The broad outcome for MKUKUTA Cluster I is to achieve and sustain broad-based and equitable growth, and progress towards this outcome is measured against a set of cluster-wide indicators together with indicators for six supporting goals.

The supporting goals for Cluster I are:

- Goal 1: Ensuring sound macroeconomic management
- Goal 2: Promoting sustainable and broad-based growth
- Goal 3: Improving food availability and accessibility at household level in urban and rural areas
- Goals 4 and 5: Reducing income poverty of both men and women in urban and rural areas
- Goal 6: Provision of reliable and affordable energy to consumers

This section assesses the progress made towards achieving targets for both cluster-wide indicators and the supporting goals for Cluster I, and concludes with an assessment of the likelihood of Tanzania achieving and sustaining higher growth rates.

Cluster-wide Indicators

Cluster-wide indicators for MKUKUTA's first cluster are:

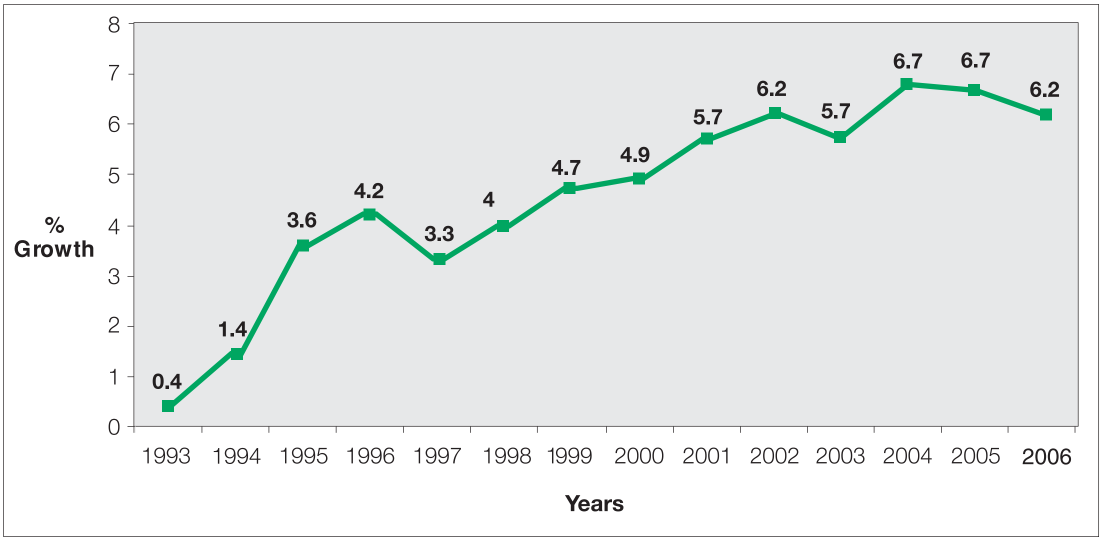
- Gross Domestic Product (GDP) growth per annum;
- GDP growth of sectors per annum;
- Gini co-efficient, and
- Headcount ratio, basic needs poverty line.

Growth Performance (Real GDP)

MKUKUTA indicates that a sustained rate of growth of between 6 to 8% is needed to reduce poverty. For the last three years, the rate of growth has been within this range. However, growth fell slightly from 6.7% for 2005 to 6.2% for 2006 due to a severe drought that hit Tanzania during the 2005/06 rainy season (see Figure 1). Water supplies and electricity generation were adversely affected, and the agricultural and manufacturing sectors were heavily impacted. Power generation had to be shut-down at the main hydropower plants of the country and power shedding was instituted country-wide, leading to severe electricity shortages. The impact of the drought and energy crisis on economic growth was further compounded by sharp hikes in international oil prices during 2006.

Although Tanzania's economy has grown steadily since 1993, an assessment of the rate of growth reveals a sharp increase between 1993 and 1996, followed by a steady but lower rate of growth for the period 1997 through 2002. Between 2004 and 2006 the economy continued to grow but at an even slower rate. This trend towards declining rates of growth is of serious concern. Sustaining and increasing growth while ensuring the economic benefits are broadly shared remains a significant challenge.

Figure 1: Real GDP Growth 1993 - 2006 (1992 constant prices)



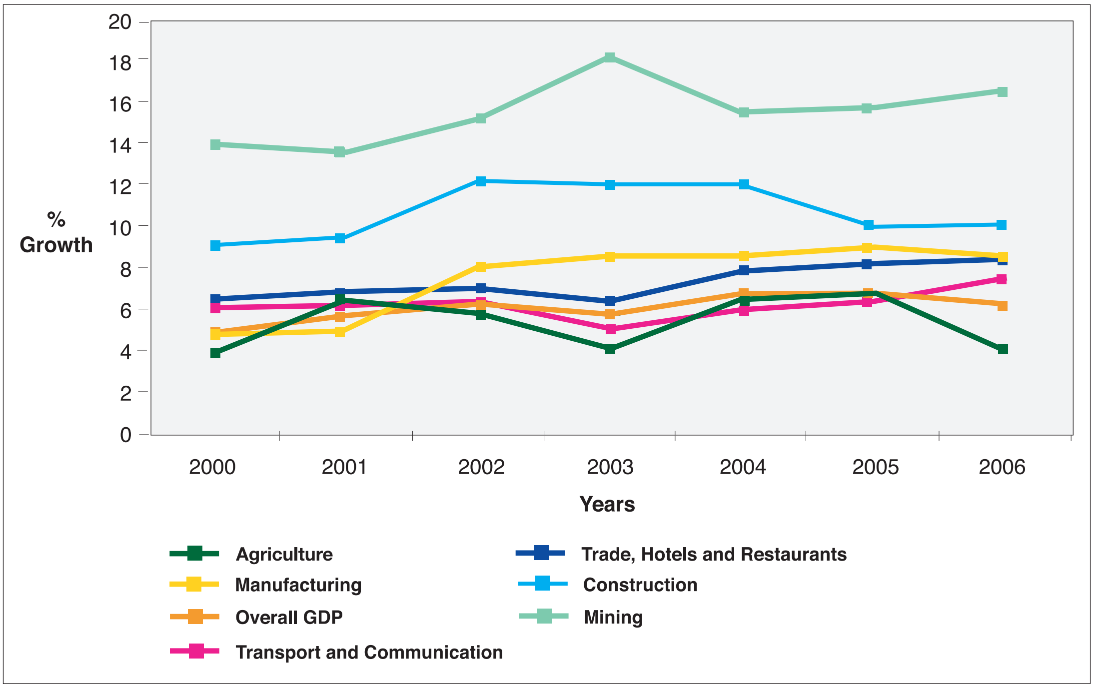
Source: United Republic of Tanzania (URT) Economic Surveys, various years

Growth by Sector

Sectoral growth rates since 2000 show slight fluctuations indicating only modest structural change (see Figure 2). Over the medium term, the agriculture sector will remain central to Tanzania's economy and overall growth. Growth for this sector averaged 4.7% for the period 2000-2006 which is not sufficient to meet MKUKUTA's ambitious goals for reducing poverty. The strategy sets a target of sustained agricultural growth of 10% by 2010.

Mining has been the most dynamic sector with several new gold mines starting production. The sector has expanded rapidly, averaging growth of around 15% over the period 2000-2006. However, the sector's contribution to GDP is about 3.7% and, therefore, overall economic growth remains small. Moreover, there is no indication that the expansion in mining has triggered significant growth in local economies or influenced poverty reduction, since mining operations have been almost entirely detached from local supply chains which create employment opportunities.

Figure 2: GDP Growth in Tanzania by Sector 2000 - 2006



Source: URT Economic Surveys, various years

The manufacturing sector has been growing at an average of 7.5% annually since 2000. Manufacturing's contribution to GDP has remained low (at approximately 8%), but the sector has strong growth potential. Strengthening manufacturing's backward linkages to the agricultural sector and the country's natural resource base - especially forestry, minerals and fisheries - as well as forward linkages to export markets could significantly contribute to growth. However, critical constraints still exist including access to, and cost of financial capital; access to technology to improve productivity; infrastructure, especially energy; skilled labour; and the regulatory environment for business activities. Tanzania's 'low skills - low cost' workers have to compete with 'high skills - low cost' workers, particularly those in Asia. Stagnant rates of investment in manufacturing provide early evidence of the sector's tenuous growth.

The growth rate in the ‘trade, hotels and restaurants’ sector - which partly reflects expansion in the tourism sector - averaged 7.3% over the period 2000-2006. Tourism not only contributes directly to overall growth, but also indirectly through its linkages with other sectors of the economy. However, the sector's potential to contribute to growth and poverty reduction throughout the country is not yet fully realised. Currently, tourism activities are largely concentrated in the northern wildlife circuit while the capacity in southern Tanzania is not fully utilised. The opportunity exists to replicate the success of the northern tourist circuit to other areas of the country by opening up new tourist destinations and activities, particularly for niche markets.

Status of Household Income (Consumption) Poverty

Poverty estimates are based heavily on income and consumption data available through periodic Household Budget Surveys (HBS). Data from the HBS 2007 will be available next year. Nonetheless, a simulation exercise was completed to estimate the trend of poverty since the 2000/01 HBS (World Bank, 2007). In this exercise, the consumption data from the HBS 2000/01was updated using growth rates for GDP and household final consumption obtained from Tanzania's National Accounts.

Results using economic survey data show that poverty may have declined. In particular, results based on growth in real GDP per capita indicate that poverty declined slightly from 36% in 2001 to 21% in 2007. However, a different trend is noted based on per capita growth in real household consumption. This latter trend shows pronounced fluctuations in per capita household consumption and an overall lower decline in poverty to about 25% by 2007. Given that poverty is more accurately assessed using per capita consumption, this projection may be the most relevant. However, all results from the simulation exercise should be viewed as tentative only and data from the HBS 2007 must be analysed before drawing conclusions.

With respect to the evolution of poverty, two uncertainties remain:

i. Whether growth is public or private sector-driven and;

ii. What are the distribution effects of growth, particularly between urban and rural areas?

On the first question, trends in Tanzania show a rapid increase in the share of government consumption in GDP with the share of government consumption in GDP growing at more than 10% per annum since 2001. Likewise, government investment has also been growing faster than household consumption. This implies that household consumption is being crowded out not only by increased private investment but also by government activities. On the second question, trends show that growth in agricultural GDP has been slower than overall GDP. Cumulative GDP growth between 2001 and 2006 was 53% while the corresponding figure for agriculture was 33%. Thus, accounting for differential rural/urban growth rates is likely to result in less poverty reduction than that indicated in the projections above.

Additionally, the analysis of welfare indicators, such as household assets and access to health and education based on series data from periodic Tanzanian Demographic and Health Surveys, provide evidence of poverty reduction. Benefits, though, are disproportionately concentrated on the least poor quintile.

Of final note, seven years has elapsed since completion of the HBS 2000/01. Although efforts were made to incorporate a ‘poverty module’ into all national surveys so as to estimate changes in poverty over this period, the results are not statistically robust. To allow more regular poverty analysis, the proposed National Panel Survey will collect poverty data between HBS, representing an important addition to the existing programme of household surveys.

Goal 1 Ensuring Sound Economic Management

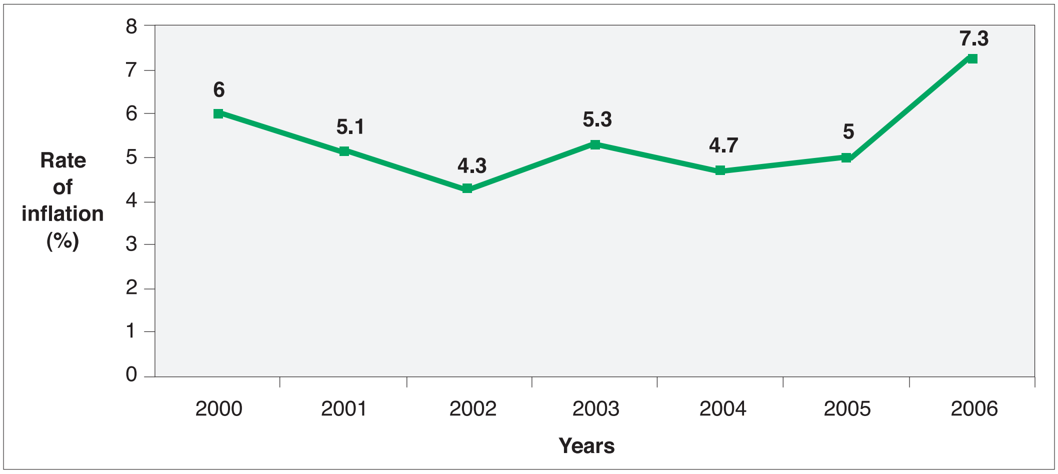
Sound economic management is the foundation of a growth and poverty reduction strategy. This goal has the following indicators:

- Annual rate of inflation
- Central government revenue as a percentage of GDP
- Fiscal deficit as a percentage of GDP (before and after grants)
- External debt to export ratio
- Exports as a percentage of GDP

Inflation

Since the mid-1990s, Tanzania's macroeconomic policy has focused upon strong control of government expenditures to minimise domestic and non-concessional borrowing by government. Up until 2002, these measures reduced the rate of inflation (see Figure 3). However, since then, the rate of inflation has risen which may reflect increased government expenditure exerting inflationary pressures in the short run.

Figure 3: Rate of Inflation 2000 - 2006



Source: URT Economic Surveys, various years

In 2006, the rate of inflation rose sharply to 7.3%, and further increases were recorded in the early months of 2007. This was driven largely by the severe drought during the 2005/06 rainy season, which adversely affected food production and hydropower generation, together with substantial hikes in petroleum prices. In contrast, relatively good rains were recorded in most food production areas of the country during 2006/07 and good harvests are expected. This should significantly improve domestic food supplies and dampen inflation.

Central Government Revenue

Substantial progress has been made in strengthening tax administration, and domestic revenue collection as a percentage of GDP increased from 12.2% in 2000/01, to 14.5% in 2006/07[1]. The major contributors to this rise in revenue were the value added tax (VAT) on imports, excise duty on domestic goods and services, and income tax.

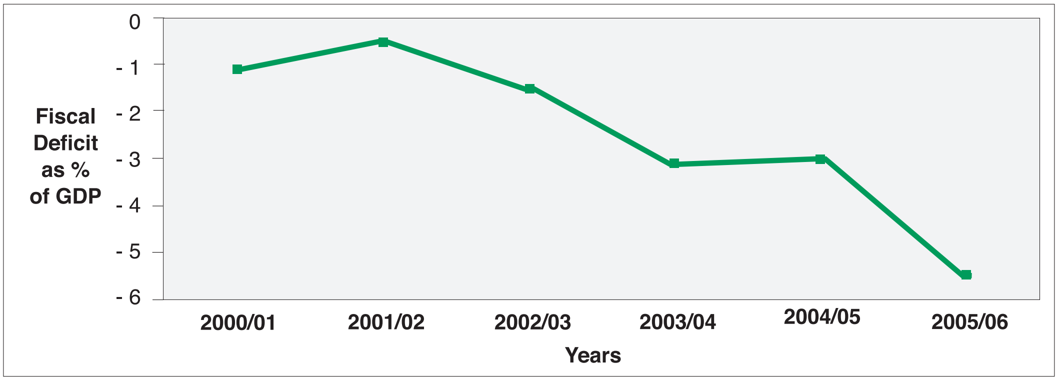
While revenue collection must be strengthened further through policy and structural reforms to the tax system, the key challenge will be to increase tax revenue without increasing the tax rate. In the medium to long run, domestic resource mobilisation should rely primarily on expanding the revenue base through sustained economic growth.

Fiscal Deficit

The fiscal deficit as a percentage of GDP (after grants) has widened from -1.1% in 2001/02 to -5.5% in 2005/06 (see Figure 4). While higher revenues have been collected, public expenditure as a proportion of GDP has also increased.

There is need for a better link between the goal of macroeconomic stability and public spending for achieving MKUKUTA targets. Generally, spending is of two types: that which increases domestic productive capacity and that which increases public/social service delivery. In the area of domestic productive capacity, the key approach is for public spending to invest in growth generating activities and to reduce bottlenecks in the economy, such that the overall economy grows at the same time as aggregate demand. Synchronising public investment with increased aggregate demand enables the economy to accommodate an expanded money supply without generating significant inflationary pressure.

Figure 4: Fiscal Deficit as a Percentage of GDP 2000/01 - 2005/06



Source: URT Economic Surveys, various years

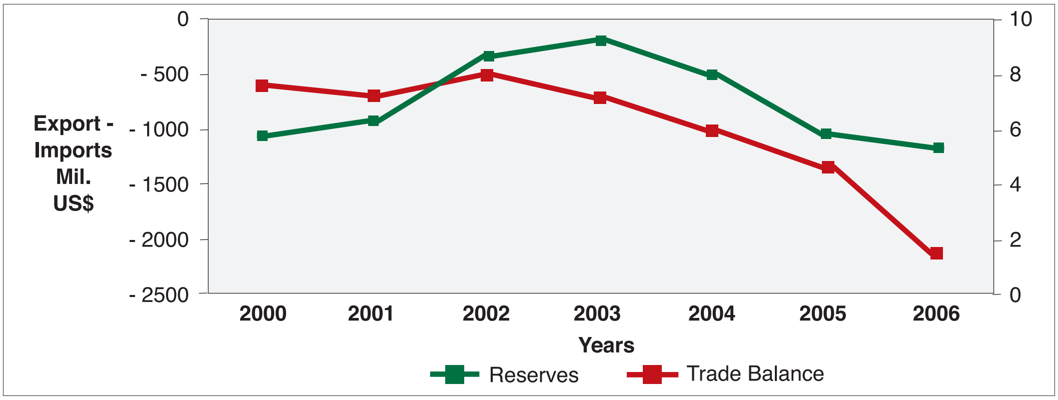
Exports

Exports as a percentage of GDP have increased since 2000/01 reaching a peak of 24.1% in 2003/04, which is largely attributable to an increase in services receipts. Over the same period, goods exports also increased, largely due to increases in non-traditional exports, particularly natural resource exploitation from gold and fish, which also fostered large imports of capital goods and equipment. However, the total share of exports of agricultural products declined.

1 For comparison, the revenue/GDP ratio for 2006/2007 in Kenya was estimated to be slightly higher than 20% while in Uganda it is about 13% (Central Bank of Kenya Annual Report of 2007 and Bank of Uganda Quarterly Economic Report of September 2007)

Overall, the increase in export has been more than offset by increases in imports, resulting in higher trade deficits particularly since 2002 (see Figure 5). Foreign currency reserves have also been declining continuously from 9.2 months of imports in 2003 to 5.3 months in 2006. Thus, strengthening Tanzania's export competitiveness is a major challenge for the economy.

Figure 5: Trade Balance and Foreign Currency Reserves 2000 - 2006



Source: Bank of Tanzania (BOT) Economic Bulletin for the Quarter Ended March 2007

Goal 2 Promoting Sustainable and Broad-based Growth

The following indicators are analysed to assess progress towards the goal of sustainable and broad-based growth:

- Domestic credit to private sector as a percentage of GDP;
- Percentage increase in foreign direct investment;
- Interest rate spread on lending and deposits;
- Unemployment rate;
- Percentage of trunk and regional roads in good and fair condition, and
- Proportion of enterprises undertaking Environmental Impact Assessments complying with regulations.

Domestic Credit

Credit to the private sector has maintained an upward trend since 2000, and the outstanding stock of private sector credit was equivalent to 12.5% of GDP in 2006. However, despite these indications of progress, access to credit is still limited to a small number of enterprises with solid collateral in key urban areas. Small and medium enterprises as well as firms located outside the main urban areas are virtually excluded.

Currently, the financial system is ineffective in supplying long-term funds to the local private sector. Commercial banks have displayed increasing risk aversion in lending, preferring to hold a large portion of their liquidity in risk-free government securities.

Interest Rates

The spread between lending and savings rates decreased from 16.6% in 2000 to 11.9% in 2003, but has risen slightly to 13.3% for 2006. These marked spreads in rates reflect the continued high cost of borrowing from commercial banks, which in turn reflect banks' perceptions of the risks of lending domestically. The high rates will continue to deter investments especially by small and medium enterprises. In addition, a number of structural impediments to lending persist. A poor credit culture, structural rigidities that have made it difficult for commercial banks to assess private borrowers, problems associated with the handling of commercial disputes, and the lack of suitable collateral are some of the major factors limiting financial intermediation. Overall, the picture shows the low level of development of the financial sector.

Foreign Direct Investment (FDI)

Following the completion of major investments in the mining sector and stabilisation of production activities, the percentage increase in new foreign direct investment has slowed from 25.6% in 2000 to about 7.0% in 2005. In addition, FDI remains heavily concentrated in the natural resource sectors such as mining and tourism.

Crucially, inflows need to benefit the whole economy by adding to capital stock and spilling over into other economic sectors. In these respects, FDI is capable of complementing domestic investment by 'linking up' with local investments, and stimulating the establishment of new businesses through a 'crowding-in effect'. However, the stagnant share of gross domestic investment in GDP indicates that this 'crowding-in effect' has not been tapped sufficiently. Hence, the major challenge will be to stimulate investments beyond the natural resource sectors while generating strong linkages between these investments and the broader economy.

Tanzania has vast potential to attract increased FDI but investor confidence will need to be strengthened for this potential to be fully exploited. In addition, concerted efforts need to be applied to lower the cost of doing business in Tanzania, and to energetically promote the country's rich resource base.

Unemployment

According to the Integrated Labour Force Survey (ILFS) 2006, there are an estimated 18.8 million economically active people in Tanzania (NBS, 2007a). This population has increased by 3.3 million since 2000/01 representing an annual growth rate of 4.1% with approximately 800,000 people entering the workforce each year. About 16.6 million people or 80.3% of the active labour force are working. The majority are smallholders, self-employed or unpaid family workers.

Table 1 shows the data for employment by sector in Tanzania for 2000/01 and 2005/06. Over this period, the share of the public sector in total employment including central/local government authorities and parastatal organisations, has increased only slightly from 2.7% to 2.8%. Significantly, the share of agriculture in total employment has declined by 7.7 percentage points, indicating that employment growth is shifting away from agriculture towards private non-farm activities, including informal sector employment which has expanded in both urban and rural areas.

Table 1: Total Employment by Sector 2000/01 and 2005/06

Sector	2000/01 %	2005/06 %
Central/Local Government	2.2	2.4
Parastatal Organisations	0.5	0.4
Informal Sector	5.7	9.3
Other Private*	4.4	8.0
Agriculture	84.2	76.5
Housework Duties	3.1	3.5

* Includes persons working for other enterprise not included. This group is often called Private Formal Sector.

Source: ILFS 2006

As a result of positive economic growth over the past few years, unemployment has been reduced slightly in both rural and urban areas. In 2006, total unemployment (of the population aged 15 years and above measured by the national definition[2]) was 12%. The MKUKUTA operational target is to reduce unemployment rate from its 2000/01 level of 12.9% to 6.9% by 2010.

When disaggregated, the unemployment rates for Dar es Salaam, other urban areas, and rural areas were 31.5%, 16.5%, and 7.5% respectively. Overall, gender disparities in employment persist, particularly in urban areas. A larger proportion of urban women are unemployed compared to men[3] (see Table 2).

Table 2: Unemployment Rate of Population 15+ Years by Sex and Area 2006

Sex	Rural %	Dar es Salaam %	Other Urban %	Total %
Male	8.1	23.0	13.6	10.7
Female	7.0	40.3	19.25	12.6
Total	**7.5**	**31.5**	**16.5**	**11.7**

Source: ILFS 2006

The unemployment problem is most severe among youth, with a rate of unemployment among 15-24 year olds of 14.9% (see Table 3). Young people represent the majority of new entrants into the labour market but they often lack necessary skills and experience.

Table 3: Unemployment Rates of Population by Sex and Age 2006

Sex	15 - 24 Years %	25 - 34 Years %	35 - 64 Years %	65 Years and Above %	Total %
Male	14.3	10.3	8.9	8.1	10.7
Female	15.4	13.2	10.2	10.4	12.6
Total	**14.9**	**11.8**	**9.6**	**9.2**	**11.7**

Source: ILFS 2006

2 The national definition of unemployment was formulated on the basis that a considerable number of persons classified as employed under the standard definition are actually unemployed for most of their time, depending on the degree of attachment to their jobs.

3 By definition, this includes urban women doing solely unpaid domestic work in their households.

Unemployment cannot be tackled unless economic growth is sufficient. Rather than accepting the unemployed as a burden on society, employment policies and strategies need to be incorporated within MKUKUTA's overall growth strategy. Public works programmes and internships aimed at youth can support their entrance into the labour market while providing essential work skills. Guided by the needs of the private sector, the education system should also aim to improve the curriculum and quality of teaching with a keen focus on imparting relevant skills.

Roads

An extensive and well-maintained road network is essential in attaining Tanzania's economic and social development objectives. As of December 2006, the percentage of trunk and regional roads in good and fair condition had increased to 78% (40% in good and 38% in fair condition) from 51% in 2000. These roads are under the jurisdiction of the Tanzania Roads Authority (TANROADS). No hard data is yet available on the condition of the road network under the jurisdiction of local government authorities, which includes district, feeder and improved unclassified roads. However, the greater part of this network is acknowledged to be in poor condition.

Strategies need to be devised to expand and prioritise the resources available for road rehabilitation and maintenance. Despite budgetary restrictions, important district and feeder roads should receive full routine maintenance while emergency and spot improvement should be completed for the rest of the network so that these roads remain passable at least during dry seasons. To bolster resources available to the national Road Fund to meet higher maintenance costs, the fuel levy paid by road users was increased by 100% in the 2007/08 budget.

Environmental Impact

As for countries around the world, Tanzania faces the serious challenge of balancing the goals of maximising social well-being through efficient and sustainable resource use while minimising environmental damage. It is critical, therefore, to know the effects of proposed development projects as well as the level of associated risk and whether these impacts are acceptable to the public. To this end, environmental impact assessments (EIAs) measure the likely effects, positive and negative, of development proposals upon one or more aspects of the environment before decisions are made to proceed with new projects. For example, comprehensive EIAs will assess the impact of proposed developments on air, water and noise pollution, soil contamination, forest depletion, land degradation, and ecological impacts on wildlife or biodiversity.

The indicator within the MKUKUTA monitoring framework, the proportion of enterprises undertaking EIAs complying with regulations, provides a national view of the extent of environmental standards compliance. In addition, the Environmental Management Act (EMA) (2004) requires that this indicator be monitored.

Data from the National Environment Management Council (NEMC) reveal that EIAs were undertaken for 40 projects between 1996 and 2004 before EMA was enacted. Out of these 40 projects, only one project was not approved. Since 2005, 32 EIAs have been undertaken. Of these projects, 23 have been approved, and the remaining 9 are still in the process of being certified.

Goal 3 Improving Food Availability and Accessibility at the Household Level in Urban and Rural Areas

The availability of food, both in required quantity and quality is a fundamental aspect of human well-being, and a lack of nutritious food to achieve and sustain good health is a clear manifestation of extreme poverty. Encouragingly, data on aggregate national food production indicates that Tanzania is not a famine prone country and has the potential to produce its food requirements.

MKUKUTA's goal for food security has the following indicators:

- Food self sufficiency ratio;
- Proportion of districts reported to have food shortages;
- Percentage change in production by smallholder households of key staple crops (maize, rice, sorghum), and
- Proportion of households who take no more than one meal per day.

Food Self Sufficiency Ratio (SSR)

The food self sufficiency ratio (SSR) measures the ability of food production to meet demand. It compares the volume of domestic food production against the food requirements of the country's population.

Since the 1999/2000 season, the SSR has fluctuated between a low of 88% (2003/04) and 112% (2006/07). However, it should be noted that the SSR reflects national aggregates and significant variations in food security between different regions and districts have been experienced. Seasonal fluctuations in food availability also occur depending on rainfall. Climate related problems for rural families in areas subject to periodic drought or flood are likely to continue, and specific interventions are needed to assist families dependent on rain-fed agriculture in areas with high drought risk.

In seasons when there is adequate rainfall, Tanzania is able to produce enough food to meet domestic requirements and to export surpluses to neighbouring countries. In these good years, food insecurity arises principally from problems in distributing available foodstuffs from areas of surplus to areas experiencing shortages. Two key interventions are required. First, transport infrastructure particularly in rural areas must be upgraded to reduce the costs of bringing foodstuffs to the market. Secondly, the collection and dissemination of market information needs to be improved so that food producers know what market opportunities exist.

However, in poor seasons, the country as a whole is vulnerable to serious food shortages due to low production and inadequate storage capacity. To safeguard food supplies, effective food security arrangements may need to be instituted with countries within the region. Close examination over the past decade reveals that the regions of Arusha, Dodoma, Kilimanjaro, Mara, Morogoro, Mwanza, Singida, Shinyanga, Tabora and Tanga fail to meet aggregate regional food requirements from domestic production in two out of every five years (representing a 40% probability of annual food shortages in these regions). Historically, most food aid received by Tanzania is targeted to these areas.

Goals 4 and 5 Reducing Income Poverty of Both Men and Women in Rural and Urban Areas

Poverty in Tanzania is anchored in the widespread reliance of households on subsistence agriculture. Approximately 75% of the population depends on under developed smallholder primary agricultural production characterised by small scale cultivation, use of hand tools, and reliance upon traditional rain-fed cropping methods and animal husbandry. The majority of indicators for MKUKUTA's goals for reducing income poverty, therefore, relate to assessing progress in improving the status of smallholder agriculture. The indicators chosen for the strategy are:

- Percentage of smallholders participating in contracting production and outgrower schemes;
- Total smallholder land under irrigation as a percent of total cultivatable land;
- Percentage of smallholders who accessed formal credit for agricultural purposes;
- Percentage of smallholder households who have one or more off-farm income-generating activities, and
- Percentage of households whose main income is derived from the harvesting, processing and marketing of natural resource products.

Production and Outgrower Schemes

For some crops, contractual arrangements have been initiated, mostly by private agri-business companies, to secure access to smallholder produce. Under these agreements, companies provide smallholders with inputs, credit, and extension services while the smallholders agree to supply a specified quantity and quality of produce and to make repayments on any loans advanced. Methods of production and other market obligations may also be stipulated within these agreements.

According to the Agricultural Sample Census 2002/03 (NBS, 2005), only 25% of large scale farms are engaged in outgrower schemes and most of these arrangements focus upon crop production. Few outgrower schemes target smallholders supplying livestock. Crop processing is the most common service rendered to outgrower farmers, followed by extension services, cultivation, and crop marketing.

Irrigation

According to the National Irrigation Master Plan (2004) developed by the Ministry of Agriculture, Food and Cooperatives (MAFC, 2004), a total of 29.4 million hectares (or 31% of Tanzania's land area) is suitable for irrigation development. Of this area, 2.3 million hectares (8%) are of high development potential, 4.8 million hectares (16%) fall under medium potential, and 22.3 million hectares (76%) are of low irrigation potential. Despite this assessment, only 227,490 hectares were under irrigation in 2004. The area increased slightly to 264,388 hectares in 2005 and to 275,388 hectares in 2006, but it is proving extremely challenging to tap into the irrigation potential given that most production is undertaken by individual smallholders. Expansion in the scale of Tanzania's agriculture is required to encourage greater investment in irrigation.

Access to Credit

One major constraint on agricultural production in Tanzania is the poor financial status of small scale farmers. The majority of smallholders cannot finance their production activities on a cash basis particularly at the start of the season. According to the Agricultural Sample Census 2002/03, only 3% of the total number of agricultural households accessed credit. The main providers of credit to agriculture are farming cooperatives: 35% of the households who accessed credit sourced their finance through cooperatives. Other sources included family, friends and relatives (32%), traders/trade stores (9%), savings and credit societies (8%), religious organisations/NGOs/projects (8%), private individuals (4%) and commercial banks (2%). Hence, only 1.6% of the total number of agricultural households accessed formal credit. Large proportions of the funds borrowed were used for purchasing fertilisers (29%), followed by agro-chemicals (21%), seeds (16%) and hiring labour (16%).

Off-Farm Activities

Many studies in rural Africa find a positive association between non-farm diversification and household welfare and, on the basis of these findings, development initiatives to promote off-farm employment in rural areas have gained widespread support. In Tanzania, farming remains the most important livelihood activity among rural households but most households have at least one member involved in off-farm income generation. According to the Agricultural Sample Census 2002/03, 41.6% households had one member engaged in off-farm income-generating activities, 21.2% had two members, and 9.1% had more than two members. However, 28% of households were involved in no off-farm income-generating activities.

Use of Natural Resource Products

Tanzania has a large natural resource base and, with good management, the benefits derived from developing the country's resources will be distributed broadly and equitably to the entire population. The Government is striving to ensure this outcome through its policy of administrative decentralisation, a political and legal framework that aims to promote broad-based empowerment. To measure progress in this area, the MKUKUTA monitoring system is using the following indicator for the first time: the proportion of households whose main income is derived from the harvesting, processing and marketing of natural resources products. Sources of income include wildlife and forest products, such as firewood, honey and timber.

Limited information for this indicator is currently available but the first systematic data is expected in the Agricultural Survey 2008/09. Nevertheless, a recent study on governance issues related to the timber trade in Tanzania provides some information on the importance of forest resources to rural livelihoods in four districts of southern Tanzania: Tunduru, Kilwa, Liwale and Rufiji (URT, 2007). According to this research, at least 16% of households from villages located near forests in these districts benefit from the timber trade. This proportion increases to 60% during the peak logging season. The study also reveals that 50% of the budgets for of the district councils come from revenues derived from forest products

However, the research also revealed examples of how shortcomings in governance within the forestry sector can undermine national economic growth and poverty reduction objectives. The study highlighted increasing evidence of corruption in this sector. A more thorough investigation of the number of people and the size of the area affected, the financial implications, and the consequences for the environment is needed to fully assess the magnitude of this problem.

Goal 6 Provision of Reliable and Affordable Energy

Providing a reliable and affordable power supply to consumers and producers underpins economic growth and contributes to quality of life. Electrification, however, is still low and unreliable in general and the national grid continues to be the mainstay of power transmission for the country. Three indicators are used to assess progress against this goal:

- Percentage increase in number of customers connected to the national grid and off-grid sources of electricity;
- Total electricity generating capacity and utilisation, and
- Percentage of households in rural and urban areas using alternative sources of energy to wood fuel (including charcoal) as their main source of energy for cooking.

Access to Electricity

Half of all power generated in Tanzania is utilised by households; the other half by (light) industries and service providers. Domestic use of electricity is almost exclusively concentrated in urban areas. Of the 20 districts with the highest level of connectivity to the grid, only two, Mwanga and Hai, are rural districts; while the 20 districts with the least access to electricity are exclusively rural (Hoogeveen, 2007).

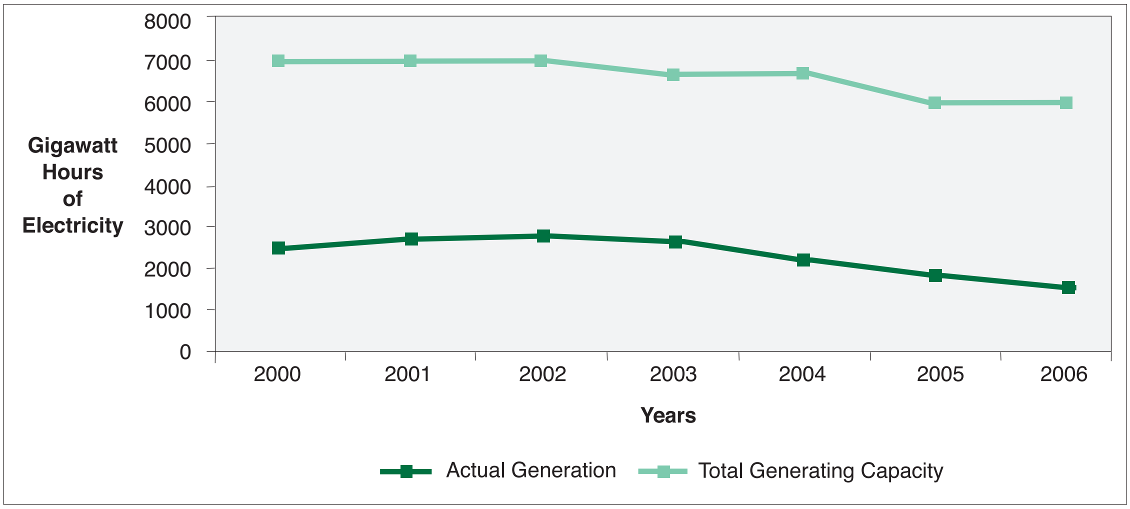
Out of the 118 districts identified in the Population and Housing Census 2002, only 18 districts have more than 20% of households accessing electricity. In 31 districts electricity supply is almost non-existent with over 99% of households without access to power. The greatest access to electricity is in Dar es Salaam but less than 50% of all households are connected.

The annual percentage increase in the number of customers connected to the national grid and off-grid sources of electricity for the period 2000-2006 has fluctuated between 3 and 13%. However, over that entire period, the total number of customers has increased 43% from 399,977 to 573,873. Amongst consumers connected to the grid, poor households have the least access.

Generating Capacity

Since 2000, both electricity generating capacity and actual generation of power have remained steady (see Figure 6). However, a huge gap exists between the two figures. No more than 40% of generating capacity has been utilised over the entire period and the over reliance on hydropower severely hurt the nation during the drought of 2005/06. A sharp drop in actual generation occurred in 2006 but this crisis provided tremendous impetus to search for alternative sources of producing power.

Figure 6: Trends in Electricity Generating Capacity and Actual Generation 2000 - 2006[4]



Source: Data from the Ministry of Energy and Minerals (2007)

The installation of the Songas-Ubungo power station has boosted electricity generation, and plans for electricity generation using coal extracted from the Songwe-Kiwira and Mchuchuma- Kateweka[5] mines are in development. Natural gas from Mnazi Bay is also being utilised for generation and further gas reserves have been discovered in Mkuranga. Overall, the additional capacity installed during 2006 and 2007 will significantly increase electricity supply in Tanzania. Moreover, depending on costs of production, surplus power may be available for export sales to regional markets, making the energy sector a potential growth driver. Efforts of the Tanzania Electric Supply Company Ltd. (TANESCO) should subsequently be directed to improving the efficiency of its transmission system so as to reduce the cost of power generation.

4 Other isolated sources of electricity supply, including GTS Songas (from 2005), imported power from Uganda, TANWAT, IPTL, Kiwira Coal Mine and Kilombero-Ilovo, are not included in total generating capacity data.

5 Mchuchuma plans envisage a 400MW power generation capacity unit, which can be supplied for 40 years.

Summary of Progress for MKUKUTA's Cluster I

Review of Key Indicators

A review of progress towards the goals of MKUKUTA's Cluster I highlights both significant achievements and outstanding issues.

Tanzania's real GDP growth has reached historically high levels, averaging 6.0% during the period 2000-2006. In addition, a central element to this performance has been large inflows of private and public capital, triggered by economic reforms instituted by the Government. The reforms enhanced the incentives for private sector activities and led to improvements in the efficiency of resource allocation and utilisation. Domestic and foreign investors reacted to the changes positively.

However, despite the encouraging trends, growth remains inadequate to meet development and poverty reduction objectives of MKUKUTA and needs to be accelerated. The major challenge, therefore, is achieve and sustain higher rates of growth, while ensuring that achievements at the macro level translate into genuine economic benefits at the grassroots level.

Macroeconomic indicators also provide a mixed picture, which is not immediately encouraging to the goal of rapid, broad-based and sustainable private sector led growth. Data indicate that key macroeconomic indicators - inflation, fiscal deficits and the trade balance, have worsened since 2002/03. A clear ongoing commitment to macroeconomic stability through sound fiscal and monetary policies is needed for sustained economic growth.

With respect to capital for investment, credit to the private sector has increased but bank lending is still limited to a small number of firms and a large portion of bank liquidity is invested in government securities. The spread between lending and saving rate also remains high, reflecting both the continued high cost of borrowing and the low incentives for saving. In addition, foreign direct investment has slowed down and most capital remains heavily concentrated in the natural resource sector with minimum spillover to the wider economy.

Positively, exports have been rising but the trade deficit has worsened through higher imports. Higher economic growth, however, can be expected to draw in increased imports with a percentage of inflows representing inputs for production and processing. Fiscal analysis also reveals a widening deficit despite revenue increases. Thus, wasteful resource consumption must be avoided and public expenditure allocated towards productive human and physical infrastructure investments.

Sustained growth will depend on the ability of the economy to increase competitiveness requiring investment to support innovation and find new areas of economic activity where Tanzanian enterprises can compete successfully in global markets. To inform strategic decision making, a comprehensive analysis of the country's comparative and competitive advantages needs to be undertaken.

Enhancing competitiveness will also require measures to enhance productivity and reduce the cost of doing business at the microeconomic level. By strengthening its export competitiveness, Tanzania will secure not only the dynamic growth effects from a strong export sector, but also benefit from the important demand stimulus created by a growing export base.

Key Policy and Operational Recommendations

Based on indicator analysis, the following policy and operational recommendations are made to support progress towards the goals of MKUKUTA's Cluster I:

i. Ongoing commitment to macroeconomic stability through sound fiscal and monetary policies will remain the foundation for sustained economic growth in Tanzania.

ii. Identification of potential growth drivers is required, based upon a comprehensive analysis of the comparative and competitive advantages of the country.

iii. Levels of investment and productivity need to be increased further, which will entail continued efforts to improve human and capital resources, as well as physical, administrative, informational, and scientific and technological infrastructures.

Recommendations for MKUKUTA Indicators

Further revision of the indicator set for Cluster I should be considered to ensure that data collected provides a sound overview of progress towards national goals for growth and poverty reduction. Possible valuable additions to the indicator set are as follows:

- External sector indicators for imports and foreign reserves
- A fiscal sector indicator detailing data on expenditure
- Financial sector indicators, including exchange rates as well as relevant indicators showing monetary developments and capital markets developments, all of which have potential impact upon private sector investment.

Finally, water as an input to almost all production - including agriculture, fisheries and aquaculture, industry, energy, and transport is a key driver of sustainable growth and poverty alleviation. However, in the current MKUKUTA monitoring system, indicators for water focus solely on improvements in water for human consumption. The development of indicators for the utilisation of water in production is, therefore, strongly recommended. Chapter 10 of this report is dedicated to discussion of water as an enabling resource for economic growth.

MKUKUTA Indicators with Available Data and Targets

* Meta-data on each indicators (including definitions, sources and frequency) are available in the MKUKUTA Monitoring Master Plan available at www.povertymonitoring.go.tz
* The symbol X indicates no data for that year (in most cases because data is dependent on a particular type of survey)
* Blanks indicate data not yet forthcoming from MDA or LGA

MKUKUTA Cluster I: Growth and Reduction of Income Poverty

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Cluster-wide Indicators										
GDP Growth per annum (%)	4.9	2000	5.7	6.2	5.7	6.7	6.7	6.2	End FY 2007/08	6-8%
GDP growth of sectors per annum (%)										
• Agriculture	3.4	2000	5.5	5.0	4.0	5.8	5.1	4.1	End FY 2007/08	10%
• Livestock	2.9	2000	5.9	5.3	3.6	4.8	4.2	4.1	End FY 2007/08	9%
• Manufacturing	4.8	2000	5.0	8.0	8.6	8.6	9.0	8.6	End FY 2007/08	15%
• Wholesale & retail trade	6.5	2000	6.7	7.0	6.5	7.8	8.2	8.4	End FY 2007/08	X
• Mining	13.9	2000	13.5	15.0	18.0	15.4	15.7	16.4	End FY 2007/08	3% (increase in exports & value added of minerals)
Gini Coefficient	0.35	2001	0.35	X	X	X	X	X	2007 HBS	To be determined
Headcount ratio - basic needs poverty line (%)	36	2001	36	X	X	X	X	X	2007 HBS	Rural: 24% Urban: 12.9%
Goal 1: Ensuring Sound Economic Management										
Annual rate of inflation	6.0	2000	5.1	4.3	5.3	4.7	5.0	7.3	End FY 2007/08	4%
Central government revenue as % of GDP	12.2	2000/01 12.2	2000/01 12.2	2001/02 12.8	2002/03 13.4	2003/04 13.1	2004/05 14.2	2005/06 14.5	End FY 2007/08	
Fiscal deficit as % of GDP (before and after grants)			2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	End FY 2007/08	-3% (2008/09)
- Before grants	-4.6	2000/01	-5.6	-8.2	-11.2	-11.8	-13.5	-13.8		
- After grants	-1.2		-1.1	-1.7	- 4.0	- 4.5	- 6.6	-5.4		
External debt service as % of exports	15.4	2000/01	2000/01 15.4	2001/02 11.9	2002/03 7.3	2003/04 4.5	2004/05 4.5	2005/06 3.0	End FY 2007/08	50% of GDP or less
Exports as % of GDP	24	2003/04	2000/01 15.2	2001/02 16.2	2002/03 17.3	2003/04 24.1	2004/05 22.3	2005/06 21.9	End FY 2007/08	

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Goal 2: Promoting Sustainable And Broad-Based Growth										
% of working age population not currently employed	12.9	2001	12.9 (ILFS)	X	X	17% (TDHS)	X	11.7 (ILFS)	2007 (HBS)	6.9%
Domestic credit to private sector as % of GDP	4.6	2000	4.9	6.1	5.2	8.9	11.0	12.5	End FY 2007/08	Increase by 1% of GDP per annum
% Increase in foreign direct investment (stock)	25.6	2000	24.3	11.4	12.5	9.9	7.0		End FY 2007/08	
Interest rate spread on lending and deposits (%)	11.88	2003	15.1	13.15	11.88	11.9	12.64	13.27	End FY 2007/08	
% of rural population who live within 2kms of all season passable road Proxy: Percent of rural communities/villages with access to all season passable roads within 30 minutes of walking distance.	86.4	2006	Newly collected					86.4	2007 HBS	
% of trunk and regional road network in good and fair condition - Good - Fair	51 16 35	2000	X	51 14 37	72 35 37	78 43 35	84 53 31	78 40 38	End FY 2007/08	
Goal 3: Improved Food Availability and Accessibility at Household Level in Urban and Rural Areas										
Food self sufficiency ratio (rate) %	94	2001/ 02	2001/02 94	2002/03 102	2003/04 88	2004/05 103	2005/06 102	2006/07 112	End FY 2007/08	119%
Proportion of districts reported to have food shortages Proxy: Number of districts reported to have food shortages	15	2001/02	2001/02 15	2002/03 13	2003/04 62	2004/05 41	2005/06 41	2006/07 50	End FY 2007/08	
% change in production by smallholder households of key staple crop (Maize, rice, sorghum in million tonnes)	2 million tonnes	1987	X	X	X	3.5 million tonnes	X	X	Agriculture Survey 2008/09	12 million tonnes
Proportion of households who consume no more than one meal per day (%)	Mainland: 1.1 Rural: 1.2	2000/ 01	1.1	X	3.4 (rural only, Agric. survey)	X	Mainland: 1.9 Rural: 2.2 (TDHS)	X	2007 HBS	

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Goals 4 & 5: Reducing Income Poverty of Both Men and Women in Rural and Urban Areas										
% of smallholders participating in contracting production and out grower schemes	0.9	2002/03	X	X	0.9	X	X	X	Agriculture Survey 2008/09	1.3%
Total smallholder area under irrigation as % of total cultivatable land	2.7	2002/03	X	X	2.7	X	X	X	Agriculture Survey 2008/09	13%
% of smallholders who accessed formal credit for agricultural purposes	0.32	2002/03	X	X	1.6	X	X	X	Agriculture Survey 2008/09	10%
Percentage of smallholder (rural) households with one or more off farm income generating activities	60% (Smallholder)	1994/95	2000/01 81.4 (Secondary activities rural) ILFS	2002/03 72 (Agric. Survey)	2003/04 X	2004/05 X	2005/06 X	2006/07 81.9 (Secondary activities rural) ILFS	Agriculture Survey 2008/09	
% of households with access to electricity	10 (HBS)	2000/01	10	X	1.4 on grid, 0.2 off (Rural agric households)	11.1 (TDHS)	X	X	HBS 2007	
Goal 6: Provision of Reliable and Affordable Energy to Consumers										
Number of customers connected to national electricity grid and off-grid	399,977	2000	411,936	427,970	485,661	501,822	537,823	573,823		
% increase in number of customers connected to national electricity grid and off-grid		2000	2.99	3.89	13.48	3.33	7.17	6.69		
% of households in rural and urban areas using alternative sources of energy to wood fuel (including charcoal) as their main sources of energy	7.8 (HBS)	2000/01	Mainland: 7.8 Dar: 49.2 Other Urban: 12.9 Rural: 2.7	X	0.9 (Rural agric households)	X	X	X	HBS 2007	10%
Actual electricity generated as a percentage of capacity	36	2000	39	40	40	33	32	26	End FY 2007/08	

CHAPTER

2 MKUKUTA Cluster II
Improvement of Quality of Life and Social Well-Being

The two broad outcomes for MKUKUTA's Cluster II are:

i. Improved quality of life and social well-being, with particular focus on the poorest and most vulnerable groups and;

ii. Reduced inequalities (e.g. education, survival, health) across geographic, income, age, gender and other groups.

Improvements in the social service sectors, notably education, health, water and sanitation as well as social protection initiatives, are recognised as vital to attaining these two outcomes. Moreover, strategies to expand essential services to all Tanzanians thereby ensuring a well-educated and healthy population is central to achieving the desired outcomes of MKUKUTA's other clusters: broad-based and equitable growth (Cluster I) and sound governance (Cluster III). Indeed, the goals for all three clusters of MKUKUTA's are mutually reinforcing.

To assess progress under Cluster II, indicators are categorised and analysed under five supporting goals:

- Goal 1: Equitable access to quality primary and secondary education for boys and girls, universal literacy among men and women, and expansion of higher, technical and vocational education;
- Goal 2: Improved survival, health and well-being of all children and women and especially vulnerable groups;
- Goal 3: Increased access to clean, affordable and safe water, sanitation, decent shelter, and a safe and sustainable environment;
- Goal 4: Adequate social protection and provision of basic needs and services for the vulnerable and needy, and
- Goal 5: Effective systems to ensure universal access to quality and affordable public services.

Goal 1 Equitable Access to Quality Primary and Secondary Education for Boys and Girls, Universal Literacy Among Men and Women, and Expansion of Higher, Technical and Vocational Education

Indicators for this goal were designed to comprehensively assess progress in educational outcomes for all Tanzanians. The following indicators are analysed:

- Literacy rate of population aged 15+ years

- Net enrolment at pre-primary level
- Net primary school enrolment rate
- Percentage of cohort completing Standard VII
- Percentage of students passing the primary school leavers' exam
- Pupil/teacher ratio in primary schools
- Percentage of teachers with relevant qualifications
- Pupil/text book ratio
- Transition rate from Standard VII to Form 1
- Net secondary enrolment
- Percentage of students passing the Form 4 examination
- Enrolment in higher education institutions

Literacy

New data on literacy rates will be available from both the ILFS 2006 and HBS 2007, and it is expected that the ongoing expansion of primary and secondary education together with non-formal education programmes will have had a positive impact on literacy levels. However, some difficulties may arise in comparing data from different surveys due to varying methods of literacy assessment - whether literacy was self-reported by respondents or actually tested, and if so, how. For the future, the development of one clear and consistent strategy for assessing literacy in all major surveys is, therefore, strongly recommended.

Pre-Primary Education:

Net Enrolment at Pre-Primary Level

There has been a slow but steady upward trend in the net enrolment rate (NER) at pre-primary level (for children aged 5 and 6 years) from 24.6% in 2004 to 33.1% in 2007. The Government's decision to promote pre-primary education will help accelerate enrolments but it would be additionally valuable to set a target for this indicator.

There are positive indications of increased cross-sectoral and cross-ministerial collaboration, particularly between the Ministry of Education and Vocational Training (MOEVT) and the Ministry of Community Development, Gender and Children, to work towards a holistic approach in providing early childhood care and development. Evidence from Kagera that improved pre-school nutrition has long-term benefits for school attainment strongly indicates the need for a comprehensive strategy (Alderman, Hoogeveen, & Rossi, 2006).

Regional variations in pre-primary education, however, are a cause for concern. The latest regional data shows significant geographic variations in NERs ranging from just over 5% to over 40%.[6] Moreover, in Dar es Salaam, 41.9% of pre-primary education is provided by non-government schools, whereas in other parts of the country the provision is overwhelmingly by the Government.[7] Most regions have close to gender parity in enrolment. Iringa is the major exception where the NER for girls is 37.9% compared to only 29% for boys.

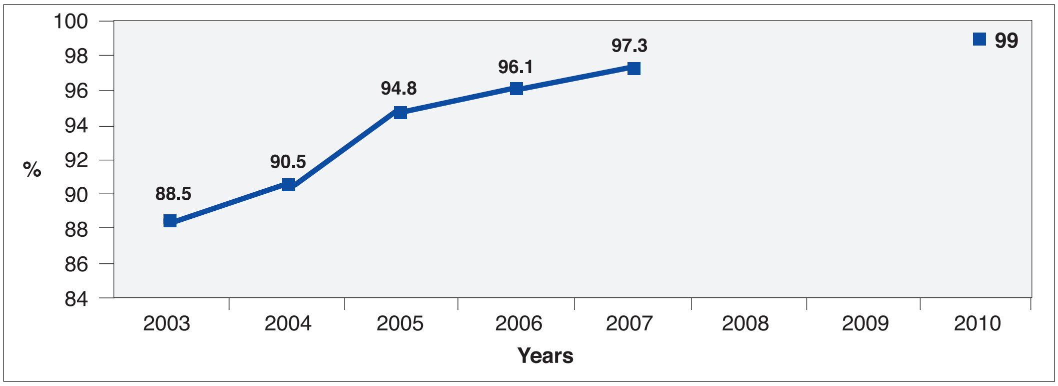
Primary Education:

Net Primary School Enrolment Rate

The net primary school enrolment rate continues to show a steady improvement from 96.1% in 2006 to 97.3% in 2007 (see Figure 7). The MKUKUTA target of 99% appears reachable, although numbers of new enrolments in Standard One are dropping.

Achieving the last few percentage points is a bigger challenge than achieving the initial surge at the start of the national Primary Education Development Programme (PEDP) since it implies enrolling the hardest to reach children at the appropriate age. Enrolling children living in remote areas, those for whom the opportunity cost of attending school is very high, and those with a disability will take concerted action by school authorities, teachers and families. Current MOEVT figures estimate that only 0.3% of children enrolled in primary school are disabled, a much lower percentage than the expected population of school-age children with disabilities.

Figure 7: Net Enrolment Rate in Primary Schools 2003 - 2007 (with MKUKUTA Target for 2010)



Sources: PHDR 2005 and MOEVT Basic Education Statistics in Tanzania

Credible net enrolment figures depend also on accurate information for children's age, which is not always available. This underlines the critical importance of birth registration (see Cluster III, Goal 1) as well as accurate population projections which reliably estimate of the impact of HIV/AIDS. The fact that over one-quarter of districts report NERs of 100% shows that there are problems with the reliability of age data[8].

6 MOEVT. Basic Education Statistics in Tanzania (BEST), Regional Data 2006, Table 1.4. Dar es Salaam (5.6%), Mtwara (43.8%), Mwanza (39.5%), and Ruvuma (39.8%)

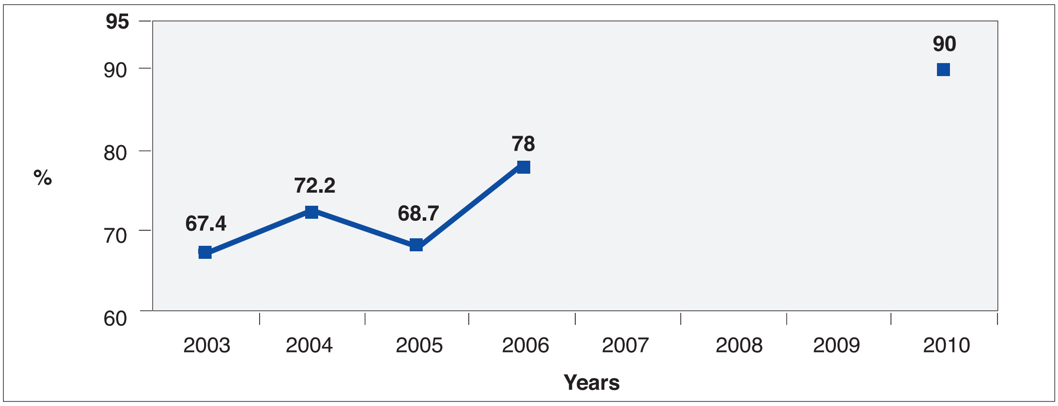
7 MOEVT. BEST Regional Data. Calculations based on Tables 1.2 and 1.3: The following regions had no private pre-primary provision in 2006: Mtwara, Pwani, Rukwa

8 Footnote 8 overleaf

Percentage of Cohort Completing Standard VII

Achieving the universal enrolment of children is one challenge; ensuring their regular attendance is another. Figure 8 shows that the percentage of students completing Standard VII reached 78% in 2006 and the rate of improvement is accelerating, which implies that the MKUKUTA target of 90% is reachable. However, greater attention needs to be focused upon early recognition of truancy and prompt support for these students before they drop out altogether. In 2006, 77% of pupils dropping out (44,742 children) were reported to have done so as a result of truancy. 'Lack of school needs' (8%) was the next most common reason[9].

Figure 8: Percentage of Students Completing Standard VII 2003 - 2006
(with MKUKUTA Target for 2010)



Sources: PHDR 2005 and MOEVT Basic Education Statistics in Tanzania

It would be useful to refine data collection to provide more information about the causes of truancy and ensure that there is no overlap between categories. For example, truancy can be caused by a lack of school needs or parental illness. Similarly, greater detail is required about 'lack of school needs' - whether these relate to expenses that parents normally pay, such as the cost of a child's uniform, or for items which should be covered by the school, such as exercise books. Of significant note, the Views of the Children Survey of 2007[10] revealed that financial contributions were expected in all of the schools surveyed and that children were being excluded for non-payment.

Percentage of Students Passing the Primary School Leavers' Exam

In 2006, 70.5% students passed the Primary School Leavers' Exam (PSLE), exceeding the MKUKUTA target of 60%. Regional variations in pass rates were from a low of just under 50% of students passing in Tabora, to just over 80% in Kilimanjaro. Additionally, the pass rates for boys exceeded girls in every region except Kilimanjaro. In Kigoma, Mara, Mwanza and Shinyanga pass rates for boys were more than 20% higher than those for girls.

8 NER is calculated by dividing the total number of children aged 7-13 years who are enrolled in school, by the number of children aged 7-13 years in the population. The latter figure is extrapolated from the latest census taking into account overall growth rates and the impact of HIV/AIDS. At the time of the MKUKUTA Status Report 2006 (MPEE, 2006a), it was noted that several districts reported NERs of over 100% which ought to be impossible. This year, no district has over 100%, but 35 districts have exactly 100%. This change is because figures have been smoothed, not because of any change in the population projections used. Neighbouring districts sometimes report significantly different NERs such as Monduli (72.1%) and Arumeru (100%), which may be caused by lack of availability of age data for pupils resulting in the reporting of children over 13. However, such significant variation may also suggest differences in the way enrolment data is being collected at district and sub-district level.

9 MOEVT. 'Basic Education Statistics in Tanzania, Regional Data 2006', page 23. 'Lack of school needs' refers to the lack of basic items, such as shoes or writing equipment, that parents are usually expected to provide for their children. In the absence of these, the child may absent him/herself from school.

10 The Views of the Children Survey 2007 complements the Views of the People Survey 2007. It covered 512 school children aged 7-14 years in the ten regions covered by the VoP 2007.

The success of PEDP can take some credit for the higher pass rate overall but the weighting of Kiswahili in the examination has also been increased. Since most pupils score more highly in Kiswahili than in English and mathematics, this change has also contributed to the increase. Hence, recent pass rates and those for prior years are not strictly comparable. An equally serious concern is the value of the examination itself as a measure of pupil achievement and competence. There is mounting evidence of teachers orienting their instruction to passing the examination, including charging for extra tuition, rather than adopting active teaching/learning methodologies or skills-based educational approaches. Of particular concern is a growing urban/rural divide with urban schools putting greater emphasis on pupil pass rates and extra tuition (Hakielimu, 2006).

Pupil/Teacher Ratio in Primary Schools

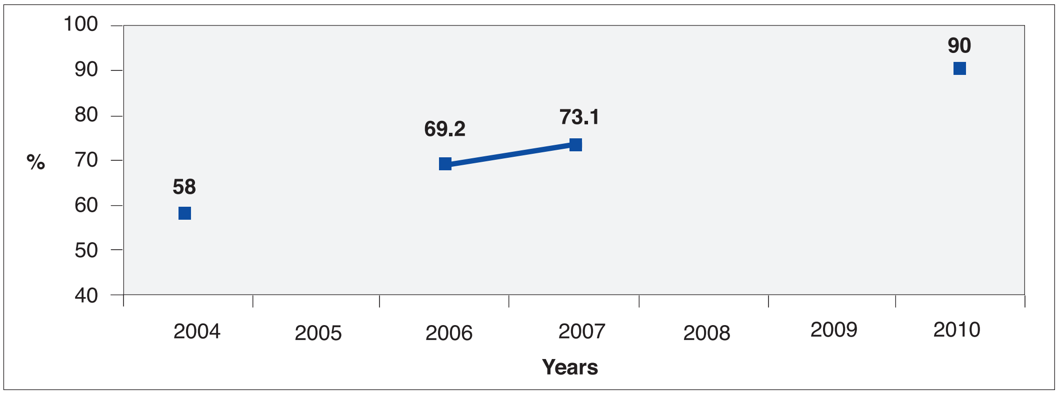
The primary pupil/teacher ratio (PTR) stands at 53:1 for 2007 and it is unlikely that MKUKUTA's target of 45:1 by 2010 will be reached.[11] Significant regional variations from 69:1 in Shinyanga to 41:1 in Kilimanjaro were also recorded.

Of note, a strong correlation exists between low PTR in regions and higher PSLE pass rates as well as greater gender equity, which underlines the crucial importance of teacher numbers in the achievement of MKUKUTA's educational targets. Not least, overcrowded classes impede teachers in adopting more child-friendly teaching methodologies. MOEVT's success in piloting decentralised wage control alongside strategic teacher recruitment, particularly in less advantaged areas, will keenly affect future progress in this area,[12] but significant additional funding for sufficient teachers is also essential.

Percentage of Teachers with Relevant Qualifications

The percentage of teachers with relevant qualifications shows steady progress from 69.2% in 2006 to 73.1% in 2007, but this trend will need to accelerate to achieve MKUKUTA's target for 90% of all primary schools to be staffed by skilled teachers by 2010 (see Figure 9).

Figure 9: Percentage of Primary School Teachers with Relevant Qualifications 2004, 2006 and 2007 (with MKUKUTA Target for 2010)



Sources: PHDR 2005 and MOEVT Basic Education Statistics in Tanzania

11 Once again, interpretation of the overall trend is obscured slightly by the recent change (2005 onwards) to include non-government schools in the calculation of the ratio. For 2006, the change equates to a difference of one teacher; total schools PTR is 52:1, government schools PTR is 53.1

12 Public Expenditure and Financial Accountability Review (PEFAR) 2007, page 22

While the logic for using this indicator is clearly sound, the perspectives of students on what constitutes a good teacher may also provide valuable insight for educational planners. 'Views of the Children 2007' found that pupils prefer teachers who want to teach, who like children, and who make an effort and teach until they understand.[13] Significantly, all of these outcomes are aided by smaller class sizes. Students also noted problems with teacher attendance and performance of duties in 9 of the 10 schools sampled. This indicates the need for further teacher training and for the criteria for promotions to include teachers' attitudes and professional ethics as well as their knowledge of subject matter. Additionally, the roles of the head teacher, the Ward Education Coordinator and the inspectorate should be strengthened to ensure adequate teacher attendance and performance.

Pupil/Text Book Ratio

The pupil/text book ratio for 2007 stands at 3:1, a good improvement over the baseline figure of 4:1 in 2000 but still well short of the MKUKUTA target of 1:1.

However, the ratio is calculated by dividing the number of books procured by the number of pupils which does not capture what actually happens at schools, where teachers often retain books against damage or future shortages. At worst, some pupils in the Views of the Children Survey complained of having to share one book between as many as 20 pupils.

To improve text book numbers and distribution, ongoing capacity building for schools will be necessary to ensure efficient procurement of books so that teachers have confidence in the future availability of books. Teachers will then be more likely to issue books to students rather than collect them at the end of each lesson. Given the slow progress to date, achieving the MKUKUTA target presents as a major challenge. Nonetheless, expanding the provision of text books is a potential 'quick win' for better education.

Secondary Education:

Transition Rate from Standard VII to Form 1

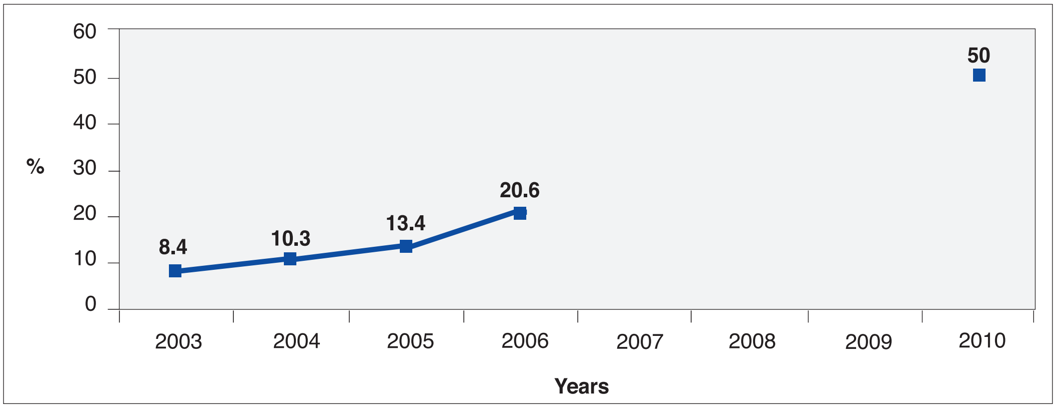
Approximately two-thirds (67.5%) of children leaving Standard VII made the transition to Form 1 in 2007, so the MKUKUTA target of 50% has already been well exceeded.

Net Secondary Enrolment

Through expansion in the number of places at government schools, net secondary enrolment has also expanded quickly from 6% in 2002 to 13.4% in 2006 and 20.6% this year (see Figure 10). With this rate of progress, net secondary enrolment may achieve MKUKUTA's target of 50% by 2010. However, the gender balance in government schools deteriorates with the transition to secondary, with girls representing only 46.4% of pupils in Forms 1 through 4 (see Table 4). In contrast, private secondary schools maintain a figure of over 50%.

13 Teachers' qualifications or the capacity to get them through examinations was never mentioned in defining a good teacher by student respondents in the 'Views of the Children Survey 2007'.

Figure 10: Net Secondary School Enrolment 2003 - 2006 with MKUKUTA Target for 2010



Sources: PHDR 2005 and MOEVT Basic Education Statistics in Tanzania

Table 4: Female Enrolment as a Percentage of Total Enrolment by Grade and Level for 1992, 2003, 2005, 2006 & 2007

Educational Level	1992 %	2003 %	2005 %	2006 %	2007 %
Pre-Primary Education					
Total			50.1	50.5	51.2
Government			50.1	50.5	51.3
Non-Government			48.3	48.4	46.7
Primary Education					
Standard I	48.6	48.5	49.6	49.4	49.3
Standard VII	49.3	49.9	48.8	49.0	48.7
Standard I - VII	49.1	48.7	48.9	49.1	49.3
Secondary Education					
Form I	45.6	48.2	49.1	48.0	47.3
Government	43.3	46.6	48.9	47.4	47.1
Non-Government	47.2	50.1	49.8	50.4	50.7
Form IV	42.8	44.5	43.9	42.5	46.0
Government	40.0	43.4	42.1	39.6	44.1
Non-Government	45.2	46.4	46.8	46.6	49.8
Form I - IV	44.7	46.6	47.3	47.5	47.1
Government	42.2	44.6	46.8	46.2	46.4
Non-Government	46.5	49.4	48.4	51.0	50.6
Form V	27.3	35.3	37.8	41.4	40..2
Government	29.2	36.4	38.2	40.8	39.6
Non-Government	23.6	33.9	37.4	42.4	41.4
Form VI	24.3	33.5	36.3	38.0	41.0
Government	26.0	32.8	37.4	34.9	41.3
Non-Government	20.4	34.4	34.9	41.7	40.6
Form I - VI	43.2	45.7	46.6	47.0	46.8
Government	40.7	43.9	46.4	45.8	46.1
Non-Government	45.6	48.2	47.2	50.1	49.6

Source: MOEVT Basic Education Statistics in Tanzania

Percentage of Students Passing the Form 4 Examination

The quality of secondary education remains a concern with the percentage of students passing the Form 4 examination (division 1-3) showing only slight improvement from 33.6% in 2006 to 35.7% in 2007. No upward trend overall has been recorded since 2002. Rather, results have hovered around percentages in the mid-30%; only halfway towards the target of 70% of students attaining division 1-3 passes.

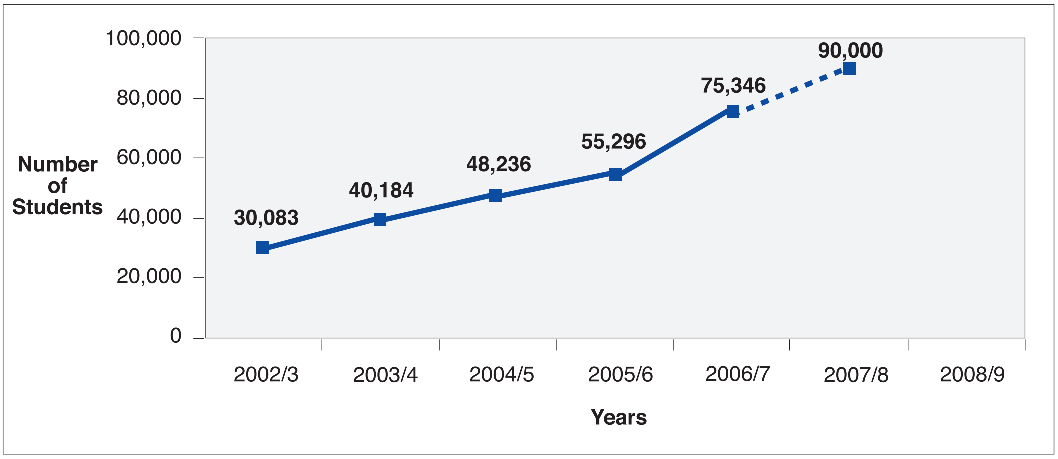
Other indicators of quality also show only marginal improvement: promotion rates are gradually rising, drop-out and repetition rates slowly falling. Given these trends, it is vitally important that the Secondary Education Development Programme (SEDP) is adequately funded to increase the number of fully qualified teachers and to ensure sufficient infrastructure and teaching/learning materials. In addition, a wider range of indicators for the quality of secondary education within the MKUKUTA monitoring system is recommended.

Higher Education:

Enrolment in Higher Education Institutions

Figure 11 shows gross enrolments in higher education institutions[14] since 2002/03. In 2006/07, the total number of enrolments reached 75,346 students. Expansion in enrolment has been rapid and the target of 90,000 students by 2008 may be reached, in part due to improved budgetary allocations since 2005/06. Over a quarter of Form 6 leavers now progress to tertiary studies and, as with any rapid growth in services, a major challenge will be to maintain the quality of tuition. However, it is very positive that the percentage of women enrolled is now 35.6% up from 32.2% last year. Private universities have a marginally better record for the enrolment of female students at 37.5%. Overall, 14.2% of students are currently attending private universities or technical institutes.

Figure 11: Gross Enrolment in Higher Education Institutions 2002/03 - 2006/07
(with MKUKUTA Target for 2007/08)



Sources: PHDR 2005 and MOEVT Basic Education statistics in Tanzania

14 The MKUKUTA Monitoring Master Plan (MPEE, 2006b) indicator for higher education is a gross enrolment rate, but it is not currently possible to disaggregate enrolment figures by full-time, part-time and distance learning students which is required to calculate this figure.

Goal 2 Improved Survival, Health and Well-being of All Children and Women and Especially Vulnerable Groups

This section presents the latest information on indicators for health and nutrition, beginning with data on life expectancy. It also includes results of new analysis of survey data reported in previous PHDR reports.

MKUKUTA's goal for health and accompanying indicators focus on those groups who bear a disproportionate burden of disease and have greater need for health care: girls and women of reproductive age and young children. The indicators are:

- Infant mortality rate
- Under-five mortality rate
- Diphtheria, Pertusis, Tetanus and Hepatitis B (DPTHb3) immunisation coverage
- Proportion of under-fives moderately or severely stunted (height for age)
- Maternal mortality ratio
- Proportion of births attended by a skilled health worker
- HIV prevalence among 15-24 year olds
- Percentage of persons with advanced HIV infection receiving anti-retroviral (ARV) combination therapy
- Tuberculosis (TB) treatment completion rate

Life Expectancy

No new data are available for life expectancy; the latest estimates are taken from the national Population and Housing Census 2002 (NBS, 2003).[15] For Mainland Tanzania, life expectancy at birth was 51 years for both males and females, up only marginally from 50 years in the 1988 Census.

Progress in life expectancy has stalled since the late 1980s, in large part due to stagnation in child mortality rates during the 1990s combined with substantial increases in adult mortality attributable to HIV/AIDS. A recent modelling exercise by the NBS[16] anticipates little, if any, improvement in life expectancy by 2010. However, this projection looks a little pessimistic, considering recent improvements in child mortality, an apparent reduction in the prevalence of HIV, and the expansion of anti-retroviral (ARV) therapy.

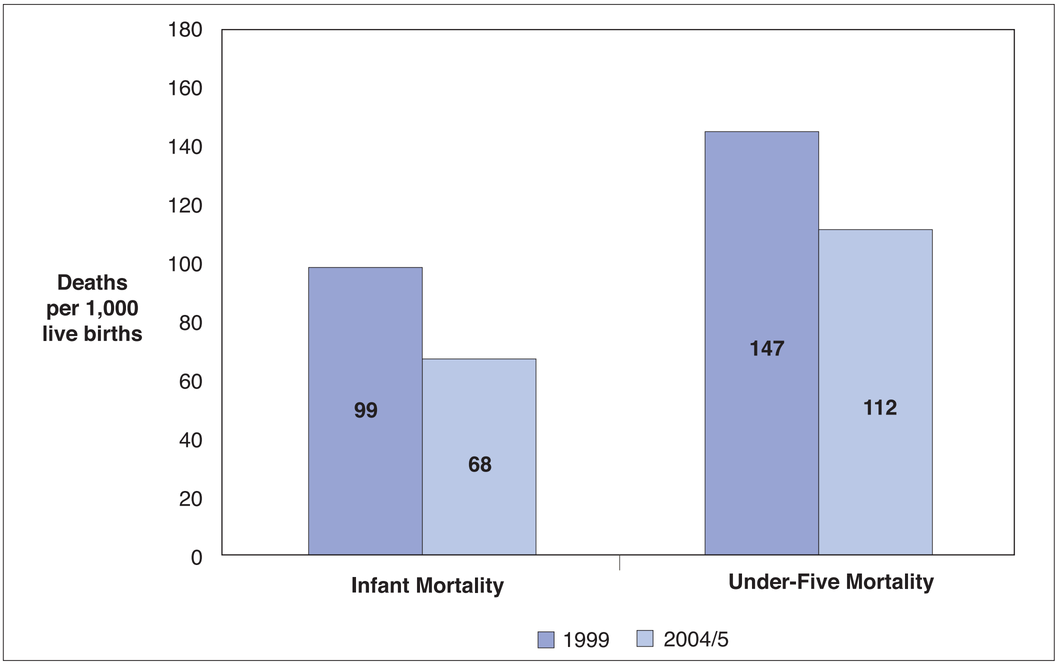
15 Vol X Analytical Report (August 2006), p.137.
16 National Projections (Volume 8). NBS/MPEE, Feb.2006

Child Health:

Infant and Under-Five Mortality

The latest estimates for infant and under-five mortality - from the Tanzanian Demographic and Health Survey (TDHS) 2004/05 (NBS and Macro International, 2005), are the same as those reported in the 2006 Status Report for MKUKUTA. These figures show a marked improvement compared with results from the Tanzanian Reproductive and Child Health Survey (TRCHS) 1999 (NBS and Macro International, 2000). Infant mortality dropped from 99 per 1,000 live births to just 68, and under-five mortality dropped from 147 to 112 per 1,000 live births.[17] Both declines are statistically significant at the 5% level (see Figure 12).

Figure 12: Infant and Under-Five Mortality 1999 and 2004/0

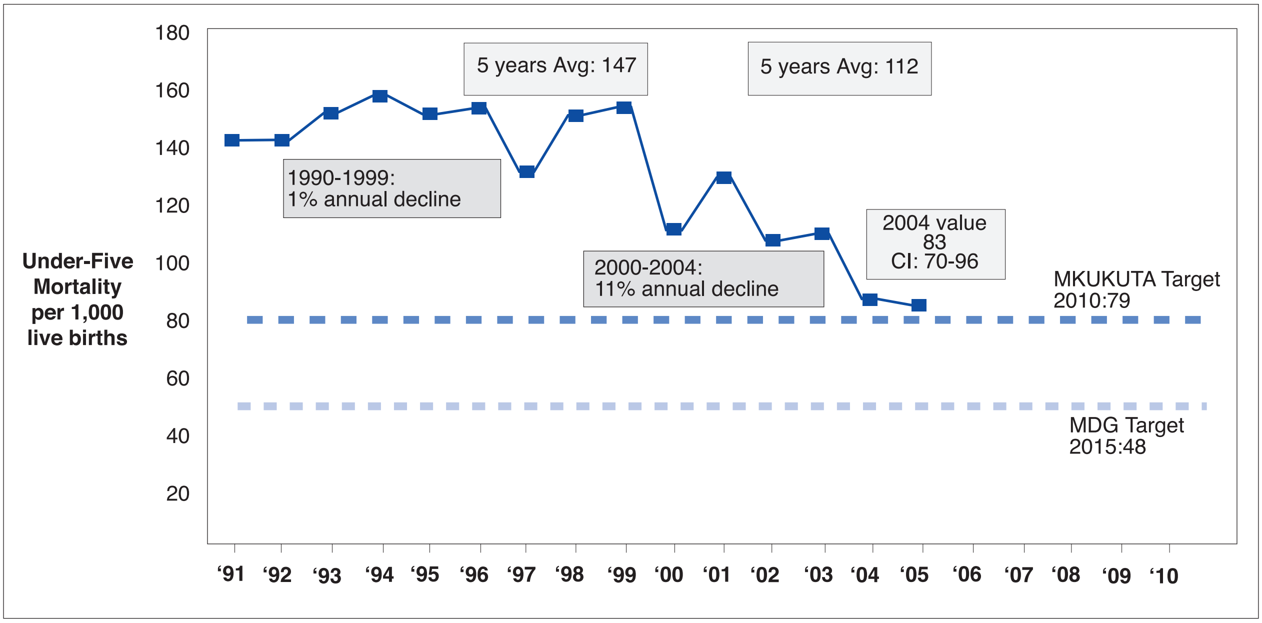


Sources: TRCHS 1999 and TDHS 2004/05

Additional analysis that generated annual estimates from TDHS 2004/05 survey data also shows a steep improvement in child mortality since 1998 (Masanja, et al., forthcoming). Moreover, the annual estimate of under-five mortality rate for 2004 was calculated at 83 deaths per 1,000 live births, compared with the commonly quoted THDS figure of 112, which represents the average for the five-year period preceding the survey (see Figure 13). This revised estimate for 2004 is much closer to MKUKUTA's target of 79 (by 2010). If declines continue on this trajectory, Tanzania will exceed the MKUKUTA target and may reach the 2015 Millennium Development Goal (MDG) target of 48 deaths per 1,000 live births.

17 These estimates represent an average for the five-year period up to the time of the survey. The under-five mortality statistics from the Census also record a decline between 1988 and 2002. However, the estimates differ from the TDHS estimates. This is because the Census uses an "indirect estimate" of child mortality, based on the death rates of children from different age cohorts of women, up to 10 years before the census date. The TDHS uses a "direct estimate", measuring the number of deaths per year against the respective denominator for the five years before the survey. Both methods are subject to error, but the direct estimates are widely regarded as more reliable, particularly for trend analysis.

Figure 13: Trend in Annual Under-Five Mortality 1990 - 2005



Source: Analysis of TDHS 2004/05, Masanja and Ifakara Health Research and Development Centre (forthcoming)

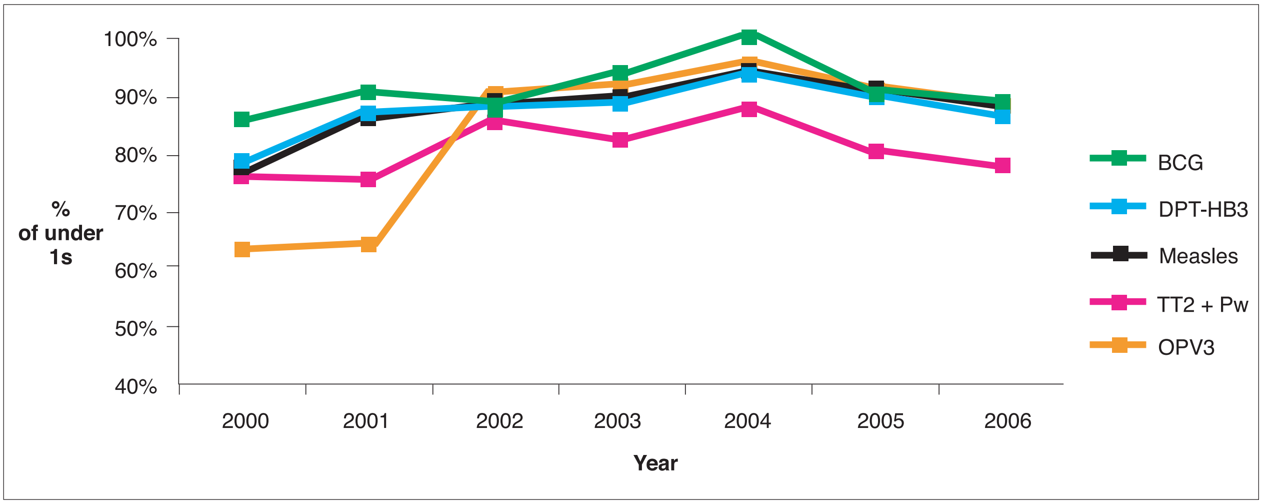
For these targets to be achieved, Tanzania needs to intensify measures to avert child deaths, particularly neonatal mortality (i.e. deaths in the first month of life). Indeed, the THDS 2004/05 survey indicated no statistically significant improvement in neonatal mortality since 1999. Out of the 68 children who die before their first birthday, nearly half die during the first month. Neonatal deaths, in turn, are closely related to the mother's health during pregnancy and complications at delivery. Tackling neonatal deaths must, therefore, go hand-in-hand with expanded efforts to improve maternal health and provide essential post-natal care.

In addition, data clearly show that enormous disparities in under-five mortality rates persist across different regions of Tanzania. The probability of a child dying before her fifth birthday was 3 to 4 times higher in Mtwara or Lindi than in Kilimanjaro or Arusha. Reaching national targets requires, therefore, targeted interventions to reduce infant and child mortality in the worst affected parts of the country.

Vaccination coverage for DPTHb3[18] is commonly taken as a proxy for overall performance in childhood immunisation. According to statistics from the Ministry of Health and Social Welfare (MOHSW), coverage of DPTHb3 for 2006 stood at 87%, exceeding the MKUKUTA target of 85%. Indeed, the rate for each of the last five years (2002-2006 inclusive) has been at or above the MKUKUTA target (see Figure 14).

18 The third of a series of vaccinations against diphtheria, pertussis (whooping cough), tetanus and hepatitis B.

Figure 14: Trends in Vaccination Coverage for Children Aged 0-11 months 2000 - 2006



Notes: TT2 = 2 doses of tetanus toxoid vaccine + Pw = Whole cell pertussis vaccine
BCG = Bacillus Calmette-Guerin, the vaccine for tuberculosis
OPV3 = three doses of oral poliovirus vaccine
DPT = Diptheria, Pertussis (whooping cough) and Tetanus + HB = Hepatitis B.

Source: Routine data from the Expanded Programme of Immunisation (EPI), Ministry of Health and Social Welfare[19]

Of concern, however, is the slight drop in coverage since 2004 when responsibility for the Expanded Programme of Immunisation (EPI) was devolved to local authorities. Under these new arrangements, functions previously carried out at national level by the vertical programme, including vaccine forecasting and ordering, cold-chain supplies and maintenance, and programme supervision are now the responsibility of councils. The under-performance of some councils (particularly with respect to forecasting, ordering and supervision) has been cited by the national EPI programme as the main reason for the declines in coverage since 2004.[20]

In addition, several regions are persistent “outliers” with vaccination coverage lower than the national average. In 2006, Kilimanjaro (71%), Kigoma (73%), Coast (75%) and Dar es Salaam (75%) were the regions with the lowest rates. Kilimanjaro and Coast regions were also among the poorest performers in 2005. It is particularly surprising that relatively well-resourced regions like Dar es Salaam and Kilimanjaro have low coverage.

A serious measles outbreak also occurred in 2006, with over 3,000 cases being reported in the two worst-affected regions-Tanga and Dar es Salaam. This was despite a five-year track record of around 90% measles immunisation for infants. The reasons are three-fold. First, the outbreak occurred in areas with low coverage, e.g. Handeni and Kilindi in Tanga region. Secondly, measles vaccine efficacy (1 dose) still leaves 13-15% of children without sufficient immunity. Thirdly, the ‘catch-up’ campaigns in 2002 and 2005 to provide second-dose measles vaccination were done in

19 The EPI routine statistics accord closely with survey-based estimates. The latter measures coverage in children 12-23 months, most of whom received their immunization the year before. The EPI program, measures vaccines administered per year against the expected number of infants (0-11 months) in that year. The survey result (end 2004, DPTHb3: 86%, +/- 3%) corresponds closely with the 2003 EPI statistic (89%). The TDHS annual analysis also found a steady increase in DPT3 coverage, from 77.5% 5 years before the survey, to 84% in the most recent cohort, confirming the rise found by EPI statistics.
20 MOHSW. EPI Annual Evaluation Meeting Report 19-23 March 2007

phases and did not reach all age cohorts in all regions. To prevent future outbreaks, a nationwide catch-up campaign is planned in 2008 to provide second dose measles vaccination to all children between the ages of 6 months and 14 years.

In spite of the 2006 measles outbreak and the slight diminution of coverage since 2004, Tanzania's vaccination coverage remains high. The national EPI programme now aims to achieve 90% coverage in 90% of councils (up from 80% in 90% of councils). As long as logistical issues are effectively addressed, the outlook is positive that immunisation rates will continue to exceed MKUKUTA targets.

Nutrition

The TDHS 2004/05 documented significant improvements in all indicators for malnutrition among under-fives compared with data for 1996 and 1999. The proportions of under-fives who were stunted (under-height for age) or under-weight (weight for age) both dropped by 6-7%. Nonetheless, the percentages of children who were stunted (38%) and under-weight (22%) both remain unacceptably high. Based on these figures[21], malnutrition in Tanzania is estimated to be indirectly responsible for more than a quarter of under-five deaths.

Exactly why childhood nutrition has improved, however, remains unclear. Better malaria control and a big jump in vitamin A coverage[22] may have contributed to fewer recurrent illnesses, but part of the explanation may also lie in the longer duration of exclusive breastfeeding recorded up from 58% to 70% in the first 2 months of life. The weaning period coincides with the time that most children's nutritional status plummets, which points clearly to the need for improved feeding practices during this especially vulnerable period.

No new data on malnutrition rates since the TDHS 2004/05 are available. Service based statistics[23] which count the proportion of infants under 60% of expected weight for age show no distinct trend between 2001 and 2004. However, the total number of infants reported to have been weighed in 2004 was much lower than in previous years. If this figure is correct - not the result of under-reporting - it indicates a worrying decline in the coverage of infant growth monitoring.

Maternal Health:

Maternal Mortality

The maternal mortality ratio calculated by the TDHS 2004/05 is 578 deaths per 100,000 live births[24], which implies that one woman can be expected to die every hour from maternal causes in Tanzania. Moreover, the figure shows no improvement since the previous TDHS in 1996. The leading causes of maternal deaths are haemorrhage, sepsis, unsafe abortion, pregnancy-induced hypertension and obstructed labour.

The Government's ‘National Road Map Strategic Plan to Accelerate Reduction of Maternal and Newborn Deaths in Tanzania (2006-2010)‘ (MOHSW, 2007) provides new focus and direction to avert maternal and neonatal deaths. Key challenges will be to expand skilled attendance at birth and to increase the availability of emergency obstetric care services. According to the Tanzania Service

21 ‘Basic Support for Institutionalizing Child Survival. Malnutrition and Child Mortality: Program implications of new evidence.’
See http://www.basics.org/documents/pdf/MCM-English.pdf#search="malnutrition and child mortality"
22 Estimated to have increased from around 15% in 2000 to around 85% in 2002.
23 MOHSW. Annual Health Statistics Abstract, 2006.
24 The TDHS 2004/05 measured maternal deaths over the ten-year period preceding the survey.

Provision Assessment (TSPA) Survey 2006 (NBS & ORC Macro, 2007), the most basic equipment for emergency obstetric procedures was rarely available in health centres and often absent even in hospitals. In addition, four-fifths of health centres have never undertaken vacuum extraction, or administered drugs to control haemorrhage or pregnancy-induced hypertension (see Table 5). As a consequence, women experiencing complications during labour and delivery in health centres and dispensaries are unlikely to receive any type of emergency treatment.

Table 5: Indicators of Availability of Emergency Obstetric Care in Hospitals and Health Centres 2006

Indicator	Hospitals	Health Centres
Proportion of Health Facilities Where Indicated Equipment is Available	**%**	**%**
Vacuum extractor	59	19
Vacuum aspirator	47	17
Dilation and curettage (D&C)	42	36
Blood transfusion	99	12
Caesarean section	96	15
Proportion of Health Facilities That Have Ever Undertaken Procedure		
Assisted delivery (vacuum extraction)	68	22
Removal of retained products by manual vacuum aspiration (MVA) or D&C	97	56
Parenteral oxytocic drugs (for haemorrhage)	78	20
Parenteral anti-convulsant drugs (for eclampsia)	70	17
Manual removal of placenta	89	64
Blood transfusion	99	12

Source: Tanzania Service Provision Assessment Survey 2006, Preliminary Report

Skilled Birth Attendance

The TDHS 2004/05 estimated skilled birth attendance for deliveries[25] in the five years preceding the survey. Findings showed that 47% of all births for Mainland Tanzania took place in a health facility (government, voluntary or private), and only 43.3% of births on the Mainland were attended by a skilled attendant: 4% by a medical officer/assistant medical officer; 2.2 % by a clinical officer/assistant clinical officer; and 37.1% by a nurse/midwife.

Further analysis of the TDHS to calculate annual data for skilled attendance confirms that no increase in the proportion of facility-based births occurred within this five-year timeframe. Therefore, there is no evidence to suggest that the rate of skilled attendance has improved either.

A major gap in skilled attendance at delivery also exists between urban areas (79%), and rural areas (34.5%). Moreover, in 2006, the number of deliveries in rural areas (1.3 million) outnumbered

25 According to the World Health Organisation, a 'skilled attendant' is 'an accredited health professional-such as a midwife, doctor or nurse-who has been educated and trained to proficiency in the skills needed to manage normal (uncomplicated) pregnancies, childbirth and the immediate postnatal period, and in the identification, management and referral of complications in women and newborns.'

deliveries in urban areas (300,000) by a factor of more than 4. National rates of skilled attendance, therefore, cannot be expected to improve until a higher proportion of rural deliveries are carried out in adequately equipped health facilities and attended by skilled personnel.

A recent global analysis of maternal health care concluded that the universal availability of basic emergency obstetric care services alone could “prevent a large proportion of obstetric deaths” and “bring maternal mortality (MMR) below 200 per 100,000 live births”.[26] Therefore, the expansion of skilled birth services as well as the promotion of facility-based deliveries among women and their families will represent critical interventions to quickly reduce maternal deaths.

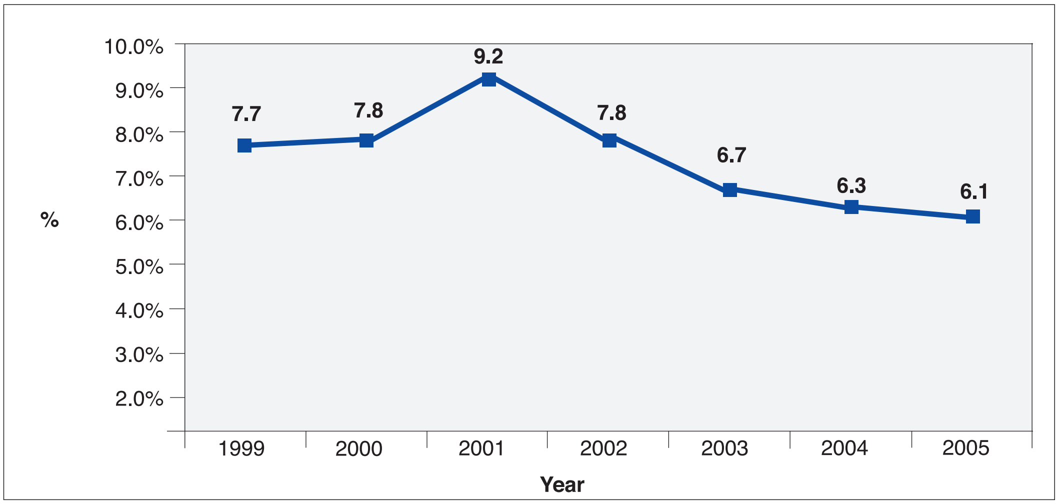
HIV/AIDS:

HIV Prevalence

The population-based Tanzania HIV/AIDS Indicator Survey 2003/04 (Tanzania Commission for AIDS (TACAIDS), NBS and ORC Macro, 2005) estimated adult HIV prevalence at 7% in 2004. The study also found that 3% of males and 4% of females aged 15-24 years were infected with the virus, and that infection rates in urban areas were typically double those in rural areas. Three regions - Mbeya, Iringa and Dar es Salaam - had HIV prevalence rates of over 10%. Results from the second THIS, conducted in 2007, will be available next year.

HIV prevalence is also measured from data sourced from blood donors. This sample population, however, is heavily biased towards urban residence and males and estimates should not be interpreted as representative of national prevalence. The data point for 2005 is also provisional pending the formal release of the latest report from the National AIDS Control Programme (NACP). Nonetheless, these data indicate a downward trend since 2001 (see Figure 15). Prior to that time, estimates showed year-on-year increases.

Figure 15: HIV Prevalence Among Blood Donors Aged 15-24 Years 1999 - 2005

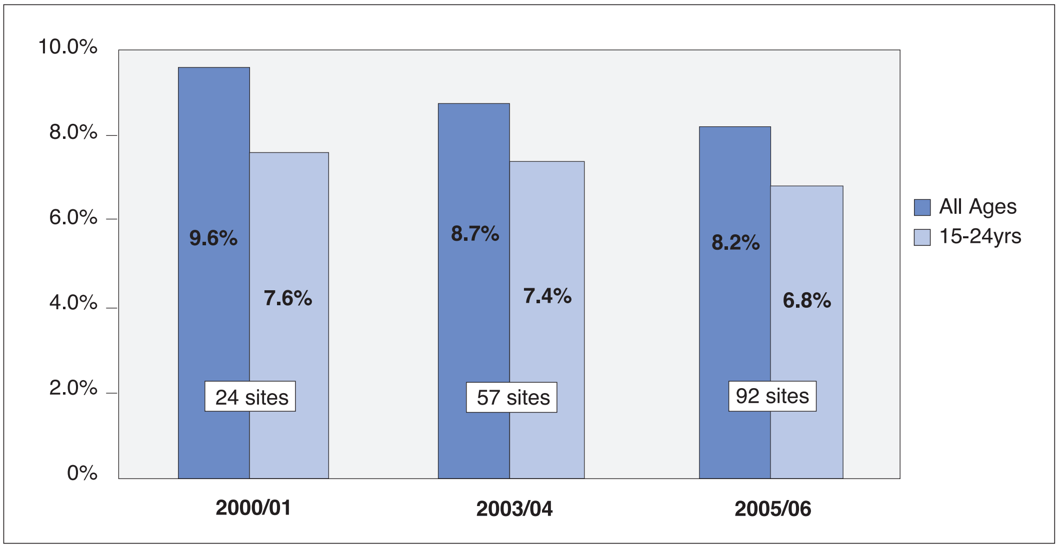


Source: NACP. HIV/AIDS/STI Surveillance Report January - December 2005, Report #20, March 2007 (Draft)

26 Campbell, O. M. R., & Graham, W. J. (2006). ‘Strategies for reducing maternal mortality: getting on with what works.’ The Lancet, 368 (9543), p.1291.

A third data source is surveillance of women attending antenatal clinics. Three rounds of data collection have been completed since 2001/02, the latest round in 2005/06. Results demonstrate declines in HIV prevalence from 9.6% in 2001/02 to 8.2% in 2005/06 for women of all ages attending antenatal care, and from 7.6% to 6.8% for women aged 15-24 years (see Figure 16). Despite some sampling changes since 2001/02, the report concludes that the evidence points towards a reduction in HIV prevalence among women aged 15-24 years.

Figure 16: HIV Prevalence Among Women Attending Antenatal Care Clinics 2000/01, 2003/04 and 2005/06



Source: NACP. HIV/AIDS/STI Surveillance Report January - December 2005, Report #20, March 2007 (Draft)

HIV/AIDS Care and Treatment

The HIV/AIDS care and treatment programme in Tanzania commenced in late 2004 and, by the end of 2006, a cumulative total of 125,139[27] patients had been enrolled. This figure represents slightly over 10% of the total number of people estimated to be living with HIV.[28] Of all adult patients enrolled, 61% were female, marginally higher than the percentage of women aged 15-49 years who are estimated to be HIV-positive (approx 57%). The close correlation of these figures indicates an equitable level of treatment provision for women and men with HIV.

Of the total number enrolled, 60,341 patients were clinically eligible[29] for anti-retroviral (ARV) therapy and have commenced treatment. This represents one-quarter of the estimated 240,000 people in need of immediate treatment. As of December 2006, about 10% (5,985 individuals) of the total number on treatment were children under the age of 15 years. This is consistent with the target proportion expected.

27 The data available do not indicate the number of new patients enrolled or the number currently in treatment. A percentage of patients can be presumed to have died subsequent to enrolment or been lost to follow-up.

28 Applying age and sex-specific HIV infection rates from the THIS 2003/04 to the national age/sex population structure (projected to 2006) it is estimated that about 1.2 million adults (510,000 men and 670,000 women) were living with HIV by the end of 2006.

29 Only those patients with advanced HIV infection (WHO Stage III and IV) whose immunity is becoming seriously weakened (CD4 <200) are considered “clinically eligible” to commence ARV treatment. In a country which has not yet scaled up ARV treatment, this is expected to be about 20% of people living with HIV at any one time. In Tanzania's case, we would therefore expect that about 240,000 people require ARV treatment. The number of people currently in treatment, therefore, is estimated to be approximately one-quarter of those in need of ARVs. Note also that the number requiring treatment will grow year-on-year as new cohorts join those currently in treatment.

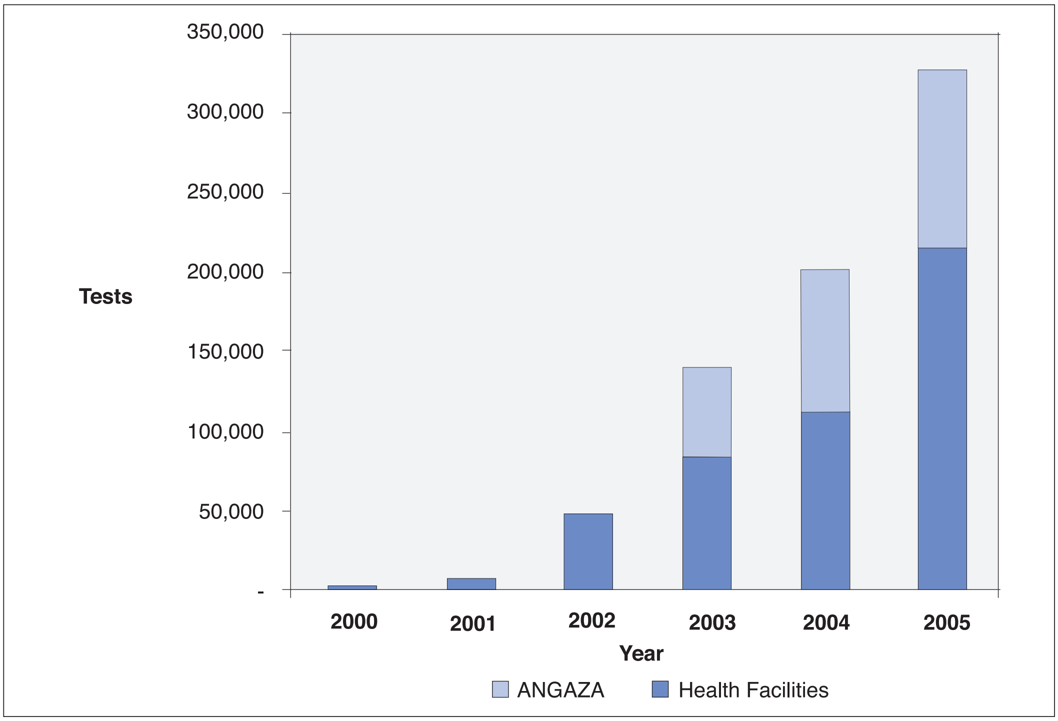
Despite the fact that the number of treatment centres has doubled (from 96 facilities in 2004/05 to 200 in 2005/06), nearly 30% of patients on ARVs are enrolled in the Dar es Salaam region.

HIV/AIDS Testing

The number of people getting tested for HIV/AIDS has increased nearly 100-fold from 3,338 in 2000 to 326,322 in 2005 (see Figure 17). Of the total number of people tested in 2005, approximately one-third attended testing sites established by the African Medical and Research Foundation (AMREF) under its Angaza programme.[30]

Test results show a steady decline in the proportion of people who are HIV-positive, which can be expected given the growing number of people undergoing tests without clinical symptoms. A national HIV/AIDS testing campaign was also launched in July 2007 by President Kikwete to encourage people to get tested and know their HIV status. The testing campaign is part of a five-year initiative to prevent HIV/AIDS and provide treatment and care for individuals infected and affected by HIV/AIDS.

Figure 17: Number of HIV Tests Per Year 2000 - 2005



Source: NACP. HIV/AIDS/STI Surveillance Report January - December 2005, Report #20, March 2007 (Draft)

30 AMREF's Angaza programme began in 2001 with the aim of enhancing voluntary counselling and testing for HIV/AIDS (VCT) services across mainland Tanzania. AMREF has partnered with government agencies, NGOs, and faith-based institutions to significantly expand the number of VCT sites around the country. Angaza now runs 53 static VCT sites, 7 mobile VCT sites, and 6 prevention of mother-to-child transmission of HIV (PMTCT) sites across Tanzania. Source of programme information (accessed 2 January 2008): http://www.amref.org/index.asp?PageID=63&PiaID=2&CountryID=2&ProjectID=71

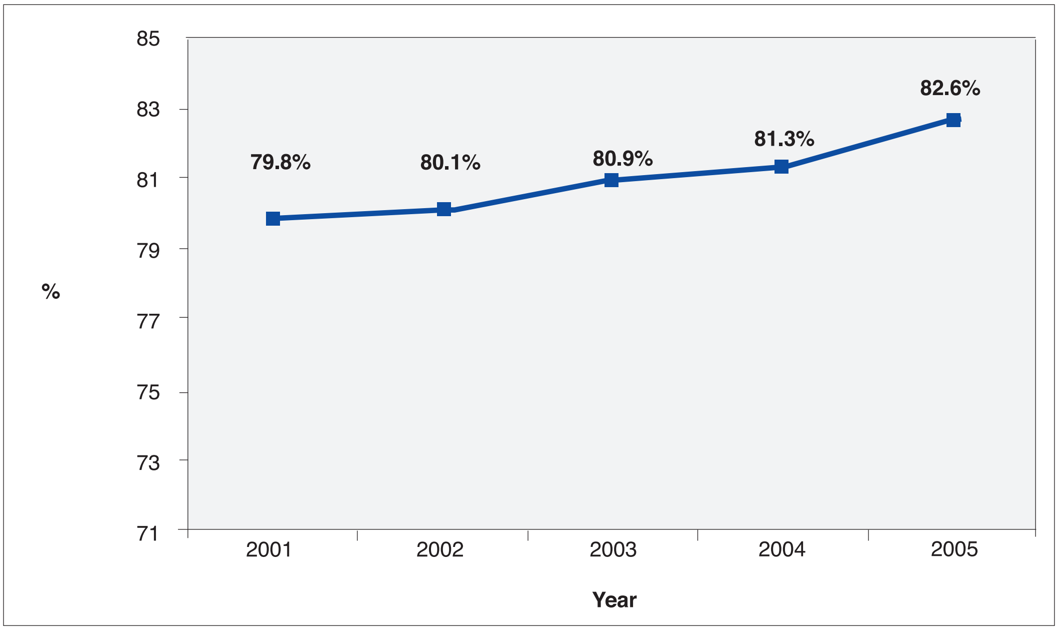
Tuberculosis (TB)

Like other countries in the region, Tanzania suffers a dual epidemic of tuberculosis and HIV, with TB incidence, prevalence and mortality rates close to regional averages.[31] Following the advent of the HIV epidemic, the number of TB cases rapidly increased. In 1980, Tanzania registered around 12,000 new cases of TB per year. Ten years later, the annual total exceeded 20,000; by 1995, the figure had reached 40,000. By the end of 2000, around 55,000 cases were being notified every year.

Encouragingly, the number of notified TB cases appears to have peaked in 2004 at 65,665. For the first time in 30 years, the figure fell by 2.2% in 2005 and has fallen again in 2006. These decreases may be the first signs that the deadly tide of TB is finally turning, and may offer further evidence of observed declines in HIV prevalence since 2002/03. If data for forthcoming years confirms this trend, it will represent a major public health success.

National efforts to control tuberculosis focus upon ensuring that a high percentage of patients (above 80%) successfully complete treatment as well as improving the level of case diagnosis. The trend for the MKUKUTA indicator for TB - the treatment success rate[32] - shows steady improvement reaching 82.6% in 2005 (see Figure 18).[33] This rate is considerably better than most other countries in the region. The WHO “gold standard” for treatment success is 85%.

Figure 18: Tuberculosis Treatment Success Rates 2001 - 2005



Source: MOHSW Annual Reports of National TB & Leprosy Programme.

31 Stop-TB. Regional Statistics for WHO Africa Region, 2005. http://www.who.int/tb/publications/global_report/2007/download_centre/en/index.html
32 In line with international convention, the MKUKUTA indicator for TB represents treatment success for new smear positive cases only. The denominator is the total number of smear positive cases notified, whether or not the treatment outcome was known. Cases are designated to have been treated successfully if they are confirmed cured by laboratory confirmation or if the treatment regimen is certified as completed. Therefore, Treatment Success = AFBP cases cured + AFBP completed treatment / total AFBP cases notified. The indicator reported here is for Tanzania mainland only. For 2005, the treatment success rate for all cases (smear positive, smear negative and extra-pulmonary) for Tanzania including Zanzibar was 82.1%.
33 The treatment success rate for 2006 will not be known until all patients who started treatment during that calendar year have completed treatment.

Goal 3 Increased Access to Clean, Affordable and Safe Water, Sanitation, Decent Shelter, and a Safe and Sustainable Environment

This goal has the following five indicators:

- Proportion of population with access to piped or protected water as their main drinking water source (with a 30 minute timeframe spent on going, collecting and returning to be taken into consideration);
- Number of reported cholera cases;
- Percentage of households with basic sanitation facilities;
- Percentage of schools having adequate sanitation facilities (as per MOEVT policy), and
- Total area under community-based natural resources management.

Table 6 shows recent data for water and sanitation indicators for mainland Tanzania, with more comprehensive statistics available in the data tables at the end of this chapter. Please note that the indicator for water supply focuses on domestic usage only. The contribution of water supplies to productive activities and, therefore, economic growth, is discussed in Chapter 10.

Table 6: Water and Sanitation Indicators, Tanzania Mainland 2002 - 2005

Indicator	Year				MKUKUTA Targets
	2002	2003	2004/5[34]	2005	2010
Rural population with access to clean and safe water within 30 minutes spent collecting water					
Routine data		53		54	65
Census	42				
TDHS 2004/05			37.1		
Urban population with access to clean and safe water					
Routine data		73		78	90
Census	85				
TDHS 2004/05			77		
Urban population with access to improved sewerage facilities	-	17	-		30
Schools with adequate sanitary facilities	36.2	32.8	36.7 (2004)		100
Population with access to basic sanitation[35]	91		87		95
Cholera outbreaks	28.5	35.0	20.9 (2004)		Reduce to 50% of 2005 level

Sources: TDHS 2004/05; Population and Housing Census 2002; Ministries of Education, Health and Water, Routine Data

34 Data from TDHS 2004/05

35 Basic sanitation is defined to include flush toilets, traditional pit latrines, and ventilated improved pit (VIP) latrines

Access to Clean and Safe Water:

Water Coverage

Data on access to clean and safe drinking water is collected in two principal ways. First, coverage is estimated by district water engineers and by urban water and sewerage authorities and these estimates are reported to the Ministry of Water (MOW). Secondly, access is assessed as part of periodic surveys such as Household Budget Surveys (2000/01, 2007), the national census (2002), and Demographic and Health Surveys (2004/05). In measuring progress in the provision of clean and safe water, routine data (through the Ministry) offers the advantage of more regular monitoring, whereas survey data is relatively free from bias.

These two systems of collecting information also differ in their classifications of urban and rural areas. The (MOW) defines urban areas as areas within the service area of an urban water and sewerage utility. However, service area boundaries do not correspond with the urban-rural boundaries used by surveys. Figure 19 presents coverage data from both systems for the period from 1980-2005 along with targets set by MKUKUTA, the Millennium Development Goals (MDGs), and the recently launched Water Sector Development Programme (WSDP) ((MOW), 2007). Figure 20 then details the main sources of drinking water for households as measured by the 2002 Census and the TDHS 2004/05.

Figure 19: Rural and Urban Water Supply Coverage and Targets

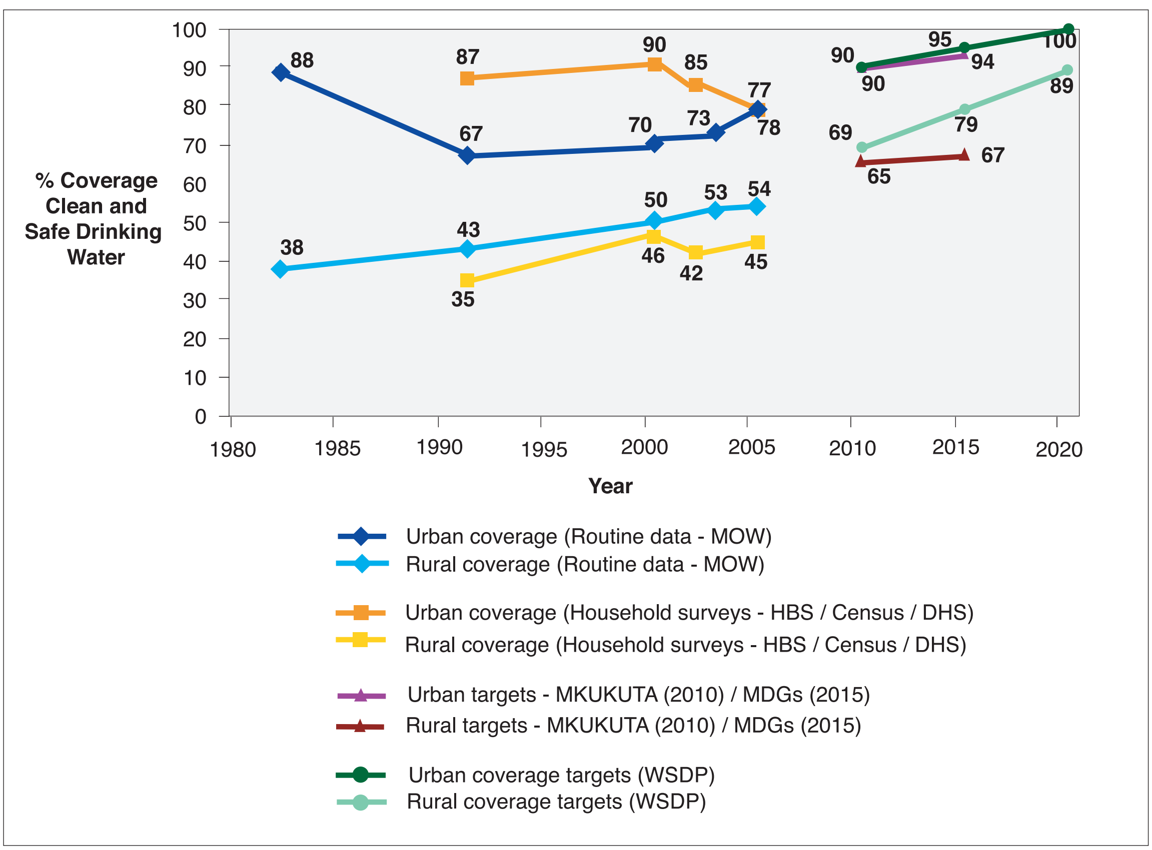
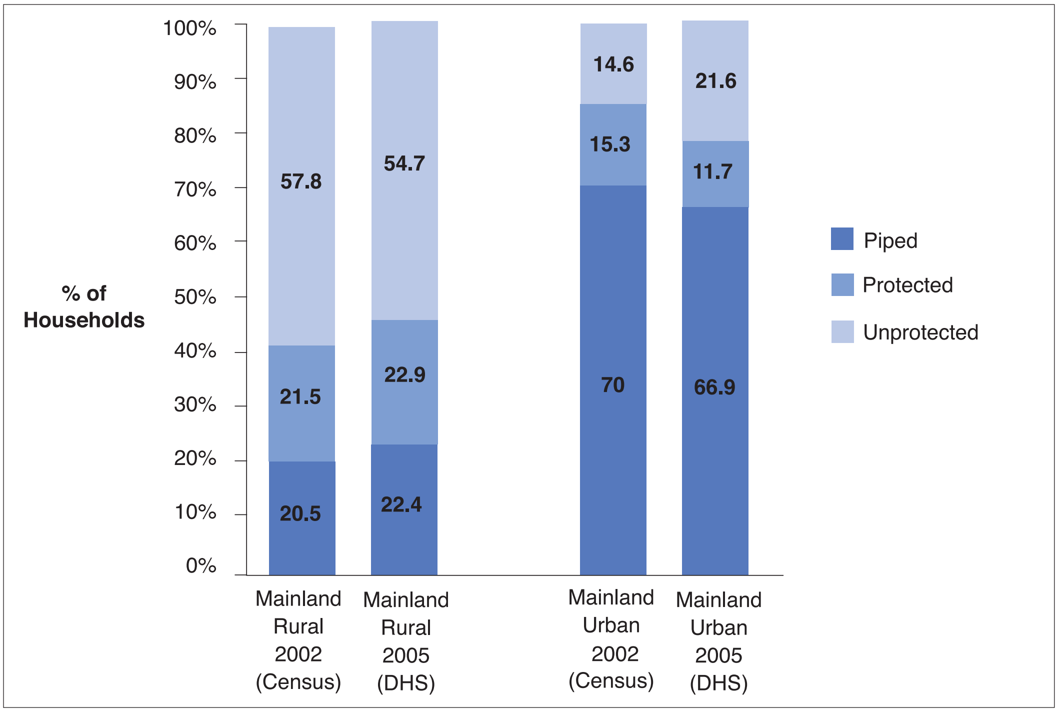


Figure 20: Main Source of Drinking Water for Households



Sources: TDHS 2004/05; Population and Housing Census 2002

Figures 19 and 20 illustrate a number of key issues. First, a clear bias is shown towards urban water services. Both survey and routine data show urban coverage to be far higher than in rural areas. This is particularly noteworthy given that investments in water services, whether urban or rural, are almost entirely drawn from public funds. Moreover, the cost of delivering water services is higher in urban areas than rural communities.[36]

Secondly, household surveys consistently report lower rural coverage of water supplies than estimates from the MOW. For example, in 2005 the Ministry estimated rural coverage at 54%, which is 17 percentage points higher than the estimate from the TDHS 2004/05. Both data sets, however, indicate improvements in rural water access since the 1980s, but trends suggest that MKUKUTA, MDG and WSDP targets are unlikely to be achieved without significant additional investment. Indeed, given that most data does not reflect the time it takes for households to collect water, which is clearly included in the MKUKUTA target, progress towards the target of 65% rural coverage by 2010 is likely to be considerably lower than the data suggests.

Thirdly, survey estimates for urban areas are regularly higher than MOW data. This is because ministry data for urban areas - largely collected through urban water and sewerage authorities - excludes households that are not connected to the formal distribution network but instead collect water from neighbouring households or from private boreholes or protected wells. If these households are similarly excluded from the TDHS 2004/05, the urban coverage estimate from that survey drops from 77% to only 34% (see Table 7).

36 WaterAid (2005) estimated the capital cost of piped services in urban areas as $150 per capita, compared with an average of $47.5 per capita for rural schemes.

These significant discrepancies in data, in turn, heavily impact any interpretation of progress. Routine data present trends of increasing urban coverage such that MKUKUTA, MDG and WSDP targets appear feasible. In contrast, survey data since 2000 indicates declining urban coverage, suggesting that targets will not be met based on current trends.

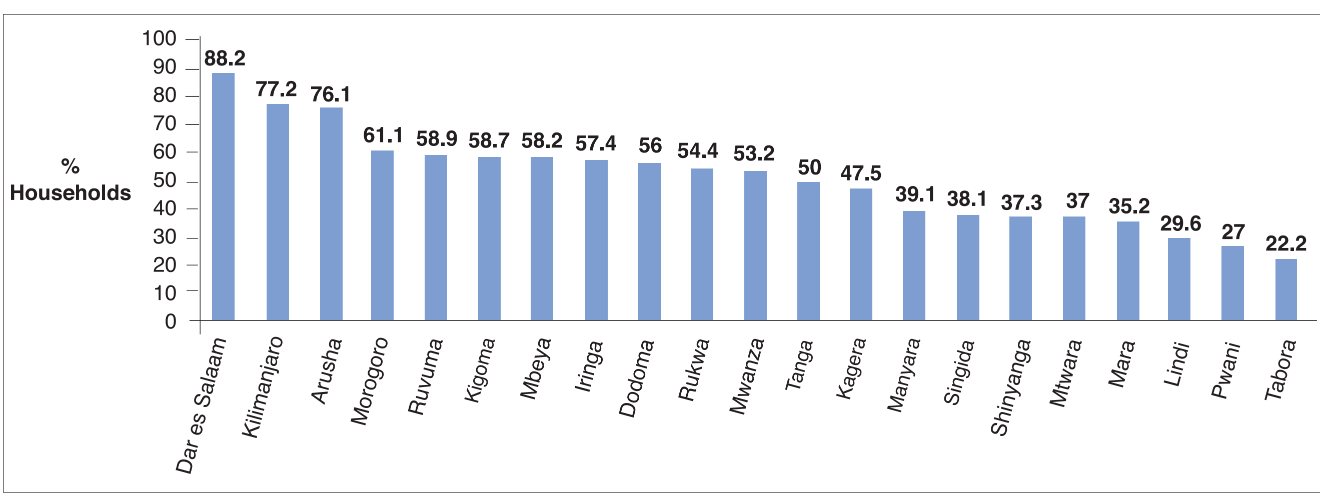
Table 7: Main Source of Drinking Water for Urban Households (% of households)

Source	Households %	Improved / Unimproved	Utility / Non-utility
Piped into dwelling/yard/plot	18.6	All improved sources: 77%	Households served by utility directly: 34.1%
Public tap	15.5		
Neighbour's tap	32.8		Households not served by utility: 65.9%
Protected well / borehole	10.1		
Unprotected well / borehole	8.2		
Surface sources (river, lake, etc.)	4.7	All unimproved sources: 23%	
Vendor / tanker truck	7.2		
Springs	1.6		
Other	1.5		

Source: TDHS 2004/05

Finally, it is also important to note that aggregated data for rural and urban areas hides the highly uneven distribution of water services between different districts and regions within the country. Census data from 2002, for example, reveals that Dar es Salaam, Kilimanjaro and Arusha regions had coverage figures of 88%, 77% and 76% respectively, compared with 30%, 27% and 22% in Lindi, Pwani and Tabora (see Figure 21).

Figure 21: Water Supply Coverage by Region 2002



Source: Polulation and Housing Census 2002

Distance and Time for Water Collection

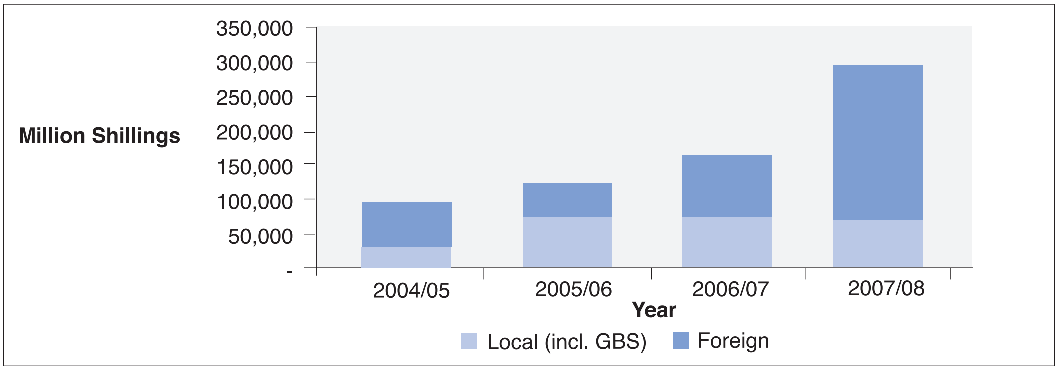
The MKUKUTA indicator for water supply specifically refers to “30 minutes collecting time”. This is a new dimension to measurement of adequate water coverage. The TDHS 2004/05 did include the question (for a household's main source of drinking water): “How long does it take you to go there, get water and come back?”. The results, however, are not linked to coverage data so it is not possible to determine what proportion of households accessing water from an improved source are also able to go, collect water and return home in 30 minutes or less.

Nonetheless some observations from the TDHS data can be made. First, as for water coverage, the figures reveal a substantial urban bias: rural households spend, on average, 27.1 minutes to collect water for domestic uses, more than four times longer than the average collection time of 5.9 minutes in urban areas. Second, there are significant inter-regional inequalities. For example, in Singida, Kagera, Manyara and Mwanza regions, over half of all households have to travel over 2km to their nearest piped or protected water source in both wet and dry seasons, compared with Kilimanjaro, Pwani, Dar es Salaam, Mbeya, Iringa and Ruvuma regions, where over half of all households have a journey of less than 500m to their nearest improved source.

Water Sector Development Programme (WSDP)

The launch of the Water Sector Development Programme (WSDP) was a major achievement during 2006/07. The programme pulls together sub-sector water projects valued at USD 951 million into a single development strategy for the period 2006-2011. The programme also represents a significant step forward for inter-district equity and a substantial increase in the overall volume of investments in the sector (see Figure 22). Indeed, the funds are sufficient to meet both MKUKUTA targets and, if the funding continues at the same level beyond the initial five-year programme, the Millennium Development Goals. However, the WSDP faces the ongoing challenge of balancing urban and rural needs, while achieving the programme's high expected targets of service delivery.

Figure 22: Water Sector Budget Allocations 2004 - 2008



Note: Local (incl. GBS) means funding available from domestic revenue and from that part of external assistance which is provided through General Budget Support.

Source: MOW. Budget Vote 49, 2006/07; additional figures provided by the Ministry[37]

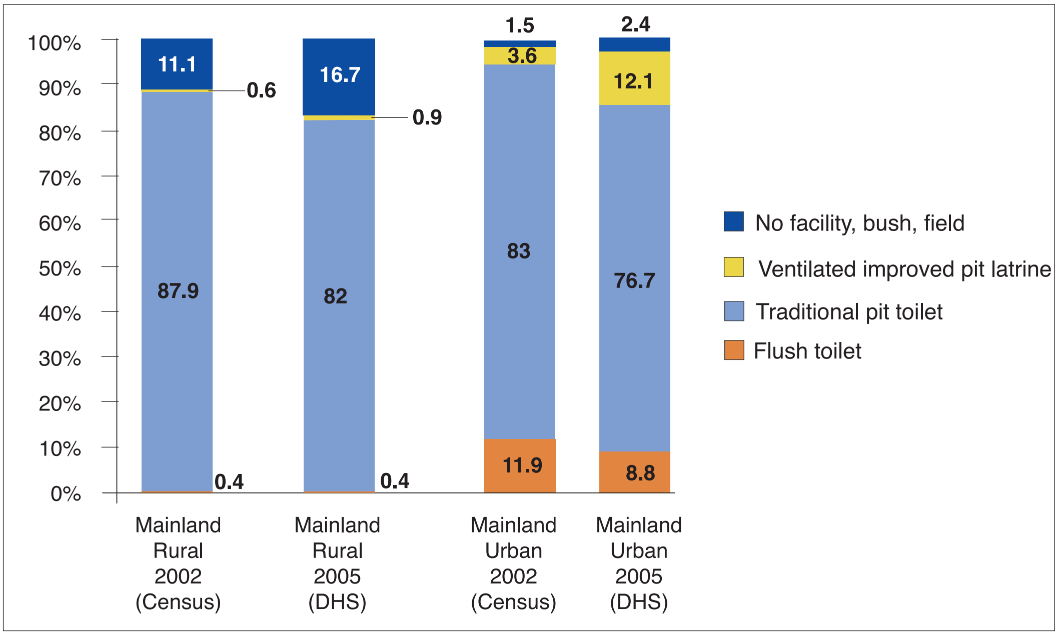
37 Budget figures for 2004/05, 2005/06 and 2006/07 do not include all local government authorities' allocations to the water sector, nor off-budget investments. However, the volume of such allocations has traditionally been low in comparison to the overall budget figures, and the exclusion does not significantly alter the overall growth trend.

Sanitation:

Household Sanitation

Household sanitation rates in Tanzania have hovered between 83-97% for both urban and rural areas. However, individual surveys have employed widely varying interpretations of what constitutes 'basic sanitation' facilities which makes accurate trend assessment difficult. Figure 23 shows the relatively high coverage according to the 2002 Census and the TDHS 2004/05. Data for 2006 will soon be available from the Integrated Labour Force Survey.

Figure 23: Household Sanitation Facilities for Mainland Tanzania 2002 and 2004/05



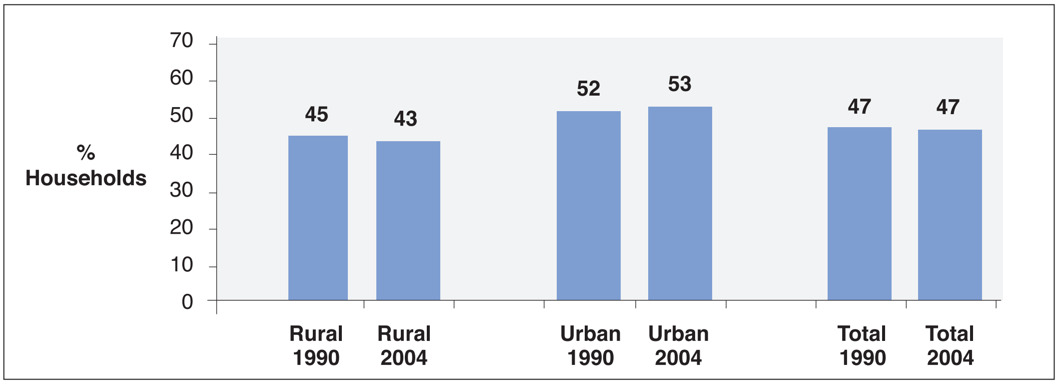
Source: Population and Housing Census 2002; THDS 2004/05

The currently applied definition of 'basic sanitation' includes all traditional pit latrines regardless of their condition. However, wide variances in the standards of pit latrine exist among households. In short, the category 'traditional pit latrine' within surveys is too broad to capture the actual state of sanitation facilities and provide a realistic measure of progress.

As an alternative, the WHO/UNICEF Joint Monitoring Programme (JMP) (WHO & UNICEF, 2006) uses an improved/unimproved distinction that divides the pit latrine category into two: 'pit latrine with slab' and 'pit latrine without slab'. According to these criteria, the JMP estimates that rural access to improved sanitation facilities is 43%, urban access is 53%, and the overall national figure is 47% (see Figure 24). Largely guided by this data, the WSDP has adopted a baseline figure of 50% for household sanitation coverage. It should be noted that these estimates, though informed by survey data, may still be at significant variance from actual household conditions.

Beyond the household, the availability of public toilets according to the HBS 2007 Community Characteristics (NBS, 2007b) is extremely low in Dar es Salaam (17.5%), other urban areas (19.7%), and in rural communities (15%).

Figure 24: Household Access to Improved Sanitation Facilities 1990 and 2004



Source: WHO / UNICEF Joint Monitoring Programme

School Sanitation

MKUKUTA currently uses a proxy indicator to assess school sanitation: the ratio of actual number of toilets available to the required number of toilets as per Ministry of Education and Vocational Training guidelines. Apart from a decline between 2002 and 2003, school sanitation facilities have gradually increased from 35.7% in 2001 to 38.9% in 2006. Given the large increase in student enrolment nationally, especially in primary schools, the steady improvement is encouraging. Of important note, HBS 2007 Community Characteristics reports that where school toilets exist, 83.3% were built by the local communities themselves.

The Views of the People Survey 2007 also revealed that 84% of primary and secondary student felt there were “plenty” or “quite a few” toilets to meet their needs with little difference reported between boys and girls. Moreover, 70% said the school toilets were “clean” or “quite clean”.

Cholera

The MKUKUTA target for cholera is to reduce outbreaks by half by 2010. However, the definition of an 'outbreak' remains unclear. Moreover, the nature of individual outbreaks can vary markedly; some are swiftly controlled with only a few reported cases, while others are more prolonged and widespread. The incidence rate of cholera, therefore, is recommended as an alternative indicator, but even this approach would face the challenge that incidence rates vary greatly from one year to the next. As such, progress in reducing cholera could only be accurately assessed from data collection over an extended period.

Natural Resources

The final indicator for Goal 3 is 'total area under community-based natural resources management'. This measures the total land or water area (in hectares) that is managed legally by recognised community-level institutions for sustainable natural resources use. Areas included for this indicator are Participatory Forest Management (PFM) areas, Wildlife Management Areas, and areas managed by beach management units under the fisheries division.

In recent years, the Government has made efforts to create a favourable environment for community participation in the management of natural resources. Policy initiatives have included the Forest Act

2002, Village Land Act 1999 and Local Government Act 1982. By June 2006, over 3.6 million hectares of forest (10.8% of Tanzania's total forest area) had been placed under local management involving over 1,800 villages. Overall, however, the assessment of progress for this indicator remains problematic due to the lack of a coherent national monitoring and evaluation (M&E) system for natural resources.

Goal 4 Adequate Social Protection and Provision of Basic Needs and Services for the Vulnerable and Needy

Goal 5 Effective Systems to Ensure Universal Access to Quality and Affordable Public Services

Goals 4 and 5 of MKUKUTA's Cluster II encompass social protection. They were developed in recognition of widespread social vulnerability in Tanzania. In addition, work also commenced in 2007 on the development of a national framework for social protection. A working group chaired by MPEE includes representatives from several government ministries, from NGOs and from external agencies. Members of the team have visited several regions to solicit views for a national framework. The framework aims to enhance the coordination of programmes addressing the needs of the most vulnerable groups in society.

Current MKUKUTA indicators for these two goals are:

- Proportion of children in child labour
- Proportion of children with disabilities attending primary school
- Proportion of orphaned children attending primary school
- Proportion of eligible elderly people accessing medical exemptions at public health facilities
- Proportion of population reporting satisfaction with health services

Data is weak for many of these indicators, but the Government remains strongly committed to report on any progress in social protection outcomes using a narrative approach until more solid data becomes available.

Child Labour

Special modules on 'child work' and 'child labour' were included in the 2000/01 and 2006 Integrated Labour Force Surveys. Indeed, Tanzania is one of the first countries to collect this information. Within these surveys, 'child work' refers to certain activities undertaken by children, such as helping parents in the home or the family for short periods during the day, or teenagers working a few hours before or after school or during holidays. Child work is considered as a desirable socialisation process for children. In contrast, 'child labour' is work performed by children less than 18 years of age which is exploitative, hazardous or inappropriate for their age, and which is detrimental to their schooling, mental, spiritual and moral development. Child labour is harmful to the life of a child, and the abolition of this form of exploitation is always desired.

The MKUKUTA indicator on child labour monitors numbers of children in child labour as a percentage of all working children. The latest estimate from the ILFS 2006 shows that 21.1% of working children in Tanzania are engaged as child labourers.

Orphans

Orphaned children are among the most vulnerable members of society, often lacking basic needs and services. As a consequence of the HIV/AIDS epidemic, large numbers of children have been orphaned in many countries. The latest estimate of the proportion of children in Tanzania who have been orphaned (i.e., lost one or both parents) is 10% (TDHS 2004/05). One percent had lost both parents. The next estimate will be available from the TDHS 2009.

The MKUKUTA monitoring process looks at the percentage of orphaned children (of school age) who are attending school. The TDHS 2004/05 reveals that 89.9% of 10-14 year olds who had lost one or both parents attended school, and other analyses reported in the PHDR 2005 also indicated no significant difference in primary school attendance between children who had been orphaned and those who had not.

Disabled Children

The number of children with disabilities attending school increased from 18,982 pupils in 2006 to 24,003 pupils in 2007. Determining the proportion of children with disabilities who are in school (as required by MKUKUTA) will only be possible after estimates of the total number of disabled children becomes available from the Disability Survey 2008.

Medical Exemptions for the Elderly

The framework of cost sharing arrangements within Tanzania's health system provides for exemptions for individuals falling into specified categories, one such category being the elderly. Under these regulations, people over 60 years of age are entitled to free medical treatment in government health facilities.

The MKUKUTA indicator of the proportion of eligible elderly people accessing medical exemptions at public health facilities, gauges the extent to which the elderly Tanzanians benefit from exemptions. Specifically, the indicator measures the number of eligible elderly people who visited public health facilities and received free treatment as a percentage of the total population of over-60s who visited these facilities. This data will be available for the first time in the 2007 HBS.

However, the Views of the People Survey 2007 did assess the health seeking behaviour of the elderly. It revealed that only 10% of the elderly who sought treatment during the three months preceding the survey had received free treatment, and that nearly half (48%) of all elderly people were not even aware that they were entitled to free medical treatment in government facilities. In addition, approximately one-fifth of respondents (18%) reported that they had been refused treatment in a government health facility because they could not afford to pay for services. A further 13% declared they had been refused through lack of proof of their age.

Public Satisfaction with Health Services

Public perceptions of health services are discussed under the indicators for governance in MKUKUTA's Cluster III.

Summary of Progress for MKUKUTA's Cluster II

Education

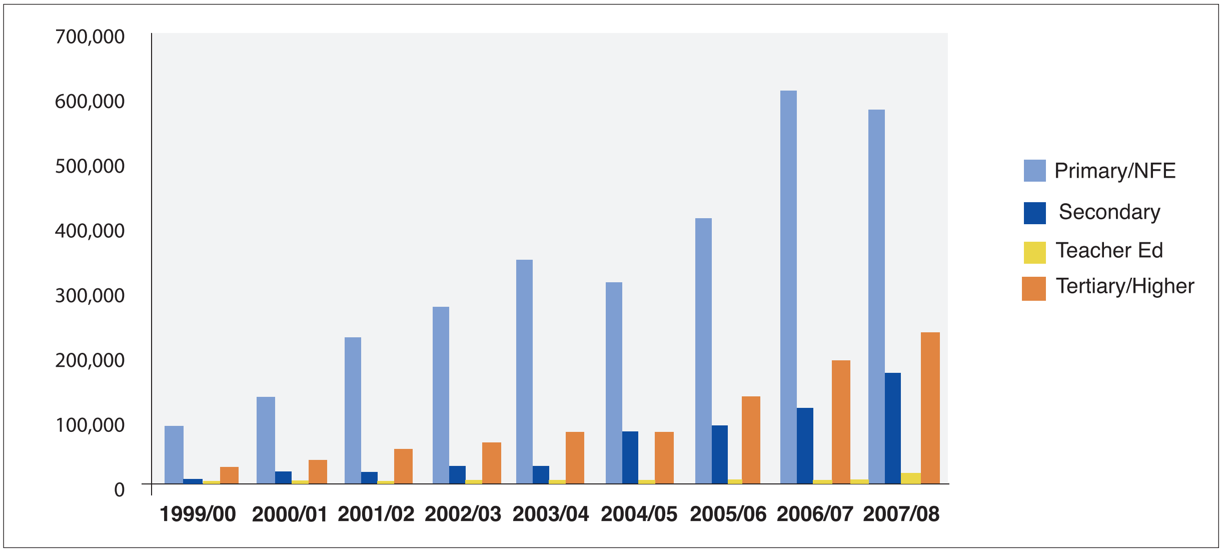
Data for educational indicators are largely positive. There is popular support for the expansion of educational opportunities evidenced by increased enrolments as well as community school-building efforts. However, the Views of the People Survey 2007 found that the cost of schooling at all levels remains a significant issue for many households.

National results for primary and secondary education show that all access targets are likely to be met or exceeded. However, only half of the indicators for educational quality are likely to be met. Gains in enrolments need to be accompanied by ongoing investment in the quality of tuition through increases in the number of teachers as well as measures to improve professional motivation.

With respect to gender equity, the proportion of girls enrolled declines as the level of education increases. From a slight majority of girls in pre-primary (51.3%), the proportion steadily falls to 49.3% at the start of primary, 48.7% at the end of primary, 47.3% in Form One, 40.2% in Form Five, and to only 35.2% in higher education. Overall, non-government schools perform marginally better than government facilities in terms of gender equity.

In sum, government planning and budgeting priorities have mainstreamed primary and secondary education. Figure 25 shows that total budget allocations to both these sub-sectors have increased substantially since 1999/2000. Allocations for primary education in 2007/08 are four times the sum allocated in 2000/01; in secondary they are eight times and for tertiary and higher education they are five times the sums allocated in 2000/01. However, the education system faces ongoing challenges in securing adequate resources, in achieving greater geographic and gender equity as well as quality in educational inputs and outcomes, and in meeting the needs of vulnerable children. Further efforts to expand adult literacy are also needed.

Figure 25: Budget Allocation to Education Sub-sectors 1999/00 - 2007/08 [38] (Tshs. million)



38 Figures for 2007/8 are from current budget, but for other years, it is not clear whether amounts represent actual expenditures or budget allocations.

Recommendations for Educational Indicators

The following recommendations are made to expand the scope of the current indicator set to more comprehensively measure progress in education.

i. Indicators for vocational education and training would provide valuable data, especially in light of the potential contribution of this sub-sector to economic growth. However, collecting data for both government institutions (under the Vocational Education and Training Authority) and private facilities and agreeing on quality indicators will present significant challenges.

ii. A growing body of evidence suggests that the indicators measuring quality standards in education are not sufficient. For example, current indicators for completion rates, examination pass rates and teacher qualifications can all increase without necessarily improving the skills of school leavers, especially in terms of whether the educational outcomes achieved may contribute to the attainment of MKUKUTA's other goals.

iii. Regular student attendance is central to the adequate completion of primary education. Currently, however, the MKUKUTA monitoring system only measures this indirectly through the completion rate for Standard VII together with the information captured on reasons why children fail to complete primary school. Therefore, strategies need to be developed so that attendance rates can be regularly monitored and reported. The inclusion of narrative analysis in national reports may be a useful starting point.

Health

This year's health update is also largely positive. Analysis of data from the TDHS 2004/05 indicates a sharp reduction in under-five mortality. The latest annual rate is both close to the MKUKUTA target for 2010 and on trajectory to meet the MDG target in 2015. Immunisation coverage rates are also high, with DPTHb3 vaccination rates having exceeded the MKUKUTA target level for each of the last five years. In addition, children's nutritional status has improved, albeit from worryingly high levels of malnutrition.

HIV statistics also provide signals for optimism with an apparent decline in adult prevalence, a major increase in the number of HIV tests, and a major expansion of AIDS treatment. Of equal significance, the last two years have shown declines in the number of notified TB cases for the first time in three decades, and treatment success rates are high (and improving).

Maternal health, however, is a notable exception to the positive health trends in Tanzania, with no indication of any improvement in maternal mortality since the early 1990s. Moreover, neonatal mortality, which is closely linked to poor maternal outcomes, remains stubbornly high and now accounts for nearly half of all infant deaths. Concerted efforts at all levels are required to address the unacceptably high levels of maternal and neonatal mortality and morbidity, focused upon raising the proportion of births attended by skilled personnel and ensuring the widespread availability of emergency obstetric care to treat complications arising during pregnancy and delivery.

Crucially, the Primary Health Services Development Plan 2007-2017 (PHSDP, also known by the Swahili acronym MMAM[39]) has recently been approved by Cabinet which provides for upgrading of existing health facilities as well as construction of new facilities. In addition, the plan will increase

39 MOHSW. Mpango wa Maendeleo wa Afya ya Msingi (MMAM) 2007-2017. May 2007

the training output of skilled health workers; strengthen maternal health services; intensify control of malaria, TB, leprosy and HIV/AIDS; and improve health education and promotion. The strategy represents the first major and ambitious expansion of health care infrastructure in Tanzania since the 1970s. The biggest challenge in improving access to health services will be to ensure that all facilities are adequately staffed, equipped, supplied and maintained.

A wide-ranging evaluation of the health sector is also ongoing with the final report due towards the end of 2007. Lessons learned from the evaluation will form the basis of the new medium-term plan for the health sector commencing in 2008/09.

Water, Sanitation, Shelter and the Environment

On current trends, the MKUKUTA target for rural water supply will not be met. Indeed, the target becomes even less likely if the 30-minute timeframe for household water collection, specified by the indicator, is taken into consideration. Efforts to improve rural households' access to water should, therefore, be made a priority. Urban water supply coverage is substantially higher, although survey data indicate declines. The introduction of coordinated efforts through the Water Sector Development Programme should go some way towards getting Tanzania on track.

Data on household sanitation is also insufficiently sensitive to determine real progress in coverage. Further detailed analysis of data from surveys and refining of definitions is required.

Lastly, the lack of a coherent monitoring and evaluation system for the management of natural resources is limiting the ability to measure progress in the extent of community participation in this sector.

Social Protection

Welfare assistance for the most vulnerable people in Tanzania remains patchy, dependent primarily on the goodwill of individuals and development aid from overseas. However, work commenced in 2007 on the development of a national framework for social protection. The framework aims to enhance the coordination of programmes addressing the needs of the most vulnerable groups in society, and to prioritise the use of available resources. In addition, more concerted efforts by local government authorities and health and education services are needed to provide due exemptions of treatment fees for patients over 60 years of age, and to ensure the enrolment and participation of disabled and orphaned children in schools.

MKUKUTA Cluster II: Improvement of Quality of Life and Social Well-being

* Meta-data on each indicators (including definitions, sources and frequency) are available in the MKUKUTA Monitoring Master Plan available at www.povertymonitoring.go.tz
* The symbol X indicates no data for that year (in most cases because data is dependent on a particular type of survey)
* Blanks indicate data not yet forthcoming from MDA or LGA

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Goal 1: Ensure Equitable Access to Quality Primary and Secondary Education for Boys and Girls, Universal Literacy and Expansion of Higher Technical and Vocational Education										
Literacy rate of population aged 15+ %	71	2000/01	(HBS) 71	(Census) 69		(TDHS) 73.6	X	X	2007 HBS	80%
- Male	64		64	62	X	80				80%
- Female	80		80	78		67.3				80%
Net enrolment at pre-primary level	24.6	2004	X	X	X	24.6	25.7	28.5	33.1 (2007)	Increase, yet % still to be set
Net primary school enrolment rate	59	2000	66.5	80.7	88.5	90.5	94.8	96.1	97.3 (2007)	99%
% of cohort completing Standard VII	70	2000	62.5	68.1	67.4	72.2	68.7	78.0	End FY 2007/08	90%
% of students passing the Primary School Leavers' Exam	22	2000	28.6	27.1	40.1	48.7	61.8	70.5	End FY 2007/08	60
Primary pupil/teacher ratio	46:1	2000/01	46:1	53:1	57:1	58:1	56:1	52:1	53:1 (2007)	45:1
% of teachers with relevant qualifications	50	2001	50			58[40]		69.2	73.1 (2007)	90
Pupil/text book ratio	4:1	2000	4:1	X	X	X	X	X	3:1 (2007)	1:1
% Transition rate from Standard VII to Form 1	21	2002	22.4	21.7	30.0	36.1	48.7	67.5	End FY 2007/08	50
% students passing the Form 4 examination (Division 1-3)	25.8	2000	28.3	36.2	38.1	37.8	33.6	35.7	End FY 2007/08	70
Gross enrolment in higher education institutions	22,065	2000/01	2000/01 22,065	2001/02 24,302	2002/03 30,700	2003/04 40,184	2004/05 48,236	2005/06 55,296	2006/07 75,346	90,000 by 2008

40 From PHDR 2005, which covers diploma and graduate teachers.

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Goal 2: Improved Survival, Health And Well-Being Of All Children And Women And Especially Vulnerable Groups										
Life expectancy at birth	42	1967	44 (1978)		50 (1988)		51 (2002)		Calculated from census each decade; note timeframe difference. Next Census 2012	52 years (2010)
Infant mortality rate[41]	99	1999	X	95 (Census)	X	68 (TDHS)	X	X	TDHS 2009 Census 2012	$\frac{50}{1,000}$
Under-5 mortality rate	147	1999	X	162 (Census)	X	112 (TDHS)	X	X	TDHS 2009 Census 2012	$\frac{79}{1,000}$
DPTHb3 coverage										
- TDHS	81	1999		89	89	86				85
- EPI						94	81	87		
Proportion of under-fives moderately or severely stunted (Low height for age)	44	1999	X	X	X	38	X	X	TDHS 2009	20
Maternal mortality ratio	529	1996	X	X	X	578	X	X	TDHS 2009	$\frac{265}{100,000}$
Proportion of births attended by a skilled health worker %	36	1999	X	X	X	46	X	X	TDHS 2009	80%
Number of persons with advanced HIV infection receiving ARV combination therapy	0	2004	X	X	X	Start of ARV availability	20,670 by Dec 2005	60,341 by end 2006	80,628 May 2007	100,000 By Dec 2006
HIV prevalence amongst 15-24 year olds %									Estimates available in THIS 2007/08	5%
- THIS					3.5					
- Blood donors	9.2	2001	9.2	7.8	6.7	6.3	6.1			
TB treatment completion rate	79.8%	2001	79.8	80.1	80.9	81.3	82.6	82	End FY 2007/08	81%

41 Estimates are recorded against the year of data collection, but infant and under-five mortality rates refer to deaths during five-year period prior to survey and three-year period prior to Census, maternal mortality to ten-year period prior to the survey. Infant and child mortality are estimates per 1,000 live births.

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Goal 3: Increased Access To Clean, Affordable And Safe Water, Sanitation, Decent Shelter And A Safe And Sustainable Environment										
Population with access to piped or protected water as their main source (within 30 minutes - go, collect, return)	Mainland: 46 Dar: 96.8 Other Urban: 83.6 Rural: 34.8 (HBS)	1991/92	Mainland: 55 Dar: 93.6 Other Urban: 88 Rural: 45.9	Urban: 85 Rural: 42 (Census)	X	Urban: 77 Rural: 37.1 (TDHS)	X	Dar: 71 Other Urban 82 Rural: 39 (ILFS)	2007 HBS	Urban: 90 Rural: 65 (within 30 minutes to go, collect and return)
% of households with basic sanitation facilities	Mainland: 93 Dar: 98.7 Other Urban 98.2 Rural: 91.3 (HBS)	1991/92	Mainland: 93 Dar: 94.3 Other Urban 97.7 Rural: 91.9 (HBS)	Rural: 89 Urban: 98 (CENSUS)	Rural Agric hh: 92 (Agric Survey)	Urban: 97.6 Rural: 83.3 (TDHS)	X		HBS 2007	95
% of schools having adequate sanitation facilities (As per policy ratio of toilets to pupils) Proxy: Ratio between actual number of toilets available and the required number of toilets	35.7	2001	35.7	36.2	32.8	36.7	37.1	38.9	End FY 2007/08	100% With ratios 1:20 for girls 1:25 for boys
Number of reported cholera cases (Attack rate per 100,000 people)[42]	6.9	2001	6.9	28.5	35.0	20.9	3,284	14,297	2,224 up to August 2007	Reduce cholera outbreaks by half by 2010
Goal 4: Adequate Social Protection and Rights of the Vulnerable and Needy Groups with Basic Needs and Services **Goal 5: Systems are in Place to Ensure Universal Access to quality Public Services that are Affordable and Available**										
Proportion of children in child labour (age 5-17)	25 Child "labour"	2000/01 ILFS	39.6 Working 25 Child 'labour' 34 Work more than 30 hours per week	X	X	X	X	21.1 Child 'labour'	2011 ILFS	Below 10%
Ppn of children with disability attending primary school [43]	18,982	2006	X	X	X	X	X	18,982	2007 24,003	20%
Proportion of pop. reporting to be satisfied with health services										
• Concerned with escalating costs	50	2004	X	X	X	50 PSSS	X	X	62 VoP 2007	
• Concerned with drug availability	35	2004	X	X	X	35 PSSS	X	X	44 VoP 2007	
• Satisfied with public hospital /dispensary	68	2000/01	68						HBS 2007	

42 The figures presented for years before 2005 are attacks per 100,000 people. The figures for years from 2005 onwards are total number of reported cases.
43 Figures reported for this indicator are number of pupils with disability in primary schools.

CHAPTER 3

MKUKUTA Cluster III
Governance and Accountability

Economic growth, reduction of poverty and improved quality of life all rely upon the fair, effective and transparent use of Tanzania's resources. Therefore, the success of MKUKUTA's Clusters I and II relies on accomplishing the goals of MKUKUTA's Cluster III - good governance and increased accountability. For example, a well - regulated economy and respect for the rule of law will contribute to economic growth. Similarly, the beneficial effects of social services and infrastructure provision by the central government and local authorities will be greater and more equitably distributed if service providers are accountable and if official corruption is reduced.

MKUKUTA's third cluster has the following four broad outcomes:

- Good governance and the rule of law;
- Accountability of leaders and public servants;
- Democracy, and political and social tolerance, and
- Peace, political stability, national unity and social cohesion deepened.

Supporting these broad outcomes are the seven individual cluster goals and the national indicators selected for each goal are assessed in this section of the report. The seven supporting goals for Cluster III are:

- Goal 1: Structures and systems of governance as well as the rule of law to be democratic, participatory, representative, accountable and inclusive
- Goal 2: Equitable allocation of public resources with corruption effectively addressed
- Goal 3: Effective public service framework in place to provide foundation for service delivery improvements and poverty reduction
- Goal 4: Rights of the poor and vulnerable groups are protected and promoted in the justice system
- Goal 5: Reduction of political and social exclusion and intolerance
- Goal 6: Improve personal and material security, reduce crime, and eliminate sexual abuse and domestic violenc
- Goal 7: National cultural identities to be enhanced and promoted

National indicators on governance were defined for the first time in Tanzania in 2005/06, and initial progress for these indicators was tracked in MKUKUTA's Status Report 2006. This section, therefore, represents the second assessment of progress in governance in Tanzania, and contains significantly more data than the first.

This year's assessment has benefited from two national surveys conducted for the first time in 2007, the ‘Views of the People’ and ‘Views of the Children’, and this section incorporates relevant findings. In addition, data from the HBS 2007 Community Characteristics questionnaire, again the first survey of this type undertaken in Tanzania, has been included in this discussion. A full summary of the Views of the People and the Views of Children 2007 is also provided in Chapters 4 to 8 of this report.

Goal 1: Structures and Systems of Governance As Well As the Rule of Law Are Democratic, Participatory, Representative, Accountable and Inclusive

The indicators for this goal are:

- Percentage of population with birth certificates (urban, rural, Dar es Salaam;
- Percentage of women among senior civil servants:
  (Proxy indicator used: Percentage of top management positions filled by women[44]);
- Percentage of women representatives elected to district council;
- Proportion of women among Members of Parliament;
- Percentage of females from smallholder households with land ownership or customary land rights[45];
- Proportion of villages assemblies holding quarterly meeting with public minutes, and
- Proportion of Local Government Authorities posting public budgets, revenue and actual expenditures on easily accessible public notice boards.

Birth Registration

Birth registration is a fundamental right of citizenship and birth certificates are increasingly required for school registration and national identification. However, the TDHS 2004/05 revealed low rates of birth registration: in Dar es Salaam, 24.8%; other urban areas, 17.7%; and only 2.7% in rural areas.

Encouragingly, the HBS 2007 Community Characteristics found that a high percentage of communities had conducted birth registration campaigns in 2007: 68.1% of communities in rural areas; 36.9% in Dar es Salaam; and 80.3% in other urban areas. Despite these campaigns, registers of births and deaths - which are supposed to be available and updated regularly in every village and *mtaa*[46] - were 'seen and used' in only 10.7% of communities.

Progress in expanding birth registrations, and hence the effectiveness of registration campaigns, will next be assessed in the TDHS 2009. Crucially, achieving higher rates of registration will depend on strengthening linkages and communication between families and service delivery points, especially local government authorities and health services.

44 For the purposes of this indicator, top management positions in MDAs include: chief secretary, permanent secretary, assistant permanent secretary, commissioners, directors, assistant directors, ambassadors, regional/district commissioners, regional/district administrative secretaries, municipal/district administrative directors, magistrates, judges, and members of parliament.

45 This indicator is in the MKUKUTA list. However, existing surveys, which typically report information from "heads of households" rather than a random sample of adult males and adult females, do provide some data with which to monitor the indicator.

46 *Mtaa* (plural, *mitaa*) is the lowest level of urban local authority administration

Gender Equity

Inclusive governance implies gender equity in decision making, and analysis shows a steady increase of women in the senior civil service since 2003, nearly reaching the MKUKUTA target of 30% by June 2006. Similarly, the proportion of women representatives in the National Parliament has reached the MKUKUTA target of 30%, which moves Tanzania closer to gender equity in these two key institutions. In contrast, the representation of women in local levels of government remains low. Only 5% of elected district councillors are female.

Information Dissemination and Accountability of Government Bodies

To ensure that government bodies are representative and accountable for their actions, they must meet regularly, record the minutes of these meetings, and make the minutes publicly available.

Positively, the HBS 2007 Community Characteristics reported that meeting schedules and minutes of meetings quarterly for the past year, were kept in more than 70% of the villages and *mtaa* surveyed for the data on community characteristics, but relatively few have publicly accessible noticeboards. In addition, recent information was posted on just over half of the boards (see Table 8), and information about government income and expenditures was posted on only 39.7% of community notice boards in 2007 (see Table 9).

Table 8: Proportion (%) of Villages and Mtaa with Public Noticeboards

Indicator	Dar es Salaam %	Other Urban %	Rural %
Publicly accessible noticeboards (seen and used)	46.6	25.8	29.6
Recent information posted on noticeboards	82.5	40.9	51.3

Source: HBS 2007, Community Characteristics

Table 9: Proportion (%) of Village/*Mtaa* Noticeboards Posting Information About Government Income/Expenditure

Notices About Income and Expenditure Posted on Noticeboards	Dar es Salaam %	Other Urban Areas %	Rural Areas %	Total %
Yes	19.4	40.9	48.7	39.7
No	51.5	37.9	47.3	46.8
No public noticeboard	28.2	21.2	3.5	12.9
Missing data/not stated	1.0	-	0.4	0.5

Source: HBS 2007, Community Characteristics

Efforts to establish public expenditure tracking systems have been ongoing since 2005. While these measures have support among councillors, civil society organisations and council staff, the systems are not fully in place and await guidelines from the Prime Minister's Office-Regional Administration and Local Government (PMO-RALG). When the systems are operational, more information about financial resources will be available which should improve the effectiveness of governance mechanisms in local authorities. Data obtained from 21 councils, where efforts are in progress to establish public expenditure tracking systems, showed that all of these councils post information on council noticeboards about monies received from the central government for development and recurrent budgets. Funds for development activities were well presented (i.e. information about the amount of funding for specific projects in specific localities were clearly presented) and linked to the villages and wards receiving the funds. However, budgets for personnel emoluments and other charges, such as for travel and workshops, were not posted, though the receipt of funds for other charges was normally posted.

Information from recent surveys, however, suggests that public opinion is quite positive about official efforts to realise the goal of government accountability. For example, ‘Views of the People 2007’ found that 40% of mainland adult Tanzanians agree with the proposition that 'respect for the law by the government' has been increasing recently, while only 6% saw a negative trend.[47] In addition, 35% of respondents considered the 'government's tolerance of criticism' to be increasing while only 9% felt it was diminishing. With respect to 'senior politicians and officials being held responsible for their actions', slightly less than one-third (32%) saw an improvement and only 8% a deterioration in accountability. Finally, on the 'issue of opposition parties' impact in Parliament', a total of 27% (of men and women in both urban and rural areas) saw an increased impact, compared to 16% who saw a decline.

Views of the People also asked participants if they had noted any improvements in the services and accountability of government or local government officials during the last three years. One-third of respondents replied 'yes', with little variance between urban and rural areas. When asked to specify the improvements, more than half (58%) of those that answered this further question referred to improvements in 'schools, classrooms and teachers' housing.

Other recent surveys found similar high levels of endorsement of government performance. For example, REPOA. NIBR and CMI found large majorities of respondents in six districts saying that the government was 'doing a good job' in improving service delivery and fighting poverty and corruption.[48]

Children's perspectives on governance and accountability are less positive. While children clearly expressed the desire to have their views heard, few opportunities for participation existed, especially outside the home. ‘Views of the Children 2007’ revealed widespread lack of institutionalised participation of children in school councils *(baraza)*. Indeed, only one school out of the ten sampled had an active *baraza*.

More than one-third of VoP respondents cited examples of officials being publicly accused of misusing resources intended for development activities or social services. A similar percentage reported that officials were dismissed for poor performance or corruption (see Table 10).

47 A third of respondents indicated that they did not consider themselves well-informed enough to respond to these and related questions, and (a few) others who did agree to answer the questions answered 'don't know'. If we consider only those providing responses, the proportions endorsing government performance would be higher still. The same holds for responses to subsequent questions in this paragraph.
48 REPOA (2007). ‘Service Delivery in Tanzania: Findings from Six Councils 2000-2003’.

Table 10: Observations of Accountability/Performance of Government Officials[49]
(% of Respondents Answering 'Yes' to Specific Scenarios)

Scenario	Dar es Salaam %	Other Urban %	Rural Areas %	All %
Officials were accused in public of misusing resources intended for a development activity or social service	30	35	33	32
A government official was dismissed for poor performance or corruption	32	34	31	32
Complaints about the condition of local roads led to rapid repairs	25	28	22	24
Spending reported by government officials was challenged in a public meeting	19	27	30	26
Someone made reference in a public meeting to information posted in a local government office or service point	11	12	13	12

Source: Views of the People Survey 2007

While citizens generally seem quite positive on local government accountability, a number of recent Acts of Parliament have been challenged on the grounds that the legislation could reduce rather than enhance executive accountability. For example, the Local Government (Miscellaneous Amendments) Act (2006) contains a provision empowering the responsible minister to nominate three councillors per council. This measure could be interpreted as counterproductive to decentralisation or, alternatively, as enhancing links between central and local government and strengthening checks and balances in governance structures at a time when most local government budgets are largely financed by the central government.

Moreover, data from the VOP 2007 indicate that awareness of government policies seems low. Nationally, two in five respondents had heard of MKUKUTA, only one in three in rural areas; and the majority of those who had heard of MKUKUTA thought that it was concerned exclusively with job creation and economic growth. Only 3% of all respondents correctly identified MKUKUTA's three clusters, which were presented in a multiple choice format (see Table 11).

Table 11: National Awareness of MKUKUTA (% of Respondents)

Have you heard of MKUKUTA?	Dar es Salaam %	Other Urban Areas %	Rural Areas %	All %
Yes	40	44	34	38
No	60	56	66	62

Source: Views of the People Survey 2007

49 The VoP survey question was: 'During the last three years, have you observed any of the following first-hand?'

Goal 2: Equitable Allocation of Public Resources with Corruption Effectively Addressed

Indicators for this goal include:

- Total revenue collected as percentage of revenue due at national level.
  [Proxy indicator used: Total tax revenue collected by Tanzania Revenue Authority (TRA) in billions of Tanzanian shillings (TShs)];
- Percentage of procuring entities complying with the Public Procurement Act and procedures;
- Percentage of government entities awarded clean audit certificate from National Audit Office (NAO);
- Percentage of local government authorities (LGAs) that receive the full calculated amount of their annual formula based budget allocation;
- Number of convictions in corruption cases as percentage of number of investigated cases sanctioned for prosecution by the Director of Public Prosecutions (DPP), and
- Total value of revenue received from concessions and licences for mining, forestry, fishing and wildlife as a percentage of their estimated economic value.

Revenue Collection

Total tax revenue collected by the Tanzanian Revenue Authority has risen steadily since 2001. The total amount of tax collected is used as a proxy for the preferred MKUKUTA indicator which aims to track total revenue collections as a percentage of revenue due at the national level. Estimates of the amount of revenue due are not yet available.

Compliance with the Public Procurement Act

According to a GOT/World Bank report in 2003 on the state of government procurement:

> *"… at the national level about 20% of the government expenditure on procurement is lost through corruption, mainly through kick-backs and bogus investments that have to be written off. Considering that public procurement accounts for about 70% of the entire government expenditure budget, this translates to a loss of TShs 300 billion [USD 300 million] per year, enough to finance the combined annual recurrent budgets of the ministries of health and education.*
>
> *Clearly such a loss is economically unsustainable. Major losses occur in construction and supply contracts, which are the major avenues for corruption, particularly at the local government level."*
>
> United Republic of Tanzania/World Bank, 2003:29

Responding to this situation, the Public Procurement Act (2004) was passed, and the most recent data indicates a significant improvement in the percentage of procuring entities that are complying with the Act and related procedures, up from 10% in 2005 to nearly 60% in 2006.

Clean Audits

Audit opinions issued by the Controller and Auditor General are an important indicator of whether financial management practices within government offices are improving or deteriorating. The trend in audit judgements for ministries, departments and agencies (MDAs) of the central government is positive with the percentage of clean audit certificates from the Controller and Auditor General up from 34% in financial year 2004/05 to 57% in 2005/06. In contrast, the percentage of local government authorities (LGAs) with clean audits declined from 53% to 43% over the same period. Audit reports issued to LGAs in 2005/06 indicated improper use of approximately TShs 31 billion (see Table 12). The bulk of questionable financial transactions were reported to relate to outstanding creditors and debtors and unretired imprests.

Table 12: Breakdown of Questionable Local Government Authority Transactions for 2005/06

Transaction Type	LGAs[50]		Amount	
	No.	%	TShs bn	%
Outstanding matters from previous audits	65	52	9.0	29
Improperly vouched payments	46	37	2.4	8
Missing payment vouchers	27	22	1.9	6
Non-execution/delay in completion of contracted work	9	7	1.5	5
Other questionable financial transactions	108	87	12.9	42
Other procurement violations	57	46	3.0	10
Total			30.7	100

Source: CAG Audit report/ Hakielimu brief

Budget Allocations to Local Government Authorities

The Government's policy of decentralisation of authority to the local level was designed to expand citizens' participation in decision-making, increase transparency and equity in allocation of financial and human resources, enhance financial accountability, and improve service delivery. The introduction of formula based budget allocations to local authorities for financing basic services is a further step towards the transparency and equity with which grants are distributed from the central government.

The Ministry of Finance reports that the full amount of financing for local authorities calculated according to the formulae was received by local authorities. However, the equitable allocation of human resources remains a challenge. Recent studies for sector reviews in education and health as well as reviews of the local government reform process and the public expenditure review indicate that all service sectors experience significant problems in allocating staff not only to councils in remote locations, but also organising placements within individual councils where urban areas and some villages are better served than others. Efforts by the central government to address these problems have borne some fruit but further efforts are needed.

Corruption

The number of corruption cases reported nationwide to the Prevention of Corruption Bureau (PCB) almost tripled between 2000 and 2005 from 1,244 to 3,121. However, the numbers of prosecutions and convictions remained almost the same in both years: 49 and 6 respectively.

50 Total number of LGAs was 124 in 2005/06.

In VOP 2007, around three-quarters of respondents (excluding the 'don't knows') perceived corruption to be common in Tanzania, and similar proportions thought that corruption affects their personal and family lives, as well as business and political life in Tanzania.

However, considerably more respondents expressed confidence that the government was effectively fighting corruption than those who didn't. Over 40% of respondents thought that the government is effectively combating corruption against only 14% who perceived that it is not effective. In addition, only 3% thought the government either 'doesn't fight corruption' or 'encourages corruption' (see Table 13). Gender differences exist, however, with a higher proportion of female respondents registering 'don't know' (46%) than their male counterparts (29%). Men also perceive the government to be more effective in combating corruption (48%) compared with women respondents (40%). The survey by REPOA and CMI (2007) found similar levels of public confidence in government efforts to combat corruption.[51]

Table 13: Perceptions of Current Government's Actions in the Fight Against Corruption
(% of Respondents)

	Female	Male	Total
	%	%	%
Very effective	18	20	19
Quite effective	22	28	25
Not effective	10	18	14
Does not fight corruption	3	4	3
Encourages corruption	0	1	0
Don't know	46	29	38

Source: Views of the People Survey 2007

In comparison, an Afrobarometer survey into corruption in Tanzania conducted in 2005 reported that 62% of respondents considered the government to be handling the fight against corruption 'fairly well' or 'very well'; 26% thought the government was doing 'fairly badly' or 'very badly'; and 12% responded that they 'don't know'. [52]

Corruption affects the quantity, quality and equity of services provided by central and local government, and a framework for fighting corruption in MDAs, the National Anti-Corruption Strategy and Action Plan (NACSAP) has been developed. Additionally, guidelines have been developed for local governments under NACSAP 2 (2006-2010) but data on the progress of implementation at the local level is not yet available. However, VOP 2007 collected information on perceptions of the extent of corruption in various service sectors.

The police and the legal system stand out as the services most often perceived as corrupt, and a higher proportion of urban respondents perceived public sector corruption than rural residents, though the differences are generally not significant (see Table 14). Better-off citizens perceive significantly higher corruption than the poor.

51 REPOA, forthcoming
52 Afrobarometer (2006). Briefing Paper No. 33: 'Combating corruption in Tanzania: Perception and experience.'

Table 14: Perceptions of Corruption in Service Sectors
(% of Respondents Who Perceive 'A Lot' of Corruption)

Service Sector	Dar es Salaam %	Other Urban %	Rural Areas %	All %
Police	48	51	44	46
Legal system	43	50	42	44
Health services	32	40	31	33
Registry and permits	26	30	21	24
Education	21	26	19	21
Taxation	21	24	17	19
Utilities	19	20	13	16

Source: Views of the People Survey 2007

Participants were also asked whether they or another household member had contact with various services during the year preceding the survey, and whether a bribe was paid. Table 15 shows the percentage of adult respondents who reported contact with particular government services (columns headed 'Contact'), the percentage of these contacts that involved a bribe (columns headed 'Bribe').

Table 15: Contact with Government Services and Whether Bribe was Paid

Service Sector	Dar es Salaam		Other Urban		Rural Areas	
	Contact (%)	Bribe (%)	Contact(%)	Bribe (%)	Contact (%)	Bribe (%)
Police	20	55	9	33	9	33
Legal system	14	43	9	22	9	22
Registry and permits	14	29	6	17	6	17
Taxation	7	14	4	0	4	0
Education	27	15	31	10	32	3
Utilities	12	17	5	0	5	0
Health services	42	24	43	9	43	9

Source: Views of the People Survey 2007

Again, the services cited where the largest percentage of contacts involved a reported bribe were the police and the legal system. In Dar es Salaam, 55% of contacts with police were said to involve the payment of a bribe, and 43% of contacts with the legal system. About 42% of respondents indicated that they or other household members made use of health facilities during the preceding year. In Dar es Salaam, nearly a quarter of these contacts 24% involved payment of a bribe, for other urban and rural residents 9% reported payment of a bribe.

Questions were asked of those who reported that they had paid bribes about the amount they had paid. However, the number of responses was very low, and the range of reported payments was wide, making difficult an analysis of these responses.

It is important to note that not all corruption is due to extortion of citizens by officials. Instances of collusion, in which citizens bribe officials to obtain some advantage, are also evident. Collusion is reported to be common in the legal system and land registration, but currently no systems are in place to measure the extent of these transactions.

Regulation of the Natural Resources Sector

Tanzania's richness in natural resources offers a potential foundation for economic growth and poverty reduction provided the resources are properly managed and utilised. One of the direct benefits of the natural resource sector is through revenue generated by central and local governments from licences, permits, and concession agreements for their harvesting. However, the government recognises that due to a variety of reasons, including low management capacity and poor governance, much of this revenue goes uncollected or undervalued. The objective of the MKUKUTA indicator - the total value of revenue received from concessions and licences for mining, forestry, fishing and wildlife as a percentage of their estimated economic value - is, therefore, to assess the effectiveness and efficiency of revenue collection for the natural resources sector. However, during the first two years of MKUKUTA implementation, limited data has been available for this indicator.

Poor regulation and corruption in the natural resource sector, including the allocation of hunting blocks and the issue of commercial fishing licences and illegal logging, have emerged as major public policy issues. A recent report estimates that much of the logging in southern Tanzania is illegal, and that illegal logging deprives the Treasury of $56 million annually.[53] VoP 2007 found that policies designed to increase community participation in natural resource management (forestry, game tourism, etc.) and to share revenues from these activities more equitably are not being implemented effectively. Three-quarters of rural respondents who offered an opinion on income sharing related to natural resource developments in their local areas saw no movement towards greater equity under current policies.[54]

Goal 3: Effective Public Service Framework in Place to Provide the Foundation for Service Delivery Improvements and Poverty Reduction

Indicators of progress towards this goal are:

- Percentage of population reporting satisfaction with government services, and
- Percentage of population who found key service providers absent when they needed a service.

Public Satisfaction with Government Services

Several recent surveys have looked at public satisfaction with social services in Tanzania. The ‘Views of the People Survey 2007’ asked participants for their opinion on the overall trend in the quality of basic services. Nationally, 44% of adult respondents perceived an improvement recently, compared with only 9% who identified a declining trend in quality.

53 TRAFFIC Report. (2007). ‘Forestry, Governance and National Development: Lessons Learned from a Logging Boom in Southern Tanzania.’ TRAFFIC: East/Southern Africa.

54 12% of respondents agreed with the statement 'Income from natural resources in this area is now more equitably distributed than previously' while 42% agreed with the other option 'The policy of sharing income and other benefits from natural resources doesn't mean much in practice in this area.' The remaining 46% had no opinion.

In the education sector, the 'Policy and Service Satisfaction Survey (PSSS) 2003' (REPOA, 2003) recorded substantial public appreciation of the improvements in primary education arising through the Primary Education Development Programme (PEDP). Critical concerns have been raised however, about the transparency and complexity of financial transfers to PEDP in studies for the public expenditure review, and, as reported in the discussion of Cluster II above, the need to ensure the quality of primary education. In addition, despite improved supply, 78% of upper primary and secondary school students interviewed in VoP 2007 complained of shortages of books. In the 'Views of the Children' survey, primary school children 7-14 years valued textbooks highly, but also expressed frustration, because whilst the supply is generally improving, there are still far too few to go around. Children would like to be able to read books in their own time, but books are generally collected at the end of each lesson.

With respect to other sectors, about three out of five Tanzanian adults surveyed in VoP 2007 reported that the condition of the roads, shortages of drinking water, and the cost of medical treatment were 'major problems'.

The poor condition of roads is one of the biggest issues facing rural residents, causing difficulties in accessing schools, health facilities, and markets for crops. Almost half of respondents from rural areas complained that the quality of roads had deteriorated over the last three years. In contrast, a majority of respondents in Dar es Salaam reported an improvement in the condition of the roads they used frequently. This difference may reflect the upgrading of trunk roads managed by the central government compared with deterioration in regional and district roads managed through local government authorities. Overall, men complained more often of road deterioration (40% of respondents) than women (31%).

Table 16: Perceptions of the Quality of Roads over the Last Three Years (% of Respondents)

Perception	Dar es Salaam %	Other Urban %	Rural Areas %	All Areas %
Improvement	56	42	28	38
Same	27	28	26	27
Deterioration	16	30	47	36

Source: Views of the People Survey 2007

Water shortages were also considered a 'major problem' by 59% of adult VoP respondents, ranging from 58% in Dar es Salaam to 64% in rural areas. When asked about trends in water supply over the previous twelve months, the most common response was that respondents saw no change; about 70% said there was no change in distance, cleanliness, cost or queuing time, and 49% said there was no change in the quantity of water supply. Among those who did see a change, overall, more respondents saw deterioration rather than an improvement in water supply, cleanliness, cost and queuing time, although there have been some perceived improvements in reducing the distance to supplies in urban areas (including Dar es Salaam). Table 17 summarises perceptions of trends in water supply for five indicators. Studies of the water supply in Dar es Salaam conducted by WaterAid Tanzania also identified that inadequate state and private sector governance are main factors constraining the improvement of city water and sewerage services. [55]

55 WaterAid Tanzania, March 2003 WaterAid Tanzania, March 2003. Prospects for the poor: water reforms and private sector participation in Dar es Salaam, Tanzania .and WaterAid Tanzania, 2003.Water Reforms and PSP in Dar es Salaam. New Rules, New Roles: Does PSP benefit the poor?

Table 17: Perceptions of Trends in Water Supply over the Last Year

Indicator	Dar es Salaam %		Other Urban %		Rural Areas %		All Areas %	
	I↑	D↓	I↑	D↓	I↑	D↓	I↑	D↓
Dry season shortages	20	33	27	26	20	29	21	29
Cleanliness	15	17	17	14	7	22	11	19
Queuing time	12	26	17	14	12	13	12	17
Cost	8	32	14	16	12	8	11	16
Distance	17	13	17	11	9	14	13	13

Key: I↑ = Improved D↓ = Deteriorated

Source: Views of the People Survey 2007

In addition, adequate water supplies for schools are almost non-existent. Only two of the sampled primary schools surveyed had safe drinking water available for the children. Children in Dar es Salaam either brought water from home or bought it from kiosks near their schools while, in Mtwara, children only had water during the day if they went home during breaks in classes or at lunch time. Access to clean water in school was a major problem for rural youth respondents who were still in school, 64% of whom reported having no water at school. In Dar es Salaam, 58% said they had plenty of water in school, and only 7% said there was none.

With respect to health services, Afrobarometer studies in 2002 and 2005 indicated a substantial rise in public satisfaction with official health services overall from 50% of respondents (2002) to 70% (2005).[56] When asked more specifically for their concerns about health services, more than half of the household heads surveyed in the PSSS 2003 cited concerns about escalating health costs. In 'Views of the People 2007', this proportion has risen to 62%. Similarly, the proportion concerned about availability of drugs has risen from 35% of respondents in the PSSS to 44% by 2007 (see Table 18).

Table 18: Perception of Problems in Health Services
(% of Respondents Citing Use of Health Services in Last Year)

Problem	Dar es Salaam %	Other Urban %	Rural Areas %	All Areas %
Cost of treatment and drugs	62	69	61	62
Availability of drugs	50	56	45	44
Time waiting to be served	55	52	42	43
Accessing health facility	34	35	42	35

Source: Views of the People Survey 2007

One serious form of exclusion from health services is the inability of the elderly (i.e., adults over 60 years of age) to access their entitlement to free public health care. VoP 2007 interviewed a sample of 855 elderly citizens and found that nearly one-fifth of respondents (18%) reported that they had

56 Afrobarometer (2006). Briefing Paper No. 34: 'Delivery of Social Services on Mainland Tanzania: Are people satisfied?'

been refused treatment in a government health facility because they could not afford to pay for services. A further 13% declared they had been refused through lack of proof of their age. Moreover, almost half of respondents (48%) declared that they did not know that they are entitled to free medical treatment in government facilities.

In summary, government achievements in primary education are widely applauded by citizens, but the poor condition of rural roads as well as the lack of access to safe water and the cost of medical treatment and drugs continue to be major concerns to service users.

Goal 4: Rights of the Poor and Vulnerable Groups are Protected and Promoted in the Justice System

The current indicators for this goal remain limited in scope, but nonetheless focus on the operation of several key parts of the justice system and provide a valuable starting point for assessing progress. The indicators are:

- Percentage of court cases outstanding for two or more years;
- Percentage of prisoners in remand for two or more years compared to all prisoners in a given year;
- Percentage of detained juveniles accommodated in juvenile remand homes (Proxy indicator used: Number of juveniles detained in juvenile remand homes), and
- Percentage of districts with a team of trained paralegals.

Overall, some improvements in the justice system have been recorded. In 2006, the percentage of prisoners in remand for two or more years fell below the MKUKUTA target level of 7.5%.

The number of juveniles detained in juvenile remand homes has decreased each year since 2004, though without information about the total number of juveniles who were detained, it is difficult to know whether this represents improvement, or that more juveniles are being detained in facilities for adults.

The percentage of districts with teams of trained paralegals has been agreed by stakeholders as another indicator until regular data on legal representation becomes available. Currently, the ratio of population to lawyers in Tanzania is high. As a result, practising lawyers are reluctant to practice in rural areas and their fees are high relative to rural incomes. Establishing a cadre of trained paralegals within each district aims to increase people's access to legal professionals and, in turn, enhance their understanding and exercise of their rights.

The MKUKUTA indicator seeks to measure the number of districts with a team of trained paralegals as a percentage of all districts but hard data is limited. To begin, the indicator does not currently specify the number of paralegals who constitute a team. In addition, although paralegals are trained through initiatives of NGOs, no national governing procedures or regulations for paralegals exist, nor a standard training curriculum. Lastly, a monitoring system to determine the extent of paralegal coverage is not yet in place.

Goal 5: Reduction of Political and Social Exclusion and Intolerance

The number of cases filed on infringement of human rights is presently the only indicator specified for this goal.

The number of these cases has increased steadily since 2003, with a significant increase recorded between 2004/05 (2,789 cases) and 2005/06 (3,812 cases). Greater awareness of the work of the Commission for Human Rights and Good Governance may be responsible for this increase but further research on this trend is required.

Goal 6: Improve Personal and Material Security, Reduce Crime, and Eliminate Sexual Abuse and Domestic Violence

The specific indicators for this goal are:

- Average number of inmates per facility as a percentage of authorised capacity;
- Number of cases of crimes reported (Court of Appeal, High Court, District Courts);
- Percentage of cases of sexual abuse reported that resulted in a conviction, and
- Percentage of surveyed respondents (male and female) who agree that a husband is justified in hitting or beating his wife for a specific reason.

Popular perceptions of recent trends in public order, peace and security are positive. Over half of the respondents in the VoP 2007 perceived improvement and only 4% thought conditions had deteriorated. Very positively, 43% reported an improvement in the performance of the police during the last 18 months. In addition, the HBS survey of communities 2007 reports that 83% of communities have governance initiatives focused on improving public safety.

Alcoholism is considered a serious problem by nearly two-thirds of adult respondents in the VoP survey, especially among rural respondents. Moreover, more respondents thought the problem of alcoholism to be increasing (33%) than those who thought it to be falling (24%). Theft of property was also considered by the majority of respondents (52%), and especially in Dar es Salaam (56%), to be a serious problem, though more respondents reported that the problem was getting better (43%) than those who reported that it was getting worse (25%). All other social problems were thought by survey respondents to be decreasing, and while a minority of respondents considered them to be serious problems, substantial percentages of the respondents were seriously concerned about them (see Table 19). There was little difference in responses from males and females, even over issues such as domestic violence and rape (see Table 20 in the later section on domestic violence).

Table 19: Views on Crime, Violence and Security

Security Issue	Percentage Who Think A Problem is Serious and Who Think that the Situation is Getting Worse or Better (Increasing or Falling Incidence)		
	Serious Problem %	Getting Worse (Increasing) %	Getting Better (Falling) %
Alcoholism	63	33	24
Theft of people's property	52	25	43
Disputes over land ownership	37	18	28
Accusations of witchcraft	36	18	25
Disputes over land use	34	18	26
Drug-taking	33	19	22
Domestic violence	29	11	36
Disputes over inheritance	25	13	26
Mob justice	21	12	31
Child abuse	20	9	31
Rape	16	9	29

Source: Views of the People Survey 2007

Prisons

Overcrowding in prison is reflected in the excess percentage of inmates over authorised capacity. Efforts by government to reduce overcrowding are very important.

Criminal Cases

The number of cases going to the High Court and to the Court of Appeal has increased steadily since 2001. High Court cases hovered around the 2,000 mark for several years and have recently increased in 2005 and 2006. District cases of reported crimes have fluctuated widely since 2001, so much so that the accuracy of the data may be questionable. Overall, systems for recording criminal cases require strengthening.

Sexual Abuse

Sexual abuse and harassment remain critical human rights issues in Tanzania, especially for women and children. In response, the Parliament passed the Sexual Offences Special Provisions Act 1998 which, among other legal measures, provides for life imprisonment for persons convicted of rape.

The MKUKUTA indicator intends to systematically track trends on the numbers of cases of sexual abuses in the district courts, High Court and Court of Appeal, as one way of assessing the extent of sexual abuse in Tanzania. Hard data about cases of sexual abuse, however, are not yet available. For a mixture of reasons many cases of abuse are neither reported by the police nor filed in the courts.

A recent WHO multi-country study on women's health and domestic violence however, provides alarming statistics concerning sexual abuse in Tanzania.[57] The study found that about one out of ten respondents reported sexual abuse before the age of 15 years. In addition, about 15% of women reported that their first sexual experience was forced. The research also revealed that the younger a woman was at the time of first sex, the more likely that the experience was forced, with two-fifths of respondents reporting that first sex was forced when their first sexual experience was before the age of 15.

Domestic Violence

With respect to levels of tolerance of domestic violence, the TDHS 2004/05 recorded alarmingly high percentages of women and men who consider it justifiable for a husband to beat his wife. New data will available in the TDHS 2009.

In VoP 2007, domestic violence and rape were reported to be 'major' or 'minor' personal problems in the year prior to the survey by only 17% of men and 18% of women in urban areas, and 21% of men and 24% of women in rural areas (see Table 20).

Table 20: Whether Domestic Violence or Rape was a Problem During the Previous Year
(% of respondents)

	Urban Areas*		Rural Areas	
	Male %	Female %	Male %	Female %
Major or minor problem	17	18	21	24
Not a problem	83	82	79	76

Note*: 'Urban areas' refers to Dar es Salaam plus other urban areas in ten regions

Source: Views of the People Survey 2007

In Dar es Salaam, 12% of respondents felt domestic violence generally was increasing while 36% felt it was decreasing. Figures for other urban and rural areas were similar, and gender differences in views on the incidence of domestic violence and rape are not significant.

However, higher proportions of respondents considered domestic violence a problem in the areas in which they live, compared with those who consider such violence a personal problem. Again, gender differences on the seriousness of domestic violence were not significant (see Table 21).

Table 21: Perceptions of Domestic Violence
(as a 'problem in the respondent's local area', % of respondents)

Perception	Urban Areas*		Rural Areas	
	Male	Female	Male	Female
'Extremely serious' or 'Serious' problem	28	26	31	32
'Not very serious' or 'Not a problem'	66	67	65	62
Don't know/no response	6	7	4	6

Note*: 'Urban areas' refers to Dar es Salaam plus other urban areas in ten regions

Source: Views of the People Survey 2007

57 WHO. (2006). ‘Multi-Country Study on Women’s Health and Domestic Violence against Women.’

Finally, rape 'in the respondent's local area' was considered an 'extremely serious' or 'quite serious' problem by 17% of both urban and rural respondents. In Dar es Salaam, 11% thought rape was increasing while 28% thought it was decreasing. In rural areas the comparable figures were 8% and 31%.

Goal 7: National Cultural Identifies Enhanced and Promoted

Indicators for this goal have yet to be defined, although data from Views of the People 2007 and the HBS 2007 Community Characteristics offer some direction in deciding future indicators.

The vast majority of adult VoP respondents (93%) expressed an interest in religion, and over 77% attended prayers or services at least once a week. More than half are also interested in politics, reading and sports, while two-fifths (41%), mainly young adults, are interested in music and dancing.

Reflecting the keen interest in politics, two out of five respondents claim to be current members of political parties. In addition, VoP 2007 asked participants how committed they were to the competitive, multi-party political system that was introduced in Tanzania in 1992. The survey question was as follows: 'Tanzania has had a multi-party political system since 1992. There are advantages and disadvantages with both single-party and multi-party systems. Which of the following statements is nearest to your own opinion?' Table 22 summarises the responses.

Table 22: Perceptions on Single Versus Multi-Party Politics
(% of respondents)

Statement	Dar es Salaam %	Other Urban %	Rural Areas %	All Areas %
'I am glad Tanzania became a multi-party system'	46	47	44	45
'I wish Tanzania had remained a one-party state'	37	40	42	41
'Single party/multi-party system makes little difference'	8	7	6	7
No opinion/undecided	9	7	7	7

Source: Views of the People Survey 2007

Respondents were almost equally split between a one-party state and multi-party system, with slightly more rural respondents indicating support for a one-party state than urban residents. These results show little change since 2002 when an Afrobarometer survey found that 38% of Tanzanians were in favour of a single-party state.

Of keen importance to this MKUKUTA goal, recent information from the HBS 2007 Community Characteristics highlights the popularity of campaigns at community level in Kiswahili language and culture. Campaigns were undertaken in 63.3% of rural communities, 26.2% of communities in Dar es Salaam and 42.4% of other urban communities, with far more community governance initiatives (including promotion of national culture) held in rural areas compared with urban locations.

Summary of Progress for MKUKUTA's Cluster III

Progress for MKUKUTA's goals of good governance and increased accountability is evident, but significant effort is needed to improve several key areas, including:

i. Birth Registration:

   Despite birth registration campaigns, few birth certificates are issued and birth/death registers in villages and *mtaa* are under utilised.

ii. Public Information and Accountability:

   Government accountability through publicly accessible information is improving, but information about public revenue and expenditure at the local level is still lacking. Though some sectors are still widely regarded as being corrupt, Tanzanians generally endorse government performance in fighting poverty and corruption.

iii. Prisons and the Legal System:

   Prison facilities continue to be seriously overcrowded, and the legal system is weak at most levels.

iv. Service Delivery:

   Nationally, 44% of VoP respondents perceived an improvement in the quality of basic public services, but approximately 60% reported that the poor condition of the roads, shortages of safe drinking water and escalating costs of medical treatment were major problems.

v. Health Care Exemptions:

   The right to free public health care for the elderly is not well known.

vi. Public Order and Security:

   Popular perceptions of trends in this area are positive, though alcoholism and theft of property are still concerns of the majority of adult respondents.

vii. Of additional note, Tanzanians take a strong interest in their culture, and campaigns for Kiswahili language and culture are popular in both rural and urban areas. The overwhelming majority of citizens (93%) are also interested in religion, and half have held or are currently holding hold political party membership.

Finally, as discussed in this section, governance is a key component of MKUKUTA, underpinning the strategy's success in improving economic growth, reducing poverty and increasing social well-being in Tanzania. Therefore, the MKUKUTA monitoring system itself, especially the MKUKUTA budget process and the reporting of progress towards goals and targets, should exemplify sound governance. However, as noted in the 2007 Public Expenditure and Financial Accountability Review (PEFAR): 'There is no public summary statement of forward commitments and past expenditure on key MKUKUTA programs under the MTEF, which could provide a better focal point for public policy debate'. By ensuring that comprehensive budget information for the strategy is prepared and disseminated in future years, open and transparent debates on expenditure relating to MKUKUTA objectives will be encouraged.

MKUKUTA Cluster III: Governance and Accountability

* Meta-data on each indicators (including definitions, sources and frequency) are available in the MKUKUTA Monitoring Master Plan available at www.povertymonitoring.go.tz
* The symbol X indicates no data for that year (in most cases because data is dependent on a particular type of survey)
* Blanks indicate data not yet forthcoming from MDA or LGA

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Goal 1: Structures And Systems Of Governance, The Rule Of Law Are Democratic, Participatory, Representative, Accountable And Inclusive										
% of population with birth certificates - Urban - Rural - Dar es Salaam	6.4 (Children under 5 yrs)	1999	X	X	X	5.7 17.8 2.7 24.8	X	31.1% of villages/*mtaa* have & use birth registers (HBS 2007 Community)	TDHS 2009	
Proportion of women among senior civil servants: (%) Proxy: % top management positions filled by women[58]	22.07 (June 2004)	2004			22.61 (Dec 2003)	22.07 (June 2004)	26.8 (Dec 2005)	29.1 (June 2006)	End FY 2007/08	30%
% of women representatives elected to district council		2000	Reported every 5 years following district council elections				4.88	X	2010	
Proportion of women among Members of Parliament %	21	2000	Reported every 5 years following national elections				30.4		2010 National Elections	30%
Proportion of communities (ward/village/*mtaa*), which held quarterly meetings with public minutes last year.	DSM: 90.3 Other Urban: 75.8 Rural: 87.6	2006	Newly collected					DSM 90.3 Other Urban 75.8 Rural 87.6	PMO - RALG M&E system reporting	
Proportion of LGAs posting public budgets, revenue and actual expenditures on easily accessible public noticeboards (%)	39.7	2006	Newly collected					39.7	PMO - RALG M&E system reporting	
% of households who owns their land through official land owner certificates	Urban 16 Rural 19.2 (Villages with official land titles)	2000	X	X	2000 - 2003 Urban 14.5 Rural 19.5 (village with offivcial land titles)	Urban X Rural 26 (Smallholder households)	X	2006 X / 2007 Urban: 14.5 Rural: 21.6	Next: Agric survey 08/09	

58 For the purposes of this indicator decision making posts in MDAS include chief secretary, permanent secretary, assistant permanent secretary, commissioners, directors, assistant directors, ambassadors, regional/district commissioners, regional/district administrative secretaries, municipal/district administrative directors, magistrates, judges and Members of Parliament.

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Goal 2: Equitable Allocation Of Public Resources With Corruption Effectively Addressed										
Total revenue collected as % of revenue due at national level (Proxy: total tax revenue collected by TRA, billion Tsh)	861	2001	861	977	1,145	1,319	1,679	1,903	End FY 2007/08	
% of procuring entities complying with the Public Procurement Act and procedures	10	2005	X	X	X	X	10	58.3	End FY 2007/08	80%
% of government entities awarded clean audit certificate from National Audit Office - MDAs: - LGAs:	 24 9	98/99	2000/01 41 10	2001/02 31 17	2002/03 49 34	2003/04 45 43	2004/05 34[59] 53	2005/06 57 43	End FY 2007/08	
Number of corruption cases convicted as % of number of investigated cases sanctioned for prosecution by the Director of Public Prosecutions	38	2001	38	32	35	57	37.5		End FY 2007/08	
% of LGAs that receive the full calculated amount of their annual formula based budget allocation	100	2006	New annual formula based budget allocation began in 2006					100	End FY 2007/08	Maintain 100%
Goal 3: Effective Public Service Framework In Place To Provide Foundation For Service Delivery Improvements And Poverty Reduction										
% of population reporting satisfaction with government services	25-50 (depending on which service)	2004	X	X	X	25-50	X	44[60]	Public Service Satisfaction Surveys	
% of population who found key service providers to be absent when they needed a service	53	2004	X	X	X	53	X	X	Public Service Satisfaction Surveys	

59 Starting from FY 2004/05 ratings for Auditor General's opinions changed from 'clean', 'qualified' or 'adverse' to 'unqualified with emphasis of matter', 'unqualified', 'qualified' and 'adverse'. For FY 2004/05 and 2005/06 MDAs and LGAs that received clean opinion are those which were rated 'unqualified' and those rated 'unqualified with emphasis of matter'.

60 Views of the People 2007: 44% overall saw an improvement in the quality of basic services overall; but quality of roads, shortages of drinking water and cost of medical treatment are considered major problems.

Indicators	Baseline		Trends						Targets	
	Estimate	Year	2001	2002	2003	2004	2005	2006	Next Data Point	MKUKUTA 2010
Goal 4: Rights Of The Poor And Vulnerable Groups Are Protected And Promoted In The Justice System										
% of court cases outstanding for two or more years	70	2000	X	X	X	X	X	14.5	End FY 2007/08	40%
% of prisoners in remand for 2 or more years compared to all prisoners in a given year	15.7	2005	X	X	X	6.8	15.7	7.1	End FY 2007/08	7.5%
% of detained juveniles accommodated in juvenile remand homes Proxy: Number of juveniles detained in juvenile remand homes	798	2003	X	X	798	913	847	728	End FY 2007/08	
Goal 5: Reduction Of Political And Social Exclusion And Intolerance										
Number of cases filed on infringement of human rights	3,311	2001/02	X	2001/02 3,311	2002/03 2,458	2003/04 2,691	2004/05 2,789	2005/06 3,812	End FY 2007/08	
Goal 6: Improved Personal And Material Security, Reduced Crime, Eliminate Sexual Abuse And Domestic Violence										
Inmates per facility as % of authorised capacity	196.3 (overcrowding)	2005	X	X	X	X	196.3	185	End FY 2007/08	
Number of cases of crimes reported - Court of Appeal: - High Court: - District Courts:	82 2,288 39,010	2001	82 2,288 39,010	91 2,047 39,167	160 1,863 39,800	127 2,212 8,494[61]	221 3,291 1,998[61]	222 4,344 22,099	End FY 2007/08	
% who agree that a husband is justified in hitting or beating his wife for a specific reason - Women - Men	60 42	2005	Newly collected				60 42	X	TDHS 2009	
Goal 7: National Cultural Identities Enhanced And Promoted										
Currently no outcome indicators identified by stakeholders Potential Indicator: % of population in favour of a single party state				2002: 38% (Afrobarometer)				41% (VoP and REDET)		

61 The wide fluctuations of the data from the district courts suggest that the Ministry of Justice should strengthen its system of recording and collectong data.

CHAPTER 4 Introduction to the Survey: 'Views of the People' 2007

Chapters 4 to 8 provide a summary of the key findings from the Views of the People Survey conducted in March and April 2007 throughout Mainland Tanzania and the complementary survey of Views of the Children. A total of 7,879 Tanzanians aged from 7 to 90 years in ten regions participated in this study, including 512 primary school children, 1,525 youths, 4,987 adults of 25 to 59 years of age and 855 elderly people age 60 years and older. In addition, a sub-sample of 1,000 people was involved in focus group discussions to examine important issues in greater depth. Representative samples of males and females and of urban and rural residents were selected, and among the adult rural samples, specific selection was made of agriculturalists, livestock keepers and fishers. Full reports of the Views of the People and of the Views of Children surveys are forthcoming.

The survey sought information about many aspects of people's lives, including their recent economic progress, changes in their standard of living, and the quality and accessibility of economic services, such as agricultural extension and road repair and maintenance, and social services. The survey also sought peoples' perceptions of trends in governance, including participation in public affairs, policy making, corruption, and trust.

In-depth interviews were also conducted with samples of youth and elderly people. For the young people, the focus of the inquiry included education, employment, personal problems, future ambitions, and their opinions on government policies. The sample of young people included those aged 15 to 24 years, whether in school - primary or secondary - or not. Of the 1,525 young people in the survey, 552 were still in school. For the elderly, the survey focused on the quality and accessibility of services that are vital for safeguarding their welfare and livelihoods.

The complementary children's survey sought the views of primary school children aged 7 to 14 years on schooling conditions, relations with adults and their involvement in their local communities, as well as their future ambitions. A different methodology was used for this survey to take into account the young age of the participants. In the 10 regions of the VoP survey, a sample of 10 communities was selected with consideration of urban/rural area and poverty level. Ten primary schools were selected, and then a sample of pupils was selected randomly by the researchers from attendance lists at each school. Two groups of children were formed, one for those 7 to 10 years, another of those 11-14 years. Since this was the first time such an attempt has been made in Tanzania to undertake such a large survey of children which could be nationally representative, there will be a full report of the methodology use to solicit the Views of Children.

As is common for public perception surveys, VoP 2007 gathered participants' views on the performance of public institutions and actors. While this information is vital to national policy debate, it is important to acknowledge that results from opinion surveys may differ from data collected in more conventional household surveys. Perception surveys often encounter limitations in the questions which can be usefully asked and, in turn, limitations in the depth of analysis allowed.

Nonetheless, trends have emerged about people's views of recent economic progress; changes in standards of living; the quality and accessibility of economic and social services; and governance, including participation in public affairs, policy making, corruption, as well as trust, cooperation and security within communities. Discussion of these findings is organised according to MKUKUTA's three clusters with additional information presented for some of the national indicators analysed in Chapters 1 to 3. A full report of the survey is available separately.

CHAPTER 5

Key Findings from the 'Views of the People' Survey: MKUKUTA Cluster I Growth and Reduction of Income Poverty

Overall, few adult Tanzanians think they are enjoying the fruits of economic growth. Only 24% of adult respondents reported an improvement in their economic situation in the last three years, compared with 50% who reported deterioration and 26% who reported no change in their circumstances. Among youth respondents, about 32% felt their economic situation had deteriorated over the last three years, while 26% noted an improvement. There was no difference in responses between young male and female respondents.

The other main VoP findings relevant to MKUKUTA's first cluster relate principally to the state of economic infrastructure, particularly roads, telecommunications and energy; and to economic conditions as indicated by availability of employment opportunities, the cost of living (both cost of food and other basic needs), and the status of different livelihoods and their potential to support movement out of poverty. These findings are discussed in the following two sections.

Economic Infrastructure

Roads

The poor condition of roads and the lack of maintenance is a major concern, especially in rural areas. Seventy percent of adult rural respondents considered the condition of the roads a 'major problem,' compared with 57% of respondents in other towns and 41% of Dar es Salaam residents. This finding is corroborated by perceptions of quality of rural roads. Only 28% of rural respondents perceived improvement in road quality over the last three years, while 47% reported deterioration. As a consequence of the poor state of rural roads, economic growth in these areas is seriously constrained. Half of the rural respondents pointed out that due to poor roads, they have difficulties in reaching markets for their produce and in accessing services in towns.

Telecommunications

Mobile phone ownership is four times higher than it was four years ago, which has helped bridge the large gap in telecommunication services between rural and urban areas. Thirty-five percent of adult respondents own mobile phones; 65% in Dar es Salaam and 16% in rural areas. However, improved telecommunications may not have contributed significantly to boosting economic growth or reducing poverty as nearly 75% of phone owners across the country reported using their phones for personal purposes. Only 25% use them for business. Moreover, in Dar es Salaam, only 17% of the poorest respondents own a mobile phone compared with 86% of the richest.

Energy

The major sources of energy for cooking are wood fuel (60%) and charcoal (35% of adult respondents). Use of charcoal is more pronounced in Dar es Salaam (83%) while wood fuel is the principal source of energy for cooking in rural areas (87%) and in other urban areas (57%).

Overall, electricity was used as a source of lighting by only 23% of respondents. Usage was more common in Dar es Salaam (59%) compared with other urban areas (43%) and rural areas (only 11%). Availability of electricity was mentioned as a problem in both urban and rural settings.

Economic Conditions

People's perceptions of their economic conditions were assessed by several variables including employment and other sources of livelihoods, availability and costs of inputs for productive enterprise and the availability and costs of food and other basic items.

Cost of Living

While the cost of living - the cost of food and basic needs - was said to be a major problem by 67% of adults, affecting both rural and urban population, 47% said they never had problems with enough food last year and 63% said they ate three meals a day. About 47% of the youth also considered the cost of food and other basic goods to be a major problem. Although the poor were more worried about the price of food and other basic goods than the less poor, about 66 % of the better-off respondents also considered the cost of living to be a major problem.

Urban residents said they ate meat or fish nearly three days a week compared to rural respondents where the average was less than two days a week. Three-quarters of Dar es Salaam respondents (78%) ate three meals a day, compared with two-thirds (64%) of the respondents in other urban areas and only 55% in rural areas. When asked if they had ever experienced hunger in the previous year 19% of adult villagers replied 'often' and a further 43% replied 'sometimes.' A third of Dar es Salaam respondents (32%) reported that they sometimes experienced hunger, and 5% said 'often.'

Livelihoods/Employment

Rural

About 87% of rural adult respondents are engaged in farming, raising livestock and fishing. Just over half (52%) said that they felt their economic situation was worse than it had been three years earlier; 25% said it was the same and 23% said it had improved.

Crop Production

For the farming sector, poor agricultural production as a result of low use of agricultural inputs and implements was evident. About 86% of farmers interviewed did not use chemical fertilisers; 72% did not use chemical pesticides, herbicides, or insecticides; and 77% did not use improved seeds. Inputs were either in short supply or unaffordable for the majority of farmers, including better-off farmers. The cost and availability of fertilisers and other inputs, and the unavailability of extension services were all frequently mentioned as major hurdles in agricultural production.

Asked what the Government should do to help farmers, 42% said improve the availability of inputs and 19% wanted loans or credit. There was little difference in response from poorer or less poor farmers.

Pastoralists

Livestock-keepers were asked about the same issues and problems as discussed with farmers, and most of them complained about the cost of veterinary medicines (78%) and the non-availability of veterinary services (63%). Drought, disease, distance to markets, market prices for their animals, access to grazing areas and access to market information were also cited as problems by the majority of pastoralists. Forty percent of livestock keepers reported receiving extension advice during the previous year, a much higher contact rate than reported for agricultural extension services. Half the sample, however, said they had never received advice. The large majority of pastoralists (76%) thought that the government was doing nothing to help them. Very few respondents mentioned that the government was supporting extension services, indicating that these services may have been largely provided by the private sector or non-governmental organisations.

Fishing

In the fishing sector, 70% of fishers interviewed said their catches were declining; only 16% said they were improving. Of those who said catches were getting smaller, half (51%) said there were too many small fishers, though half disagreed that this was the cause. There was a similar disagreement about whether fishers using finer mesh nets were the cause of declining catches. Fewer respondents mentioned commercial fishing, the arrival of fishers from other areas, and the use of dynamite as reasons for falling yields. When asked about problems facing fishers, nearly half 47 % saw the use of beach nets as problematic. Asked whether they favoured exporting their catch or selling exclusively to local markets, a slight majority (53%) favoured export while 38% favoured local sale. As for farmers and livestock-keepers, a large majority of respondents believed that the government is doing nothing to help them.

Employment

Finding work is a more serious problem in urban than in rural areas: 55% of urban adult respondents cited finding work as a major problem compared with 39% of rural residents. The problem is even more significant for young people. Almost two-thirds of all young people no longer in school considered finding employment a major problem (65% of urban out-of-school youth and 61% of rural). They considered this to be their most pressing problem.

Perceptions of the Future

Both young males and young females were generally optimistic about their future. Asked whether they expect their economic situation to change over the next three years, about half said that it would be better, 13% of males and 38% of females said it would be the same, and 23-30% said they didn't know. Many young people would continue with their studies if they had the resources. On the whole, gender differences were not very large.

At the other end of the age spectrum, the majority of elderly respondents (over 60 years), especially women, depend on their immediate family for their subsistence, while 34% of men and 20% of women still worked full-time. Nearly 40% of the elderly respondents reported that they were caring for a grandchild, most commonly because of the death or sickness of the child's parents. In caring for their grandchildren, almost three-quarters said that they were helped by their immediate family. Almost all (88%) of the elderly said that their immediate family would help if they had a serious problem. Nonetheless, security in their old age is a big concern among the elderly, with 75% of respondents concerned about losing the strength to work as they grow older, and 66% fear hunger and poverty and losing their independence through ill-health. These concerns were commonly held by both older men and women.

Summary of Findings from the 'Views of the People' for Cluster I

Peoples' perceptions about their recent economic situation are that they are worse off now than three years ago. In all income groups, including the least poor, more people perceive falling rather than rising living standards. The survey findings also show that the majority of farmers, pastoralists and fishers consider that they receive virtually no support from the state and most complain about the cost of living (particularly the cost of food). They call for improved availability of inputs and greater access to loans and credit.

The state of rural roads also emerged as a critical constraint on economic activity and poverty reduction efforts, though in urban areas more citizens acknowledged improvements.

CHAPTER 6

Key Findings from the 'Views of the People' Survey: MKUKUTA Cluster II Improvement of Quality of Life and Social Well-Being

Improvements in the quality of life and social well-being of Tanzanians were investigated in the 'Views of the People 2007' by asking for participants' perceptions on progress for indicators in three key service sectors-the education system, health services and water supply.

Education

The VoP examined the state of education especially from the perspective of children and young people. Adults also included responses about education to more general questions about the state of social services. In addition to their educational experiences, school children were asked about their household and extra-curricular activities, their community involvement, and their hopes for the future. The MKUKUTA monitoring process focuses on quantitative, physical measures - classrooms, textbooks - as well as enrolment and examination results. The Views of the Children provided an opportunity also to explore more qualitative aspects of pupils' experiences with learning and teaching, which will be reported below.

School Facilities

Among the young people still in school, 60% noted improvements in the number of primary school classrooms, with a larger proportion of urban youth citing improvements compared with rural youth. Slightly more than half of the young respondents also said that the number of secondary school classrooms was sufficient. Once again these positive perceptions were higher among urban respondents. However, these findings should not be interpreted to mean that no further investment in school infrastructure is needed. Indeed, given that the school age population will continue to grow rapidly in the future, the number of classrooms will likewise need to expand. Furthermore, 22% of respondents reported shortages of classrooms in both primary and secondary schools, which indicates that some schools do not fare equally and are yet to have adequate learning facilities. Shortages of desks followed the same pattern as shortages of classrooms, with more shortages noted by urban and secondary school respondents, especially female students.

Other notable improvements were in relation to the state of classrooms. About 54% of in-school youth respondents reported improvements in classroom conditions, while 34% perceived conditions had not changed. More primary school respondents (60%) perceived improvements in classroom conditions compared with secondary school students (48%).

Availability of Textbooks

With regard to availability of textbooks, students perceived minimal improvement. About 80% of primary school pupils 7-14 years old said that there were not enough textbooks, while only 15% mentioned that they had enough. Among older students, about two-thirds said textbooks were too few. Indeed, about 16% of boys and 19% girls in secondary school claimed that they learned without access to textbooks. Textbooks are in shorter supply in rural areas, but even in Dar es Salaam 61% of pupils 15 years and older were dissatisfied with the supply of textbooks.

Availability of Computers

The use of computers was very low, particularly in primary schools where 90% of older pupils said that there were no computers in their schools. More than half of the surveyed secondary school pupils (55%) said there were no computers in their schools, and those who reported having computers in their school, the computers were said to be used mostly for administration and not available to students.

Absenteeism

Children reported that they rarely miss school. Over 70% of the in-school youth said that they “rarely” or “never” miss school, and only 20% said that they do “sometimes”. “Personal sickness” was by far the major reason for absenteeism for both older primary and secondary students (about 61% of respondents) with a higher incidence in rural than urban areas. ”No money for fees” was the second most cited reason, reported by 36% of secondary school students. Exigencies of marriages and funerals also take a toll on students' time, cited by 41% and 31% of secondary school girls and boys respectively.

Teachers

A large majority of both primary and secondary students in the sample of young people said that “some” or “most” of their teachers encouraged them to ask questions in class. Slightly more than 85% of secondary students interviewed gave these responses. Girls were slightly more likely than boys to say that teachers did not encourage them to ask questions.

Almost 60% of students said teachers were “rarely” or “never” absent, and only 4% of students reported that teachers were “often” absent. Teacher absenteeism was reported to be higher in rural than in urban areas, but differences in rates of absenteeism by gender or level of respondent were not significant.

Corporal Punishment

Corporal punishment, or fear of punishment, is an issue for school children. Among older primary school and secondary students, only 20% reported no corporal punishment, 16% of them reported that “all or most” of their teachers beat them and 64% reported that “some” or “a few” teachers did so. More respondents reported beatings from rural rather than from urban schools. In addition, older primary school girls were more likely to report beating than older primary school boys, and secondary school boys more than secondary school girls.

Children's Desires for Education

The experience of learning, as described by the younger primary school children, 7-14 years, is one of heavy reliance on notes copied from the blackboard and on textbooks. The need for teachers to have good handwriting on the blackboard was frequently mentioned by the children, showing how important it is to the children that they are able to read the writing. Textbooks are highly valued and liked by the children, but also a source of frustration, because whilst the supply is generally improving, there are still far too few to go around. Children would like to be able to read books in their own time, but books are generally collected at the end of each lesson.

The children also made clear the qualities they want in a teacher. A teacher should be someone who really wants to teach, likes children, makes an effort, and ensures pupils understand. It was clear from the survey that some children did have teachers of this calibre. However, every school in the sample reported problems which amount to teachers not meeting basic contractual obligations, or at best having poor professional standards. Teachers failing to attend lessons is a significant issue. Children talked about teachers who gave notes, but didn't explain what they meant, or told them just to ask an older pupil if they don't understand. The fear of corporal punishment - engendered, for example, by teachers who carry a stick in class - was expressed by the children as a significant obstacle to learning.

The overall picture emerges of schooling being a rather limited closed exercise with teachers explaining a fixed body of knowledge to a largely passive body of children. The children in the study were not familiar with active teaching learning methodologies.

Communication between schools and parents was weak.

Contributions in cash and kind were expected in all the schools in the sample, and children are being excluded from lessons for non-payment.

The children held a wide variety of opinions in whether education overall was better than the year prior to the year of the survey. The vast majority of children felt that the best way to improve education is to increase the supply side inputs, including infrastructure, teachers, school supplies. They also wanted to have better teachers, a more diverse curriculum, and other services in school such as health.

The children from Dar es Salaam who participated in the survey were assertive in saying that increasing their own commitment to study and listening to teachers and parents would also be a factor to improving their education.

Health Services

The survey sought information on people's overall health status and their perceptions of the availability, quality and cost of basic services provided by the state.

With respect to their health status, 66% of adult respondents said they had suffered from malaria in the previous year; 60% suffered from coughs, colds or flu; and 32% had one or more bouts of diarrhoea. Malaria was reported more frequently in Dar es Salaam whereas diarrhoea was more prevalent in rural areas. Significant usage of mosquito nets was noted. Almost three-quarters of respondents (73%) reported using nets, the majority of which were said to be insecticide treated. Net use was much higher in urban than in rural areas.

Asked about the most important issues for the health services, 32% of the adult respondents identified the quality/availability of the service, 16% said distance, 13% said availability of drugs and medicines and 10% their cost, Over a quarter of the respondents had no response to this question. Of the adults who had used health facilities, almost two-thirds cited the cost of medical treatment and drugs to be a major problem. Over two-fifths of adults (44%) also complained about the availability of drugs. More urban respondents (more than 50%) complained about waiting times, while more rural residents (42%) complained about access to health facilities. Few respondents complained about the politeness of health facility staff (18%), availability of maternity (13%) and immunisation services (2%), and cleanliness of facilities (10%).

Among elderly respondents, about 65% said they had health problems requiring regular attention, with slightly more women giving this response than men. The most commonly reported problem concerned walking/mobility, reported by 42% of both men and women who had health problems. About 66% had sought medical treatment during the three months prior to the survey, with significantly more women than men seeking treatment. Of those seeking treatment, 35% paid for it themselves, 27% had costs paid by family members, 15% received free treatment, and 14% did not undergo any treatment. Critically, nearly half of the over 60s (48%) did not know that they were entitled to free treatment in government facilities (42% of men and 58% of women). In addition, approximately one-fifth (18%) of respondents said that they had been refused treatment in a government facility because they could not afford to pay for services, and 13% indicated that they had been refused free treatment due to lack of proof of their age.

Data on the availability of health-related curriculum and first aid services within schools was also sought. Results show that young school children are taught about health issues as part of school curriculum, but only half of the primary schools surveyed had first aid provision. In other cases, sick children are sent to nearby hospitals or dispensaries.

Moreover, only three of the schools surveyed were reported to provide food on a regular basis for students, one school in the least poor sample and the other two middle income, and even in the latter the programme was in abeyance at the time of the survey. For two other schools (located in Arusha and Dar es Salaam) food is available for purchase from small shops (*dukas*) near the schools. When asked about their eating habits, only about 30% of students aged 15 years and older said they always ate before going to school. This response varied by residence, ranging from 26% of rural students to 48% of students in Dar es Salaam. Fifteen percent of students ate snacks during breaks at school, while a large majority (85%) ate when they came home from school.

Drinking Water

Between 80 and 90% of adult respondents access their drinking water from community or neighbours' water points. While 73% of rural adults do not pay for their water, for only 8% of Dar es Salaam respondents is water free - 77% of them pay private providers (pump attendants, kiosks, neighbours or water vendors). Only 13% are billed by the public utility DAWASCO. Over the year prior to the survey, the most commonly cited problem with water supply was dry season shortage.

More respondents overall saw deterioration rather than an improvement in water supply, cleanliness, cost and queuing times. Dirty water was considered a more serious problem in rural areas, while cost and queuing times were reported as the most serious problems in Dar es Salaam.

In addition, adequate water supplies for schools are almost non-existent. Only two of the primary schools surveyed had safe drinking water available for the children. Children in Dar es Salaam either brought water from home or bought it from kiosks near their schools while, in Mtwara, children only had water during the day if they went home during breaks in classes or at lunch time. About 44% of the young people still in school reported no water at all in their schools; 64% of those in rural areas reported no water in school.

Summary of Findings from the 'Views of the People' for Cluster II

The survey confirms popular appreciation of public investment in education, although concerns on quality remain (for example, continued shortages of textbooks at both the primary and secondary levels). However, other basic services were reported to be getting worse by majority of respondents. The cost of medical treatment and drugs and availability of drugs were among the major impediments in accessing health care. Many senior citizens also have difficulties accessing free health services. In both urban and rural areas, domestic water supply continues to be a chronic problem, as measured by unavailability of clean and safe water, and increased cost for urban dwellers of accessing water.

CHAPTER 7

Key Findings from the 'Views of the People' Survey MKUKUTA Cluster III: Governance and Accountability

Broadly defined, governance relates to the manner in which public affairs are regulated and conducted to manage resources, deliver essential services, and protect the rights and well-being of all Tanzanians.

Many VoP findings provide valuable data on progress towards achieving the goals of MKUKUTA's goals of good governance and increased accountability, including: the participation of citizens in public affairs; perceptions of efforts to improve accountability of government officials; access to information and media; popular knowledge and opinions on politics and policies; perceptions of corruption; and community beliefs about trust, cooperation and security within Tanzanian society.

Participation in Public Affairs

Findings show that citizens' participation in public affairs in Tanzania is still low. Over one-fifth (22%) of rural adults said they had participated in a local-level planning exercise, and 16% had worked on public works projects, in particular road building and maintenance. Similar rates of participation in planning and public works were reported by respondents in urban areas other than Dar es Salaam (18% and 13% respectively). Fewer respondents in Dar es Salaam reported such participation (7% and 6%). Relatively few rural or urban adults (9%) had attended a local full council meeting. Moreover, only 15% of rural and urban adults indicated that they made a request for information at the village/street level of local government in the year preceding the survey. Of these requests, two thirds were successful. Rural residents seem keener to seek information from government offices, with 20% of rural respondents requesting information, compared with 10% in Dar es Salaam. But only a small majority of respondents overall (53%) thought that citizens publicly expressing their views made any difference, while 39% thought that government officials do not listen to what people say.

Access to Information and Media

Radio is the most important source of information across the country, and slightly more so in urban areas where nearly two thirds of adults said radio was their most important source of information; in rural areas, 56% said it was their most important source. Newspapers and television are much more important sources of information in Dar es Salaam than in the rest of the country (about 44% for each source in Dar es Salaam, compared with just over 20% in other urban areas and 6% in rural areas). 'Word of mouth' is an important source of information for 21% of respondents in both urban and rural areas. Churches and mosques were reported by few adults (7%) to be sources of information. Overall, Dar es Salaam residents have greater access to information than respondents in other areas.

These questions of adults in the survey imply that there is important information to be shared with the public. The survey of primary school children highlighted another important aspect of information sharing - that of listening. From the research with young primary school children, it is clear that 'institutionalised' listening to children is weak. The overwhelming impression of teachers is that their model of education is teacher, not learner, centred: their job is to explain well, so that a body of knowledge is understood rather than to facilitate children in a more open ended approach to understanding the world they live in.

Only one school in the sample of ten primary schools had an active school council - a *baraza*. In the rare cases where pupils were represented in school committees, the pupils' perception is that they are not seriously listened to. Where they are not directly represented, pupils tended not to know about when meetings were held and what was discussed.

Popular Knowledge and Opinions on Politics and Policies

Opinions on selected policy issues were surveyed to assess how well informed people were of recent policy debates and whether they follow up on these. About one-third of the sample of adults said they were not very interested or not interested at all in politics or economics. About half of them could not say anything on whether mining companies were paying enough taxes, what caused the power crisis of 2006, and the pros and cons of relocating '*machinga*' (street traders) away from city centres. Of the respondents offering opinions, almost all (96%) were convinced that mining companies should pay more taxes, while opinions were divided on the issue of '*machinga*': 58% were supportive of the government's policy whereas 34% were critical. In addition, as discussed earlier, nearly half of over 60s (48%) declared that they did not know that they are entitled to free treatment in government facilities (42% of men and 58% of women).

Adult respondents were also asked for their view on whether foreign aid benefits government officials or poor people. Of the 86% of respondents who offered an opinion, over four-fifths (81%) believe that 'foreign aid mostly benefits government officials,' and 64% of respondents strongly agreed with this view.

A number of questions were also asked to assess public opinion on the performance of politicians and government officials in the past few years. A majority of adult respondents offered favourable opinions on the performance of the most senior central government officials and Members of Parliament. Over 40% of respondents also saw improvements in the performance of local government officials, councillors and village government and the police.

Efforts to Improve Accountability of Government Officials

The survey looked into whether Tanzanians considered that progress was being made in making government officials more accountable. To start, adult respondents were asked to think of anything that had happened during the last three years involving central or local government officials that suggested to them that services and accountability were improving. More than 30% of respondents replied 'yes', with little variation between urban and rural areas. Of those, about 56% noted major improvements in relation to schools, classrooms and teacher housing.

As evidence of increased accountability, 32% of respondents cited examples of officials being accused of misusing public money and the same percentage cited examples of officials being dismissed for poor performance and corruption. A further 24% reported examples of road improvements resulting from public complaints.

Overall, survey respondents were quite positive in their assessment of recent trends in public order, peace and security. A majority (55%) considered that public order, peace and security had recently improved. In addition, 44% respondents mentioned that the quality of basic services had improved, and 40% felt that respect for the law by the government was higher. At the same time, 44% of the adults offered no opinion on these questions.

Corruption and Accountability

About 40% of adult respondents offered no opinion about the extent of corruption. Of those who did, similar percentages perceive petty, grand and political corruption to be 'very common' (50%) or 'quite common' (about 20%) in Tanzania. Furthermore, about 43% of respondents thought corruption affected their lives, business and politics. Only 8% of respondents believed corruption does not affect these three areas. Significant proportions of respondents offered no opinion on these three topic areas (ranging between 38% and 43%).

About 38% of respondents offered no opinion on the current government's performance in combating corruption, 45% thought the government is effectively combating corruption. Very few respondents thought the government either 'doesn't fight corruption' or that it 'encourages corruption'.

The police and the legal system stand out as the most corrupt services in public perception. In general, urban perceptions of corruption in the public sector are more negative than rural perceptions, and better-off citizens perceive significantly higher incidence of corruption than poorer respondents. Questions were asked of those who reported that they had paid bribes about the amount they had paid. However, the number of responses was very low, and the range of reported payments was wide, making an analysis of these responses difficult.

Community Trust, Cooperation and Security

Only a minority of Tanzanians (22%) believe that, in general, most people can be trusted, while 78% believe that most people can't be trusted. Mistrust is higher in Dar es Salaam (85%) than in rural areas (75%). Not surprisingly, respondents were more likely to trust immediate family (66%) and clan members (39%) than more socially distant groups. Forty per cent of adult respondents considered Tanzanian strangers untrustworthy, and about the same percentage thought the same of young men. Sixty per cent considered foreigners untrustworthy.

People's wariness to trust each other is reflected in perceptions of personal security as well as their views on the levels of crime, violence and other social problems in society. The VoP survey found that alcoholism (as related to crime) was considered a serious problem by 63% of adult respondents overall, with this perception more widespread among rural residents. On average, the incidence of alcoholism is thought to be increasing, while the incidence of other social or community problems such as disputes over land ownership and inheritance, drug taking, witchcraft accusations and domestic violence are perceived to be declining, often significantly (see Table 19 in Chapter 3). However, theft of property is considered a serious problem by more than half of respondents, with more respondents in Dar es Salaam citing this problem. Drug abuse and mob justice are also considered more serious problems in Dar es Salaam than in other areas.

In addition, more respondents perceive declines rather than increases in community care for the poor, the sick and the old; the protection of children against violence and abuse; and efforts to teach children good behaviour. Community maintenance of roads and bridges as well as cooperative land clearing and crop harvesting are also perceived to be on the decline. Overall, only minor differences were recorded in views between urban and rural respondents. Rather, people in all parts of the country point to deteriorating trends in community collaboration, in care and support for the old, and in collective efforts to bring up young people.

Summary of Findings from the 'Views of the People 2007' for Cluster III

While interest in politics is high (66% of adults expressed interest) and about half of the adults surveyed reported being a member of a political party, citizens' active participation in local government planning and community work is low. Half the adults thought citizens' publicly expressing their views make a difference and two thirds think that ordinary people should be more involved in decision making.

The majority of adults expressed favourable opinions of the performance of senior central government officials and members of Parliament in the last few years and were extremely positive in their assessment of recent trends in accountability, in improvements in public order, peace and security, in the quality of public services, in respect for the law by government.

At the same time, 40% of adults believe petty, grand and political corruption to be very or quite common now and that it directly affects their lives. The police and legal system were most commonly perceived to be corrupt. Forty five per cent said that they thought the government's actions in combating corruption to be effective; 17% said they were not effective, and 38% expressed no opinion.

Of adults who expressed an opinion, almost all believe mining companies should pay more taxes and 81% believe that foreign aid mostly benefits government officials.

CHAPTER 8

Conclusions from the 'Views of the People 2007' and Policy Implications

Based on survey findings, more people appear to be worse off now than three years ago. In all income groups, including the least poor, more people perceive falling rather than rising living standards, and most Tanzanian adults consider the cost of living to be a major problem (particularly cost of food).

The majority of farmers, pastoralists, and fishers report that they receive virtually no support from the state, and would like much more support from Government in improving access to inputs for production and for loans/credit.

The state of the nation's roads also emerged as a critical constraint on economic activity and poverty reduction efforts in rural areas, though urban residents did acknowledge some improvements. Improving roads, therefore, should go hand in hand with increased investment to reduce input constraints and raise productivity in the agricultural sector, and people are clearly asking for strong Government action to improve the rural economy. At the same time, the Government is committed to private sector led growth. Thus, results offer much scope for reflection on the role of the state vis-à-vis the private sector.

The government has been increasing budget allocations to social services for some years, and VoP 2007 confirms the popular appreciation of public investment in education. In the health sector, the cost of medical treatment and drugs and availability of drugs were cited as major impediments in accessing health care, and many senior citizens also have difficulties accessing free health services. Domestic water supply, in both urban and rural areas, also remains a chronic problem as measured by reported shortages of clean, safe water and higher water costs. Clearly, public spending on basic social services is still needed, with available resources utilised effectively and efficiently.

Sustained growth, poverty reduction and better service provision all depend on advances in governance at both central and local levels. The VoP 2007 reveals widespread public concern on the incidence and impact of corruption but it also reveals that over two-fifths of respondents felt that the government is doing an effective job in combating corruption.

Most encouragingly, the survey shows a high level of public confidence in the capacity of the current government to develop and implement policies in the public interest. This is a valuable asset that is unlikely to continue indefinitely in the absence of better service delivery and greater accountability.

In the face of widespread reported declining community solidarity and co-operation, developing ways of improving governance in which all stakeholders - the state, the public, the private sector and civil society organisations, adults and children alike - work together to realise a common, national vision will, therefore, remain one of the biggest challenges facing Tanzania in years to come.

CHAPTER 9

A Framework for Designing a Strategic Direction for Growth and Development in Tanzania

This chapter argues that an overriding strategy is required to provide clear direction for national resource mobilisation and concentration of development efforts. In addition, it explores issues which arise in developing and implementing a direction for growth, in particular the choice of drivers of growth as well as the enabling policies and necessary resources (human and financial) to support these strategic choices.

Introduction

Broad-based and equitable growth is a central priority for the Government of Tanzania and a key outcome of the national development strategy. MKUKUTA recognises the importance of economic growth as well as improvements in quality of life and social well-being advances in both economic and human development are fundamental in achieving the outcomes to which Tanzanians aspire.

The average growth rate of 6% per annum since 2000 is historically high compared with the 1980s and 1990s. Nevertheless, this level of growth remains low relative to the rates of 8-10% needed to achieve the income poverty targets of the Tanzania Development Vision 2025 and the Millennium Development Goals. Therefore, the challenge remains to formulate policies and strategies which accelerate and sustain growth.

Several strategic initiatives have been implemented by the government to date to accelerate the rate of economic growth. The Tanzania Development Vision 2025 established the broad parameters and direction for national growth. The five-year MKUKUTA strategy (2005-2010) is narrower in focus - and an improvement over the Poverty Reduction Strategy (2000-2004) - yet it is still too broad. Both Vision 2025 and MKUKUTA have each separately and collectively contributed to growth and improved service provision but their impact has been limited. Therefore, a strongly focused and consistent national strategy that is also highly operational is needed.

The Case for a Growth Strategy

There is growing consensus in Tanzania that to sustain and improve the current GDP growth rates, a more strategic approach to economic growth is necessary. This implies strongly focused, concerted action to accelerate overall economic growth with significant impact on poverty reduction and job creation.

The rationale for a strategic approach to growth is based on the following factors. First, to enable the economy to fully exploit and increase its growth potential, relevant policies and strategies need to be closely aligned. Ensuring that policies are working in harmony towards a collective vision of national development may be as important as the quality of the individual policies themselves. For example, MKUKUTA and other social sector strategies may all be aiming to improve service delivery in the country, but they may not incorporate specific elements to build the necessary human resources to underpin a defined growth strategy. Without such specific provision, the indicators of social service provision could show good performance at the same time as the economy experiences scarcity of the critical human resources required to support the national growth agenda.

Secondly, selecting interventions that show strong synergies and that are all directed towards accelerating growth is only possible within a limited, well-chosen set of policies. The strategic choice of actions with underlying policies may provide a sound reference framework for private sector activity, and bring non-government stakeholders behind the growth effort.

Thirdly, not all policies have the same pay-off in terms of job creation and poverty reduction. Since public policy initiatives are constrained by limited resources (human and financial), it is logical to select and focus on a limited number of interventions to optimise the allocation and sequencing of public spending.

Fourthly, the effectiveness of public policy in generating economic growth largely depends on the capacity of the private sector to respond in a strong and timely manner. In Tanzania, the domestic private sector is still developing and so deliberate capacity building strategies are needed. Experience shows that hands-on mentoring is needed to address weak private sector capacity. However, capacity building of this nature - supported by appropriate enabling interventions - is unlikely to be possible or effective if spread over many sectors of the economy simultaneously.

Developing a Strategy

The first step in creating a strategic direction for growth in Tanzania is defining the broad vision for the country's development. This is provided in Tanzania's Development Vision 2025 which specifies desired national outcomes: high quality livelihood; peace, stability and unity; good governance; a well educated and learning society; and a competitive economy capable of producing sustainable growth and shared benefits.

The second step is translating this vision into a growth strategy, by providing practical links to available resources and markets. This is done in two sequential stages:

- the identification of drivers of economic growth, and
- the determination of enabling policies and resources (both human and financial) to underpin the selected growth drivers.

Experience has proven that a sound choice of growth drivers is based on a comprehensive analysis of a country's comparative and competitive advantages. And for most poor countries, including Tanzania, comparative advantages will, at least initially, determine the choice of appropriate drivers. This is because competitive advantages - developed over time - depend on an advanced level of technical and managerial expertise, which is currently lacking in most sectors. Other criteria to be considered are scale and impact.

Comparative/competitive advantages need to be sufficiently large to make a real difference in terms of growth. They also need to produce significant impact relative to job creation and poverty reduction.

Based on the comparative/competitive advantages identified together with their scale and impact, a limited set of potential growth drivers can be determined. Sound analysis of each potential growth driver should then be undertaken to assess any existing constraints, which have limited the full potential of these drivers to contribute to national growth. This analysis will help in selecting the priority interventions needed to adjust the broad policy environment and make available the necessary financial and human resources to implement a growth strategy.

In addition to strengthening the overall policy environment, specific policies must be designed to address the constraints faced by the chosen growth drivers. Consistent with the overall spirit of maintaining macroeconomic stability and reducing the cost of doing business in Tanzania, liberalisation can be contextualised within specific areas of the local private sector, including selective protection for nascent enterprises. Targeted policy initiatives will also likely focus upon improvements to infrastructure such as communications, transport and utilities as they relate to the growth drivers identified.

Specific human and financial resources will also be required by the growth drivers. For the development of human resources, the broad-based provision of essential health and educational services must be ensured so that the population can take full advantage of the opportunities arising from economic growth. At the same time, a clear and proactive direction for skills development is required related to areas of growth, for example, science and technology. Thus, if the textiles industry was chosen as a growth driver, adequate resources would need to be provided to develop a cadre of textile technologists able to support the growth of this industry within the highly competitive global marketplace. For example, the use of innovative technology could enable Tanzania to take advantage of niche or high-end markets.

Financing a growth strategy can be problematic for countries highly dependent on external resources. Domestic and donor perspectives may differ on the growth strategy and its implications for national development, the selection of growth drivers, and the policy adjustments required, as well as the implications of all of these choices on budget allocations. For example, when external resources are a substantial proportion of a government's budget, priority may be given to provision of public goods, indeed, basic education and health services have been especially favoured in recent aid programmes. But, in these circumstances, the necessary support for a prioritised growth strategy, based upon building the capacity of the private sector, may go under resourced.

Deriving Growth Drivers

As stated earlier, the identification of growth drivers must be based on a comprehensive analysis of a country's comparative/competitive advantages together with their scale and impact.

Comparative and Competitive Advantages

Comparative advantage refers to the ability to produce and deliver goods and services for a given market at a relatively lower cost. Comparative advantages are usually based on the availability of natural resources that confer a relative or absolute cost advantage, combined with access to markets (domestic or international) that absorb the production.

Competitive advantages usually refer to comparative advantages that are not built on the availability of natural resources, but on other aspects of competitiveness such as productivity, quality, and diversity, which require accumulation of a new and more sophisticated set of resources.

Comparative advantages, therefore, are more associated with exploiting initial conditions in the short to medium term, whereas competitive advantages require medium to longer-term development of capabilities, including markets, technology, physical and human assets and norms and institutions.

Consideration of markets must include both domestic and international markets, since domestic markets alone are unlikely to support economies of scale (that increase cost competitiveness) and strong national growth. This partly explains why an import substitution strategy that focuses on exploiting the domestic market may not be a viable option in the present context in which globalisation is driven by liberalisation and locates the local market within the global market/economy. Identification of comparative/competitive advantages, therefore, requires a thorough analysis of national resources (actual and potential) and matching output markets.

Chile, Ireland and Jordan provide examples of countries with successful growth strategies (see below). All three countries have significantly raised their per capita incomes during the last thirty years. Between 1976 and 2005 Ireland's per capita income rose sixteen times from USD 2,560 to USD 40,150; Chile's rose six times from USD 1,050 to USD 5,870 and; Jordan's rose four times from USD 610 to USD 2,500 (World Bank, 1976 and 2007).

Growth Strategies of Chile, Ireland and Jordan

Chile
Chile identified agriculture as the key growth sector, and western markets in the northern hemisphere as the key markets. Initially and in the short-term, Chile's growth strategy was built upon its ability to provide off-peak produce to these markets, thus avoiding the notorious agricultural trade barriers set by western countries. To build a stronger competitive advantage, Chile focused on a number of key competitive assets, such as agricultural research and development to diversify and adapt production for its target markets and first-class logistics to ensure timely delivery of fresh produce.

Ireland
Ireland was one of the poorest, mainly rural, countries in Europe. Historically, it experienced a tremendous loss of its labour force through emigration. Ireland identified its young, educated and English-speaking population as a key resource, with membership in the European Economic Community providing access to one of the world's largest markets. Given the country's lack of an industrial base, the government focused efforts on attracting foreign direct investment (FDI) mainly from American companies in the service industry, which could utilise Ireland's human capital. The longer-term vision was to build competitive advantages by attracting high-tech FDI and establishing high-tech industries as a key sector of the national economy.

Jordan
Jordan is a small, quasi land-locked, mostly desert country in the Middle-East. It has very little water and produces no oil. Given its lack of natural resources and relatively remote location, the country decided to build competitive advantage on its human capital by investing heavily in all levels of education. Economic development focused principally on information technology, service industries and light manufacturing. In addition, the country negotiated to be part of free trade agreements with Arab countries, the European Union and the United States, giving companies in Jordan access to a market of around 1 billion people.

Using the criteria for assessing comparative and competitive advantages (and hence growth drivers) outlined above, a simple matrix can be developed to map the competitive/comparative advantages for Tanzania (see Table 23).

Table 23: Matrix of Current and Future Comparative/Competitive Advantages for Tanzania

Current Advantages		Future Advantages	
Resource Advantage	**Potential Market**	**Resource Advantage**	**Potential Market**
Agricultural land	Domestic market	Agricultural land	Asia & Europe
Specific ecological conditions	Europe	Specific ecological conditions	Europe
Geological conditions	Europe & N/America	Geological conditions	Europe, N/America & Asia
Tourism resources	Europe & N/America	Tourism resources	N/America, Europe & Asia
Geographical position	East/South Africa	Geographical position	East/South Africa & Asia
		Competitive labour costs	Asia
		Logistics hub	Asia and Africa
		Technology based manufacturing and services	Asia and Europe

Scale and Impact of Potential Growth Drivers

Direct Effects

Economic growth is particularly valuable in as far as it creates jobs and/or generates broad-based improvements in income. In these ways, growth has the capacity to directly impact the livelihoods of a large portion of the population and contribute to poverty reduction. This implies that sectors that are limited in scale, or which are large in scale but not labour intensive, may not be prioritised by the growth strategy.

The potential scale of a sector is determined both by the size the resource base and the markets for its output. In Tanzania, for example, questions may be raised about the potential scale of new sectors such as horticulture. Given the resource base (suitable land and natural resources) and market potential, what is the scope for expansion? And can the sector sustain positive rates of growth in the medium to long term?

With respect to job creation, the direct impact of growth can be extrapolated from current sector trends, both at the domestic and at the international level. For example, the formal mining industry is highly capital intensive and import intensive (in non-industrialised countries) and, therefore, creates relatively few local employment opportunities.

Indirect Effects

The indirect effects of growth in one sector on other sectors in generating jobs and growth are more complex to analyse. Input-output techniques can be used to calculate the indirect effects of a sector on GDP and labour multipliers in the rest of the economy. Thus, for instance, a sector could employ limited labour directly but utilise large amounts of locally sourced intermediate goods and services which are labour intensive to produce. This may well be the case for agro-processing and even mining. However, the use of input-output data, which quantifies current and historical trends, needs to be interpreted against projections of future developments, which may affect specific input-output coefficients.

Bunching and Time Dimensions

Bunching and time dimensions also need to be considered in the selection of growth drivers. For example, an individual growth driver may not have a large-scale impact in isolation, but assessed in association with other related activities, the cluster of activities may have significant impact on the economy. Therefore, it may be important to select a cluster of growth drivers or market niches that operate in concert and collectively offer large potential to impact overall growth. Furthermore, some growth drivers may have a relatively small effect but are able to deliver this effect quickly. These drivers may serve as the ignition for Tanzanian growth, enabling rapid growth in the short term and assisting to establish a track record of success and trust in the economy for the medium term.

Implications for the Choice of the Growth Drivers for Tanzania

Tanzania's comparative advantage is derived from its large natural resource base, more specifically the country's geographical location, ecological and geological conditions, biodiversity and unique landscapes. To begin, Tanzania is well positioned on the coast to provide transport services for landlocked neighbouring countries. In addition, the country is endowed with tourist attractions only to be found in Tanzania, including Mount Kilimanjaro, Ngorongoro Crater, Serengeti National Park, Zanzibar and Saadani (which uniquely combines wildlife with beach), plus a host of other natural reserves throughout the country. Finally, Tanzania's ecological conditions are suitable for production of a wide range of agricultural outputs and the country possesses a diversity of rich mineral deposits.

Most Tanzanians believe that the country's comparative advantage is derived from its cheap labour, but this understanding is based on the erroneous assumption that the abundance of labour provides an advantage in the global labour market. However, when the current quality of that labour is considered, Tanzania's labour no longer qualifies as cheap. In production processes, the quality of labour (based on levels of education, skills, experience and discipline) determines the productivity and opportunity cost of this key input, i.e. the real cost labour is dependent on actual productivity. Currently the majority of Tanzania's labour is of low quality; hence cheap labour can not be a source of comparative advantage for the country.

Taking into consideration all of the criteria for selection of growth drivers, the following drivers are indicated for Tanzania (Table 24).

Table 24: Potential Growth Drivers for Tanzania

Potential Growth	Comparative Advantage	Scale and Impact
Transport services for landlocked neighbours (Rwanda, Burundi, Congo, Zambia & Malawi)	Geographical position	Infrastructural development would have strong linkages to other activities and is strongly supportive of a broad-based enabling environment. It could also generate employment.
Tourism	Biodiversity and landscape	Could be developed with stronger linkages to local producers. It has proven employment potential in different parts of the country. Infrastructural developments would be supportive.
Horticulture	Ecological conditions	Quality standards are likely to require large investments. This sector may require time to achieve significant scale and impact.
Mining	Geological conditions	Currently producing significant growth, and scale could be expanded. Yet deliberate linkages would need to be made with other sectors to exploit the sector's full employment potential.

With regard to agriculture, Tanzania once possessed comparative advantage in producing a large range of agricultural outputs. However, much of this advantage has been subsequently lost through changes in global agricultural production and market parameters. For example, Tanzania has lost ground in export markets for traditional crops such as cashews and coffee due to higher productivity in Asia and Latin America. The possibility of organic production for niche markets remains. However, this sector is unlikely to offer sufficient scale for it to qualify as a priority growth driver. In addition, the level of mentoring required for farmers is high and the current policy drive towards intensive use of inorganic fertilisers would have to be reconsidered. Moreover, Asia and Latin America may outperform Tanzania in this niche sector given their existing competitive edge in agriculture overall, that has been made possible by technological advances not yet attainable in Tanzania. The point is that comparative advantage is not a static concept; it changes with time.

For the same reason, manufacturing may not feature in the initial phase of Tanzania's growth agenda. This analysis recognises that competitive advantage can be gained by moving up the value chain, but achieving competitive advantage represents a second stage development of linkages which enhance and consolidate gains made in the initial phase. The manufacturing sector requires a technically skilled labour force, which is currently unavailable in Tanzania and more readily available in more competitive economies. In the initial growth phase in Tanzania, it presents as more logical to give priority to growth drivers which use current resources and have the capacity to generate greater benefits for a larger population. Over the medium to long term, however, as technical and managerial skills develop, competitive advantage can be gained not only through drivers selected for the initial phase but also by bringing in new growth drivers and moving up the value chain.

The identification of potential growth drivers based on Tanzania's current comparative advantages raises two further issues that need addressing before a final selection is made. The first issue relates to the synergy and complementarity among growth drivers and between the drivers and the rest of the economy. This is referred to as 'horizontal synergy'. Given limited resources and the need to achieve maximum impact and scale, priority should be given to growth drivers that strongly reinforce each other. Thus, if resources were available only for one growth driver, then transport services would be chosen because of its central role in facilitating other growth drivers and the rest of the economy.

The second issue relates to the potential for developing competitive advantage in the medium term - the 'vertical' or 'temporal synergy'. Planning for future vertical synergy is important because increases in per capita incomes cannot be achieved and sustained without the involvement of manufacturing and services. Therefore, the choice of drivers based on shorter-term comparative advantages must also take into account their potential linkages with longer-term competitive advantages. Drivers in the initial phase should work towards putting in place key components of a 'competitive advantage' growth agenda. For example, vertical synergy operates well in the case of transport services and logistics because the hub effects these sectors can create are very supportive of manufacturing development if a supply-chain logistics approach is taken. The planning of capacity building efforts to support future competitive advantages must be considered urgent and immediate.

The selection of growth drivers implied by this analysis also leads to discussion of 'growth centres', otherwise known as 'growth poles', a concept which has lost support in recent years due to equity concerns. This concept advocates clustering of investments in specific geographical areas based on the assumption that scale and concentration interact to generate greater growth and impact; in other words, the size of the multiplier increases with the scale of operations. Smaller and thinly spread investments/operations generate limited employment, incomes and spending.

Conversely, other things being equal, large and concentrated investments generate significant employment, incomes and spending. For example, a large-scale investment that creates 100 jobs and generates additional income and spending for 100 households is likely to encourage the establishment of additional services, such as dispensaries, food and beverage outlets, a day-care/ nursery school, and places of worship for employees. In turn, this may generate a second round of employment opportunities, incomes and spending in the locality, which encourages a third round. And so on.

Such expansion, however, is unlikely to be generated by a small project which creates, for example, only 5 jobs and additional income for 5 households. In this case, development is likely to be limited to the first round of investment. Therefore, countries can seek to increase the multiplier by adopting a selective 'growth pole' policy. Concerns about equity implications of the policy are based on the false assumption that opportunities follow people. Yet practice shows that the reverse is true: people follow opportunities.

In Tanzania, the natural resources with the highest potential for increasing the country's comparative advantage are clustered in specific geographical areas. The choice is between exploiting these advantages for higher and sustained growth, or spreading investment thinly across the country for lower and unsustainable growth. By choosing the latter course, Tanzania also risks losing existing comparative advantages as a consequence of inadequate investment in strategic locations and sectors. For example, Tanzania's comparative advantage in supplying transport services to landlocked neighbouring countries may disappear if one of the other nations along the coast adopts a similar growth strategy but allocates resources more quickly for its implementation.

An Enabling Environment for Growth

Promotion of an enabling environment for strong economic growth necessarily extends beyond macroeconomic stability, good governance and liberalisation. A strong growth strategy must also aim to maximise the benefits and minimise the costs of implementation. For example, implementation of a growth strategy should not result in the collapse of incomes in sectors and activities not directly chosen as drivers of growth, unless a natural process of absorption into higher productivity activities has occurred. If a growth agenda leads to serious income losses among some groups in society, such a strategy would lose public support as well as undermine the credibility of politicians. Any strategy, therefore, must ensure that incomes rise for as many groups as possible, while accelerating the rate of growth via the selected growth drivers. It is critical to underline that, choosing specific growth drivers does not imply relegation of other sectors or activities.

In addition, an enabling environment overall has to be created to support sector linkages so that the selected growth drivers can provide positive spillover to other key sectors of the economy. The government should continue to promote macroeconomic stability, good governance and liberalisation with the objectives of reducing the cost of doing business in Tanzania and minimising rent seeking associated with the implementation of regulations, licences, etc. Furthermore, the provision of good quality, broad-based, basic education and health services should continue. This will enable individuals to take full advantage of opportunities arising from economic growth. But investment in essential services must be carefully planned, and macroeconomic stability must not be sacrificed in the process.

Technical expertise and innovation should also encouraged, and the successes of some privatised companies - in banking, telecommunications, breweries, and agriculture to select a few examples - should be examined to determine if they can be replicated in other parts of the economy. In agriculture, while Tanzania may have lost ground in markets for some traditional crops, future opportunities may present by strategically positioning Tanzania within global value chains to take full advantage of technological developments made elsewhere. Active policy support is necessary to encourage organisational innovation that will enable farmers to integrate into global value chains. Integrated producer schemes in the tea and sugarcane industries have managed to raise the productivity of smallholders, providing valuable evidence that foreign direct investment working closely with the domestic private sector in an enabling policy environment can promote knowledge and innovation for increased productivity and incomes.

Lastly, the roles and responsibilities of supportive institutions during different phases of the growth strategy should also be considered. Developing a strategic growth agenda may require a specific institutional framework, which is then complemented by another framework to sell the strategy and mobilise support, and yet another framework for implementation and monitoring of the strategy. Establishing a single institutional framework is unlikely to suffice in all phases of the process. Flexibility is crucial to allow change to take place. All too frequently, institutions become rigid and unable to adapt to evolving demands and circumstances.

A Final Note on the Selection Process

As described in this chapter, the successful development of Tanzania's growth strategy and the selection of growth drivers must be based upon sound and comprehensive analysis. Although this work is technical in nature, the knowledge to attain these objectives cannot be possessed by any single individual or organisation. An interactive and consultative process involving all key stakeholders in the economy is, therefore, vital for achieving the best possible outcomes.

However, a consultative process can be expensive and, at times, self-defeating, especially when it is not analytically driven. This may happen when discussions become an end in themselves rather than concrete steps towards achieving desired outcomes. Such consultations are often not sufficiently focused, and can exhaust considerable time and resources by striving to include unmanageable numbers of groups within society. As a consequence, a very broad agenda may be developed to satisfy the interests of the many groups involved. In sum, this type of consultative process will not lead to the desired result of designing a focused national growth agenda.

The question then is how to manage the process and still achieve a focused result given the diversity of interests in Tanzanian society. Experience shows that strong political will and leadership is important from the outset. Overt signals from the government must be shown in favour of an analytically driven growth agenda which supports Vision 2025. In the absence of clear signals from the top leadership, specific group interests will likely fill the vacuum and dominate the agenda at the expense of an analytically driven process. Given the overriding national desire for high levels of growth that benefit Tanzania's development, high level support is essential to establish and maintain a disciplined and credible process for developing a strongly focused and consistent growth strategy.

Conclusion

This chapter aims to initiate discussion about strategic choices for accelerating and sustaining broad-based growth in Tanzania. It argues that Tanzania's growth strategy must be developed within the global context and makes the case for a more focused growth strategy based on the natural resources that give Tanzania unique advantages over other countries. At the same time, it recognises that the country currently has a shortage of skilled labour and, therefore, cannot choose high-skill intensive activities, at least over the short to medium term.

The growth strategy focuses instead on Tanzania's comparative advantages of geographical location, landscape and biodiversity, and ecological and geological conditions. Transport services to landlocked neighbours, tourism, horticulture and mining emerge as obvious choices for growth drivers. Agriculture is more likely to be a beneficiary of other drivers rather than a leading growth driver itself due to the low-skilled labour force domestically and the strong competition for markets internationally. In recent decades, Asian and Latin American countries have significantly increased productivity and now have competitive advantage over Tanzania. For similar reasons, skill-intensive manufacturing is excluded from the selection of growth drivers over the short run.

Providing transport services to landlocked neighbouring countries will necessitate improvements in transport infrastructure, including port facilities, railways, roads and air transport. However, the expansion of transport infrastructure and services will produce significant direct and indirect growth effects. 'Transport services', therefore, not only represent a growth driver but will also be an enabling factor for the other growth drivers selected. Given resource constraints, 'transport services' is the first recommendation for a national growth driver. It has a high level of complementarity with other growth drivers and the rest of the economy as well as strong potential for building future competitive advantages.

Tourism also has enormous impact potential, especially if backward linkages are developed which establish activities that supply quality goods and services. Currently, the hotel and transport sectors are fairly import intensive. In addition, horticulture has potential as a growth driver. However, the initial scale and impact of this sector may cast doubt on its selection; and achieving quality standards may require large investments. Mining has significant impact potential if concerted efforts are made to develop the domestic supply of quality goods and services to the mining sector; currently most of the goods and services utilised by the mining sector are imported.

This chapter also contends that choosing a few growth drivers and concentrating investments in a few geographical areas would produce higher and more sustainable growth than to spread resources over many activities/sectors and large geographical areas. It is further argued that the policy of selective 'growth poles' does not necessarily lead to growing inequality, because evidence has shown that people follow opportunities.

Underlying the choice of growth drivers is the need to strengthen the enabling environment for business in Tanzania. Four important elements were identified in promoting an enabling environment:

i. Macroeconomic stability, good governance and reducing the cost of doing business so as to support sector linkages and facilitate positive spillover from growth sectors to the rest of the economy;

ii. Human resource development to fulfil the requirements of the growth drivers;

iii. Promotion and replication of good practices in Tanzanian businesses that are strategically positioned within global value and technological chains in order to facilitate the use of technical expertise and innovation in the local economy; and

iv. Flexible and supportive institutions for facilitating change.

Finally, the contribution of all sectors of the economy and all groups within Tanzanian society is vital for accelerating and sustaining growth and reducing poverty. This implies the strong involvement of other sectors and activities not specifically selected as growth drivers, rather their relegation.

CHAPTER 10

Managing Water Resources to Enable Growth

This chapter analyses water resources in Tanzania and re-positions the national water supply as a growth enabler. It argues that water usage needs to be aligned with the country's growth strategy, and emphasises the need to prioritise the strengthening of water management and infrastructure in Tanzania's nine river basins.

Introduction

Historically, the performance of the Tanzanian economy has largely been a function of rainfall availability because the nation's key economic sectors rely directly or indirectly on water resources. The critical importance of an adequate water supply was highlighted in the decline in real GDP growth from 6.7% (2005) to 6.2% (2006) which in part was attributed to severe droughts during the 2005/06 rainy season. During this period, the crop sub-sector experienced nearly a 20% fall in growth (from 5.2% in 2005 to 4.0% in 2006), while growth in electricity and water sectors declined from 5.1% to -1.8% in 2006.[62]

Given this situation, this chapter focuses on the management of water resources for socio-economic development. The case is made that Tanzania has considered water as a scarce resource for far too long. Indeed, the opposite is true: the country has an adequate supply of water resources to support the requirements of all users. However, a national planning approach that incorporates all of Tanzania's nine river basins is needed that matches water potential to water requirements, and is backed by adequate infrastructure and institutional development. Moreover, this alternate view posits the disputes in utilisation of water resources commonly experienced in recent years as arising primarily from weak management and inadequate infrastructure in water basin areas.

An Overview of Water Resources in Tanzania: Scarcity Amid Abundance

Overall, Tanzania is blessed with abundant water resources. The country shares three of the largest freshwater lakes in Africa with neighbouring states, and according to Food and Agriculture Organization (FAO), Tanzania had 2,466.9 and 2,291.2 m^3 per capita of renewable water resources for 2006 and 2007 respectively.[63] In addition, the National Irrigation Master Plan estimates that current levels of water use require less than 1% of the total rainfall received annually (see Table 25). However, despite this aggregate sufficiency in water supply, widespread water scarcity prevails. There are three reasons why this is the case.

62 URT. (2007). The Economic Survey 2006. The Domestic Economy http://www.tanzania.go.tz/economicsurveyf.html

63 A country with renewable water resources below 1000 m^3 per capita is defined as 'water scarce'. Assuming current levels of population growth, renewable water resources in Tanzania by 2025 are predicted to drop to 1,500m^3 per capita per year.

Table 25: General Water Balance[64] in Tanzania Mainland
(Annual Mean Supply (million m^3)

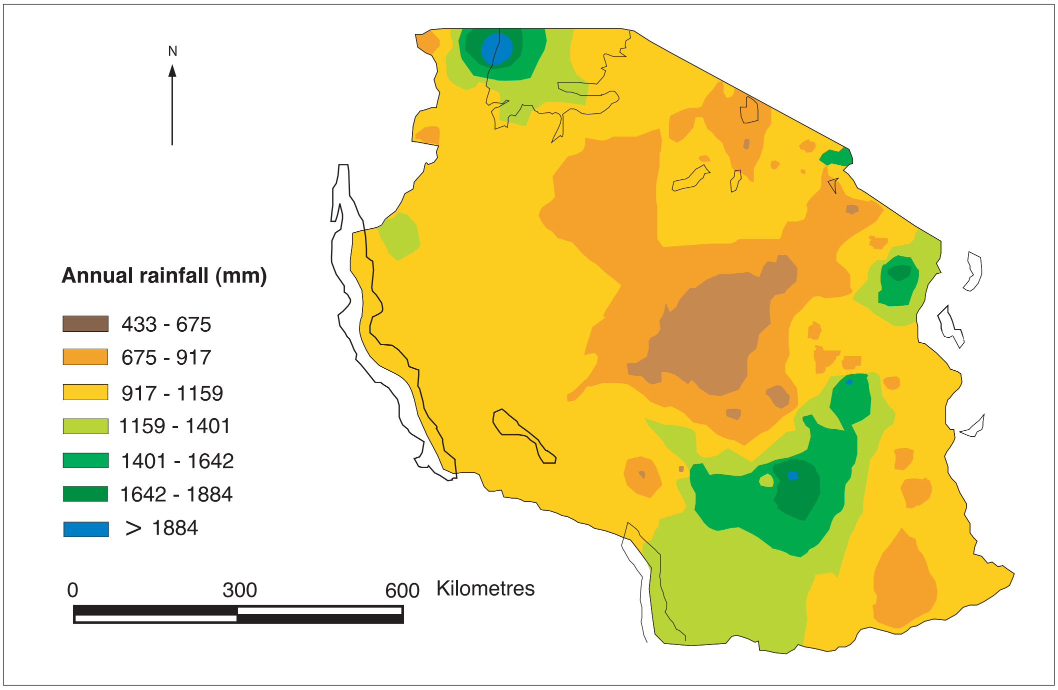
	Inflow	Outflow
Rainfall	921,032 100%	
Evapo-transpiration		827,313 89.8%
Runoff (into lakes and oceans)		89,530 9.7%
Ground water recharge		3,725 0.4%
Water use (domestic, irrigation and livestock, (excluding non-consumptive uses)		5,116 0.6%

Source: URT, 2002 National Irrigation Master Plan. Main Report

First, Tanzanian water resources are unevenly distributed, both in time and location. Some parts of Tanzania receive over 1,600mm of rain annually while the central dry sections of the country receive around 600 mm (see Figure 26). This spatial and temporal variability in water supply creates localised and intermittent shortages which in some cases limits economic activity. In light of population growth and climate change projections of increasing variability, the current shortages are cause for concern. Left unchecked, intermittent and localised shortages may worsen to limit production year round. The uneven distribution of water is not, however, the main reason for shortages. Rather, the current inadequacies in national capacity to manage water resources significantly underlie shortages and user conflicts.

64 Water balance refers to the quantitative representation of water inflows and outflows in a particular area in any given time. Water balance is calculated from mean annual rainfall, estimate groundwater recharge, run-off data and current levels of water use. For Tanzania, inflow was equated to total annual rainfall and outflows calculated from runoff, groundwater recharge and evapo-transpiration

Figure 26: Map of Annual Rainfall in Tanzania



Source: Ministry of Water, Water Resources Division, 2005

The second reason for water scarcity is inadequate water storage capacity. Tanzania has not been able to satisfactorily harness its water resources to achieve water security[65], in part because of the lack of strategic, multi-purpose, artificial (man-made) water storage facilities (World Bank, 2005). Currently, the country has 22 reservoirs. However, apart from several large reservoirs built to regulate flows for power generation (e.g. Mtera and Nyumba ya Mungu), most other dams have small installed capacity (between 0.5 - 2.5 million cubic meters). Given this limited storage infrastructure, rain water is allowed to quickly run-off and, as a result, Tanzania is not able to safeguard against variability and unpredictability in water supplies and reduce the duration of dry spells.

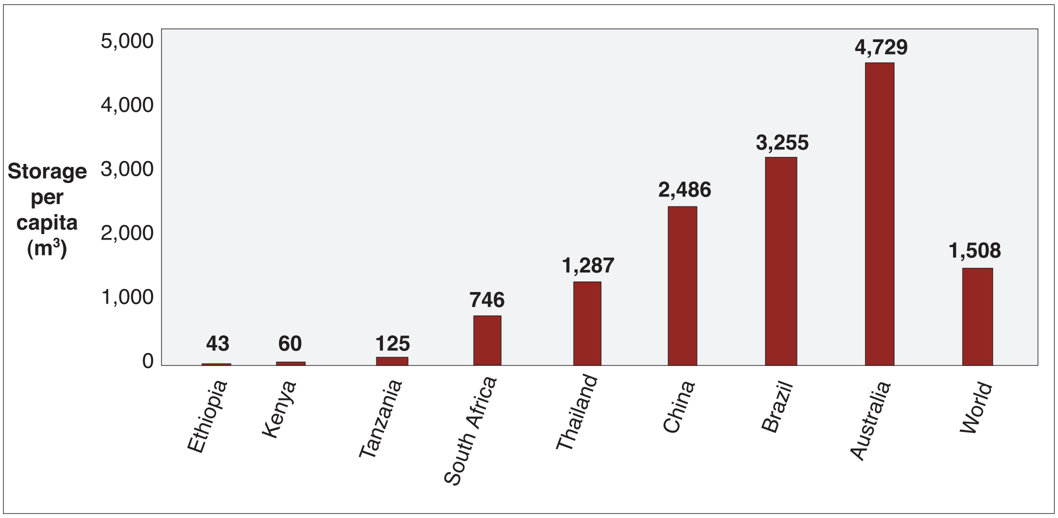
Although Tanzania has plenty of natural storage in the form of perennial rivers, lakes and groundwater, these are inaccessible to large segments of the population. The failure to strengthen the infrastructure for harvesting and storing water, therefore, decreases the availability of an otherwise abundant water supply. Resulting shortages have led to increased socio-economic pressures and sometimes conflicts among users particularly during prolonged dry periods.

In contrast, other countries that face similar unpredictability in rainfall have invested heavily in multi-purpose storage facilities and, consequently, they are able to better handle adverse conditions (see Figure 27). Indeed, expanding water storage continues to be the main strategy employed by these countries to meet increased water needs arising from population growth, weather variability and the demands of water-dependent productive activities. In growing economies such as China investing

65 Water security is defined as the reliable availability of acceptable quantities and quality of water for production, livelihoods, health combined with levels to mitigate risks caused by unpredictable weather.

in multi-purpose storage capacity has become a high priority in recent years. For example, in 2005, China increased its man-made storage capacity through large and medium reservoirs by about 12.4% (P.R.C. Ministry of Water Resources, 2005).

Figure 27: Water Storage per Capita for Selected Countries [66]



Source: Adapted from World Bank 2005

The third reason underlying the problem of water scarcity nationally relates to the institutions that manage the country's water resources. In Tanzania, Basin Water Offices (BWOs) are responsible for coordinating water utilisation as well as enforcing standards in relation to pollution, water source degradation and trans-boundary management. However, these offices were only recently established and require significant capacity building to overcome institutional weaknesses. The management challenges faced by these water authorities are discussed in the following section.

Tanzania's River Basins: Water Uses and Management Challenges

Tanzania's water resources are divided into nine river basins for the purpose of planning and management (see Figure 30). Each basin has a central Basin Water Office responsible for:

- Coordinating the planning and utilisation of water resources;
- Collecting date for water resource assessment and monitoring;
- Issuing water use and discharge permits as well as enforcing regulations and revoking permits if necessary;
- Fostering cooperation between sectors at the local level, and
- Resolving conflicts and coordinating stakeholders.[67]

66 The figure for Tanzania is estimated by adding up the installed capacities of main reservoirs of Mtera, Nyumba ya Mungu and dividing this figure by the total population. Figures were provided by Water Resources Management Department - Ministry of Water

67 Ministry of Water and Livestock Development, 2006

A summary of water potential and management challenges for each river basin is included at the end of this chapter. All nine basins experience considerable management challenges, and user disputes are becoming common in many areas during dry seasons.

Figure 28: River Basins in Tanzania

Source: Ministry of Water and Livestock Development, Water Resources Division

Basin Water Offices were recently established as part of ongoing reforms in the water sector. Offices for Rufiji and Pangani river basins began operating in the 1990s; all others commenced operations after 2000.[68] Most offices are still young and have serious institutional weaknesses - technical, administrative and financial - to perform their functions adequately (Ministry of Water and Livestock Development (MOWLD), 2007). For example, Basin Water Offices are responsible for coordinating the planning and utilisation of water resources, but currently they face considerable operational and informational constraints including: inadequate basin-wide hydrological information; limited inventory of informal and formalised water users with customary and formal water rights; infrequent comprehensive development plans to support monitoring of water use and guide investments along

68 Pangani River Basin(1991), Rufiji River Basin (1993), Lake Victoria Basin (2000), Ruvu/Wami River Basin (2002), Lake Nyasa Basin (2002), Lake Rukwa Basin (2003), Internal Drainage Basin (Lakes Eyasi, Manyara, Natron and the Bubu depression) (2003), Ruvuma River and the Southern Coast Basin (2004), Lake Tanganyika Basin (2004).

the basin; and weak human resource capacity. The offices also face the complex task of undoing the cumulative impact of past uncoordinated sectoral and local water resources utilisation (see below).

Even in Rufiji Basin where a central development institution has been established since 1975 to coordinate multi-sector development, similar problems persist. Capacity constraint and institutional positioning of the Rufiji Basin Development Authority (RUBADA) have resulted in a sectoral focus on resource development rather than a multi-sectoral basin-wide view of resource development. In addition, RUBADA has shifted between several government ministries since its establishment; from the former Ministry of Development Planning to Ministry of Energy, back to Development Planning, and most recently to the Ministry of Agriculture, Food Security and Cooperatives in 2005. These transfers may have echoed changing national priorities over this time but they also introduced sectoral bias into the planning and utilisation of water resources.

Water Use and Management Challenges:
Examples from Pangani and Rufiji Basins

Pangani Basin: Power Generation versus Small-Scale Irrigation

Electricity generation at the New Pangani Falls (NPF) power plant appears to be constrained by decreasing water inflows. In turn, the decreasing inflows are due to the combination of less rainfall and increased abstractions upstream from the plant due to irrigation. Nyumba ya Mungu Reservoir was built in 1968 to regulate the flow for hydropower production and other downstream uses but since its establishment the increased abstraction both upstream and downstream of the dam has reduced flows into NPF. At the time of construction, water available for electricity production was estimated at 800 million m^3 but recently this dropped to 600 million m^3. Blame has been directed at small-scale irrigators with customary water rights and the lack of capacity of water institutions to monitor abstractions. Table 26 shows power generated at NPF decreased between 1995 and 2000 with generation expected to fall further over the long term.

Table 26: Power Generation for New Pangani Falls Power Plant

Year	Average Energy GWh/year	Random Energy GWh/year
1995	367	54
2000	353	56
Long Term	321	62

Sources: Andersson et al. (2002), International Union for Conservation of Nature and Natural Resources (2003)

Pangani Basin:
The Lower Moshi Irrigation Scheme - Conflict Among Rice Farmers

Before the Lower Moshi Irrigation Scheme (LMIS) was developed in 1987, few rice paddies were irrigated and farmers could expect to harvest about 2 tonnes of rice per hectare (ha). Following completion of the scheme, yields increased to 8 tonnes per hectare, prompting farmers outside and upstream of the project to replicate the scheme's farming techniques. As a result, water demands increased substantially, causing chronic water shortages downstream of the LMIS. Moreover, the scheme itself has suffered from water shortages due to increased abstractions upstream, and has been forced to reduce the area under irrigation from 2,300ha in 1987 to 647ha in 1994. Farmers involved in the scheme were very unhappy. These farmers explained that their water allocations followed a well planned programme, unlike upstream users who had no such programme but had been granted water rights despite the foreseen impacts on the LMIS. Farmers within the scheme claimed that upstream users had influence within government circles, so they could not be challenged.

Source: Mujwahuzi (2001)

Rufiji Basin: Hydropower Generation, Irrigation and Pastoralist Activities

Rufiji Basin comprises the Great Ruaha, Kilombero, Luwegu and Rufiji rivers with 15%, 62%, 18% and 5% of total basin runoff respectively. Over the past decade the once perennial Great Ruaha River has turned seasonal and, since 1993, the river dries up for several weeks of the year. The Great Ruaha case study is a good example of competition between water users: between upstream farming, predominantly irrigated rice production, and downstream environmental needs (wetlands and a National Park) and hydroelectric power generation.

From the early 1990s, it became clear that with each passing year, the water that reaches Ruaha National Park from the Usangu water catchment was decreasing. The drying up presents a serious problem to wildlife in the Ruaha National Park. Also downstream, the Mtera Reservoir collects water from the Great Ruaha and a number of other rivers including the Little Ruaha, Kisigo, Bubu, Fuifu, Mwega, Lukosi, and Yovi rivers. Besides having an 80 MW generating capacity, the Mtera Reservoir acts as a regulating reservoir for the larger 204 MW Kidatu hydropower scheme further downstream.

The Usangu water catchment area has experienced increased pressure from rice irrigation even in dry seasons and an influx of large cattle herds by pastoralists from Sukumaland. Studies have found that the Great Ruaha was drying up due to abstractions due to expanded irrigation during the dry season and not due to climate change. Scientific investigation, however, has shown that it is possible to restore the perennial flow of the Great Ruaha River without reducing rice production, through a combination of improving irrigation efficiency and synchronising planting. Expert opinion also acknowledges that the increasing number of pastoralists in Usangu has caused wetland degradation, but official reports do not associate the degradation with the water crisis at the Mtera Reservoir although popular opinion (news and print media) does. The power crisis of 2006 resulting from low water levels in the Mtera Reservoir is a classic example of conflicts in usage of water resources. At the peak of this dispute, pastoralists were relocated from the Usangu catchment to other areas along the Rufiji Basin and Ruvu/Wami Basin as one strategy to reduce water stress along the Great Ruaha River.

Sources: World Bank, 2006; Lankford, 2004; Sustainable Management of Usangu Water Catchment (SMUWC), 2002

The examples given above clearly illustrate that, even in areas of high water potential, water resources need to be efficiently and effectively managed to support services and productive activities. Institutional weaknesses coupled with inadequate infrastructure exacerbate perceptions of water scarcity. To date, water authorities have perpetuated an approach to management and utilisation practices which has led to the impression that users (various services and productive activities) must compete for allocations. For example, the debate about irrigation and pastoralists activities upstream from Ruaha National Park highlights the importance of carefully weighing the evidence, objectively addressing the challenges, and devising long-term solutions for water use which are not clouded by popular opinion and the strategic actions of a few interest groups. Overall, this example illustrates the key point that it is possible for various users to be accommodated if the planning and allocation of basin-wide water resources is better managed.

Water as an Enabling Resource for Growth

Improvements in water security are necessary to satisfy the water needs of all users and to stimulate economic growth, and the case for better management of water resources is clear. Yet the details of what investments should be made to reap the greatest benefits require careful consideration. A step-by-step analysis is recommended beginning with an assessment of potential water resources for different water uses and the scale at which these activities can be supported, followed by a process of aligning the water resources identified to user requirements.

Matching Potential Resources with Potential Uses

Water resource assessments are vital because they provide a framework that matches water potential with the full spectrum and scale of activities/uses. The first comprehensive assessments in Tanzania were carried out in the 1970s to produce Regional Water Master Plans. A second major assessment was conducted in 1995. This was a rapid assessment but provided an outline of the potential and direction for water management issues in every river basin (URT, 1995). Lastly, other basin-level assessments were undertaken in Rufiji and Pangani as part of the World Bank funded River Basin Management and Small Scale Irrigation Improvement Project.

All of these assessments are valuable for identifying potential uses for each basin, informing the institutional requirements for water resource authorities, guiding water allocation, and providing a basis for monitoring utilisation. In addition, sectoral assessments have been carried out for irrigation and electricity generation, as well as environmental assessments for ecosystem integrity in the Pangani, Rufiji and Ruvu/Wami basins. However, these more focused assessments need to be placed within the basin-wide context to ensure an equitable balance of interests that avoids bias and conflicts.

Building on data from the research to date, each Basin Water Office (BWO) needs to develop a basin-wide strategy for allocating and ensuring the replenishment of water resources. Taking a basin-wide view will allow BWOs to assert their coordinating role and enable users to understand water issues beyond their local administrative boundaries. The integration of sectoral requirements and environmental needs, as well as the interaction of upstream and downstream use of water resources, clearly call for strategic basin-wide planning. Basin-wide plans should provide a point of convergence for all sectoral plans and water requirements and a framework for the issuing of water use permits and thus water allocation.

Aligning Water Resources to Support Economic Growth

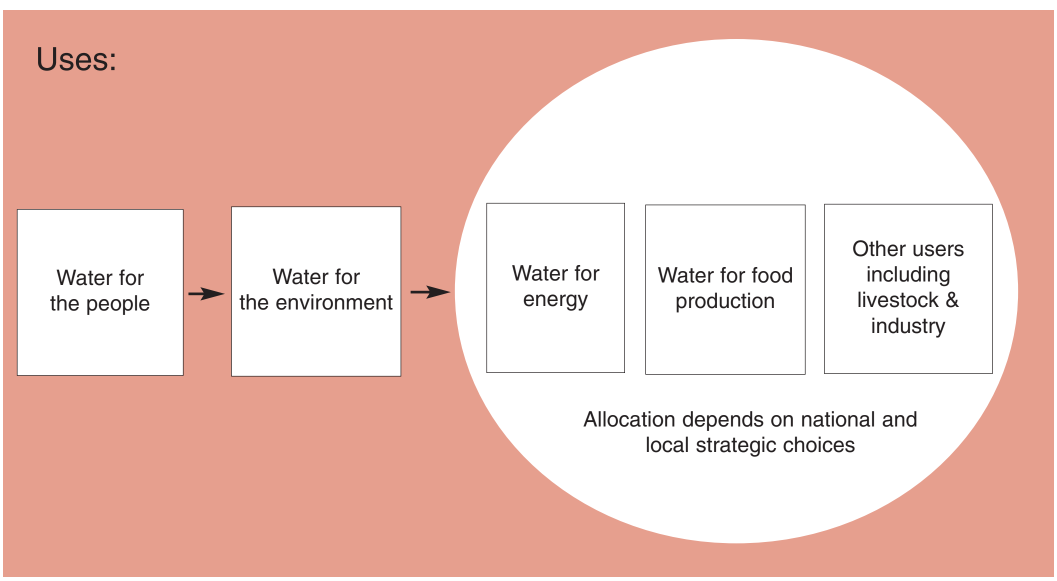
Chapter 9 of this report makes the case for a prioritised national growth strategy. It recommends that the development of such a strategy should be based on analysis which identifies the opportunities and constraints of potential growth drivers for Tanzania, and then selects a limited number of drivers for priority investment. Water is likely to be a key enabler for whichever growth drivers are chosen. Therefore, water basin offices need to take this into full consideration when undertaking their basin-wide assessments and devising water resource strategies. In this way, regional water strategies will closely link to, and align with, the national growth strategy thereby ensuring complementarity and the contribution of the water sector in enabling growth and reducing poverty.

Ensuring that water basin strategies reflect national growth priorities as a guiding principle aligns well with government's policy of water allocation articulated in the Water Sector Development Strategy (MOWLD, 2007). The WSDS states:

> *"Allocation of water for basic human needs in adequate quantity and acceptable quality will receive highest priority, while other uses will be subject to social and economic criteria. Water for protection of the environment and ecosystems will be reserved."*

The WSDS is also forward looking in that it recognises that water allocation based solely on central criteria is not feasible. The policy acknowledges the importance of strategic allocation among users as well as differences in river basin characteristics (see Figure 31). This recognition is critical for the future development of water resources in Tanzania because each water basin has unique characteristics which must be taken into account in planning. Basin characteristics are provided in some detail in the tables at the end of this chapter. In addition, the WSDS recognises that some basin areas will play a larger role in enabling national growth drivers than others.

Figure 29: Water Allocation Criteria



The WSDS acknowledges the diversity of water users. Nonetheless, as discussed previously, even with wide ranging demand there is substantial under utilisation of water potential overall. Domestic (including industrial) consumption only accounts for a very small proportion of total water usage (2.1%).[69] Given this small percentage, domestic consumption should not be in conflict with other water uses. However, the quality of the domestic water supply is recognised as a potential source of conflict. Tanzania has not yet established water requirements for environment/ecosystem integrity for most of the country's river basins but judging from experience in other countries water quality considerations will be more pertinent. Water for productive purposes, on the other hand, has been at the core of most disputes. This again is not due to a lack of water resources overall but is the consequence of inadequate infrastructure and current ad hoc water management practices, such as uncoordinated sector and user allocations.

69 FAO estimates that irrigation accounts for 97.3% of total water use, followed by domestic and industrial use at 2.1% and livestock at 0.6%.

The alignment of water uses to support both services and productive activities needs to be foundation of each basin- wide strategy. Once these strategies are in place, follow-up action will be required to adjust usage levels and ensure that the water requirements of the selected national growth drivers are met. Investments in infrastructure and services should be promoted that open up new areas of opportunity and give appropriate signals to attract people to new areas (inter-basin and intra-basin) of high water potential that are currently under-utilised. This will not only decongest currently disputed areas but also expand productive activities.

Areas with electricity generating capacity illustrate how opening up new areas and balancing user needs may be accomplished. For example, if electricity generation in the Rufiji River Basin is selected as a growth enabler, most of the potential sites for hydro-development are located in the Iringa region. These include Ruhuji (360 MW), Mpanga (144 MW) and Mnyera (485 MW) (TANESCO, 1995, 1998, 1999; URT, 1981). However, generating power at these sites may necessitate restricting high levels of water[70] use for irrigation and settlements upstream. But since power generation is a non-consumptive use of water these activities could be allowed downstream. Balancing and integrating user needs in the Rufiji Basin could include promoting irrigation along the Kilombero and Rufiji valleys while regulating the scale of irrigation upstream where the water is required for power generation. According to NIMP the Kilombero and Rufiji valleys have substantial irrigation potential and low irrigation coverage (URT, 2002). The potential irrigation area has to be re-examined however, with much of the Kilombero Valley Floodplain (796,735 ha) listed on 25 April, 2002 as a wetland of international importance according to the Ramsar Convention.[71]

This process of identifying alternative and strategic actions and mediating users' requirements underlines the necessity for strong and empowered institutions in terms of finances, legal authority, and administrative and human resource capabilities. Political support of these institutions at both national and local levels is critical because while the national level may promote growth drivers which require water as an enabler, it will be users at the local levels who have to adhere to restrictions on water use. The notion of unlimited abstraction may no longer be possible. The challenge will be for local water authorities to increase understanding among local users of the strategic importance of basin-wide approaches and the national growth agenda in sustaining and improving livelihoods and reducing poverty in Tanzania.

70 Non-consumptive use of water does not degrade water in terms of quality and quantity. Once used water can still be utilised for other purposes. Examples of non-consumptive use are hydropower generation and fisheries.
71 The Ramsar Convention on Wetlands, Ramsar, Iran, 1971. The Convention came into effect in Tanzania on 13 August 2000.

Conclusion

This chapter has outlined the importance of water to the Tanzanian economy, and has challenged the commonly held notion that there is a national water shortage. It makes the case that with improved management and infrastructure Tanzania's abundant water resources could contribute significantly more to the country's development. To achieve this outcome, two important actions are needed. First, public investment decisions in the water sector need to mutually reinforce the national growth agenda. Secondly, basin-wide strategic plans should be developed which improve the coordination of user demands and safeguard water resources now and into the future.

In addition, basin-wide strategies need both high-level and local political support to address the urgent needs for:

- Optimal water resource planning and management, which matches with both the requirements of local users and national growth priorities;

- Infrastructure (in terms of multi-purpose man-made storage facilities) to overcome spatial and temporal shortages of water; and

- Conflict resolution by unlocking un-utilised water catchment areas to draw productive activities away from congested areas with high water demands.

All of these propositions reinforce the National Water Policy and the Water Sector Development Strategy, and are recommended as the way forward in managing Tanzania's water resources in a sustainable way while enabling economic growth.

Table 27: Estimates of Present Water Uses and Water Management Issues for Tanzania's Nine River Basins

Drainage Basin	Catchment Area (sq. km)	Annual Mean Run-off (mm)	Annual Mean Run-off (mm)	Present Water Use					Summary of Water Management Issues
				Consumptive Uses			Non-consumptive Uses		
							Electricity Generation		
				Domestic (million m^3)	Irrigation (million m^3)	Livestock (million m^3)	Installed capacity (MW)	Potential Sites (MW)	
Pangani	56,300	1,001.9	31.5	57.6	1,205.1	14.8	Hale 21 Nyumba ya Mungu 8 New Pangani Falls 68	Mandera 21	• Intra- and inter-sector water allocation conflicts, including reduced flows to New Pangani Falls power plant, and Lower Moshi Irrigation Scheme not fully operational due to inadequate water supply • Drying up of Kirua Swamp • Degradation of Lakes Jipe and Chala • Catchment degradation • Over abstraction at Pangani • Saline intrusion

<table>
<tr><th rowspan="4">Drainage Basin</th><th rowspan="4">Catchment Area (sq. km)</th><th rowspan="4">Annual Mean Run-off (mm)</th><th rowspan="4">Annual Mean Run-off (mm)</th><th colspan="5">Present Water Use</th><th rowspan="4">Summary of Water Management Issues</th></tr>
<tr><th colspan="3">Consumptive Uses</th><th colspan="2">Non-consumptive Uses</th></tr>
<tr><th rowspan="2">Domestic (million m^3)</th><th rowspan="2">Irrigation (million m^3)</th><th rowspan="2">Livestock (million m^3)</th><th colspan="2">Electricity Generation</th></tr>
<tr><th>Installed capacity (MW)</th><th>Potential Sites (MW)</th></tr>
<tr><td>Ruvu/Wami</td><td>72,930</td><td>765.1</td><td>51.7</td><td>68.5</td><td>268.8</td><td>6.1</td><td></td><td></td><td>• Water shortages for Dar es Salaam
• Catchment degradation
• Pollution from industrial discharges and agro-chemicals
• Urban sewage pollution
• Dropping groundwater tables in Dar es Salaam and saline intrusion</td></tr>
<tr><td>Rufiji</td><td>177,420</td><td>988.3</td><td>185.9</td><td>74.8</td><td>1,183.9</td><td>22.8</td><td>Kidatu 204
Kihansi 180
Mtera 80</td><td>Ruhudji 360
Masigira 118
Mnyera 485
Mpanga 144
Stigler Gorge 2,100</td><td>• Intra- and inter-sector water allocation conflicts, including loss of dry season flows to Usanga wetlands and Ruaha National Park, low levels in Mtera Reservoir due to upstream abstraction and plant level operation, and degradation to Kihansi Gorge ecosystem
• Water pollution issues from irrigation and industry
• Changes in flow patterns in Rufiji delta
• Diffuse source sediment issues from widespread grazing
• Potential issues from additional hydropower development</td></tr>
</table>

Drainage Basin	Catchment Area (sq. km)	Annual Mean Run-off (mm)	Annual Mean Run-off (mm)	Present Water Use					Summary of Water Management Issues
				Consumptive Uses			Non-consumptive Uses		
							Electricity Generation		
				Domestic (million m^3)	Irrigation (million m^3)	Livestock (million m^3)	Installed capacity (MW)	Potential Sites (MW)	
Ruvuma and Southern Coast	103,720	1,050.0	20.5	36.3	187.9	1.8			• Flooding along Ruvuma River • High sediment loads in rivers during rainy season • Some areas with groundwater deficiency in fluoride and some with high iron content
Lake Nyasa	39,520	1,672.5	344.6	14.1	78.6	3.1		Rumakali 222	• Flooding in lower Songwe River • Unstable border due to meandering Songwe River • Health threats in Kyela from flooding • Large sediment loads entering Lake Nyasa from Songwe River, Livingstone Mountains and Kipengere Range • Pollution from coal mine and artisanal gold mining

Drainage Basin	Catchment Area (sq. km)	Annual Mean Run-off (mm)	Annual Mean Run-off (mm)	Present Water Use					Summary of Water Management Issues
				Consumptive Uses			Non-consumptive Uses		
							Electricity Generation		
				Domestic (million m^3)	Irrigation (million m^3)	Livestock (million m^3)	Installed capacity (MW)	Potential Sites (MW)	
Internal drainage	153,800	619.0	36.6	73.2	876.1	63.3			• Acute water shortages for urban and agriculture • Localised mercury pollution from mining activities • Lack of protection for groundwater recharge areas (some in neighbouring basins) • Catchment degradation • High natural fluoride levels in groundwater in certain areas
Lake Rukwa	88,180	1,095.0	104.5	27.5	319.3	9.6			• Mercury contamination of rivers in north of basin with potential accumulation in closed lake basin • Water access conflict between nomadic pastoralists and farmers in northeast sector of basin • Lake level rising

Drainage Basin	Catchment Area (sq. km)	Annual Mean Run-off (mm)	Annual Mean Run-off (mm)	Present Water Use					Summary of Water Management Issues
				Consumptive Uses			Non-consumptive Uses		
							Electricity Generation		
				Domestic (million m^3)	Irrigation (million m^3)	Livestock (million m^3)	Installed capacity (MW)	Potential Sites (MW)	
Lake Tanganyika	151,900	1,173.6	124.7	77.1	185.4	46.1			• Sediment affecting fish breeding in near-shore lake areas • Reduction in wetlands area, particularly Malagarasi River, from sedimentation • Unlicensed water withdrawal by refugee camps • Local effluent pollution • Agro-chemicals in rivers and groundwater • Potential effects of climate change
Lake Victoria	79,570	1,111.1	18.6	64.1	111.5	39.5			• Water quality degradation from livestock and agricultural practices • Mercury pollution from mining activities. Flow restrictions into National Parks due to upstream abstractions • Drop in lake level from climate effects and excess abstraction in Uganda

PART IV: CONCLUSION

CHAPTER 11

Conclusion to the 2007 PHDR

Each chapter of this report offers specific conclusions and recommendations. Here, a brief synopsis of the overall implications of the report's findings is provided, in accordance with the Research and Analysis Working Group's mandate to highlight policy implications of research.

Today, Tanzania has strategic opportunities to exploit its considerable natural and human resources while facing the challenges of managing these resources to accelerate economic growth and reduce poverty. To achieve these development outcomes, this Poverty and Human Development Report calls for a clear, coherent and prioritised growth strategy. Such a strategy should identify potential growth drivers based on an accurate analysis of their comparative and competitive advantages for Tanzania within the global context.

The call for a focused growth strategy is based on the assessment of recent trends in macroeconomic and social indicators for Tanzania, as well as public opinion of overall progress towards the goals of MKUKUTA. The core macroeconomic indicators show moderate levels of growth from 1995-2003 and a relatively strong macroeconomic context. Yet further analysis reveals that, despite steady increases, the growth trajectory since the mid-1990s has been slow. In addition, key macroeconomic indicators - inflation, fiscal deficit, and trade balance - are showing signs of slow slippage originating from as early as 2002/03. Credit to the private sector also remains limited to a small number of firms, the spread between lending and savings rates remains high, and foreign direct investment continues to be heavily concentrated in the natural resource sector with minimum spillover to other parts of the economy.

With respect to social services delivery, progress has been made in some areas with public opinion showing appreciation of gains, particularly in education. However, major challenges persist. The quality of education continues to be a major concern, and achieving broad-based equity in educational outcomes and meeting the needs of vulnerable children will require concerted efforts. In the health sector, there is no indication of any improvement in maternal mortality since the early 1990s. Moreover, neonatal mortality - which is closely linked to poor maternal outcomes - remains stubbornly high and now accounts for nearly half of all infant deaths. In the area of water and sanitation, MKUKUTA and MDG targets are unlikely to be achieved.

This assessment does not mean Tanzania has taken the wrong path in recent years in the management of the economy and the priority given to public investments in the social sectors (i.e. education, health, water). Rather, the direction chosen was necessary given the state of national development at the start of the new millennium. Prudent fiscal and monetary policies were put in place combined with expansion of basic social services and implementation of key public sector reforms. These actions provided the foundation for a step up in growth, yet it is important to recognise that further strategic choices are now needed in order to increase the pace of growth and development.

To start, review and adjustment of macroeconomic fundamentals are needed in light of new data to avoid further slippage. In addition, trends in public spending, which have required steady increases in social sector investments since 2001, may now need to focus upon effectiveness and efficiency gains in the provision of basic services.
In this way, human development will remain the necessary foundation of national development. Yet it is important to address the question: What strategic investment choices are needed in the social sectors to support Tanzania's growth agenda? Investment in the social sectors needs to be increasingly linked and aligned with the priorities in the national growth strategy so that any initiatives are mutually reinforcing. Growth, therefore, needs to provide the context for future social service development. In summary, this new path of public financing should ensure basic levels of social service provision for the entire population supplemented by strategic investment choices at higher levels that underpin the growth agenda. Public/private partnerships are likely to be an important modality for implementing strategic choices in the social sectors.

The central message overall is that strategic choices need to be made, and prioritisation is essential if growth is to be accelerated and sustained. Other countries' experiences, as well as our own, inform us that these choices must be made.

References

Afrobarometer (2006). *Briefing Paper No. 33: Combating corruption in Tanzania: Perception and experience.*
Available at http://www.afrobarometer.org/papers/AfrobriefNo33.pdf

Afrobarometer (2006). *Briefing Paper No. 34: Delivery of Social Services on Mainland Tanzania: Are people satisfied?*
Available at http://www.afrobarometer.org/papers/AfrobriefNo34.pdf

Alderman, H., Hoogeveen, J., and Rossi, M. (2006). *Preschool nutrition and subsequent schooling attainment: Longitudinal evidence from Tanzania.* Mimeo, World Bank.

Andersson, R., Wänseth, F., Cuellar, M., & von Mitzlaff, U. (2002). *Pangani Falls Re-development Project in Tanzania.*
Available at http://www.oecd.org/dataoecd/21/48/37309607.pdf

Bank of Tanzania (BOT). (2007). *Economic Bulletin for the quarter ended March 2007.*
Available at http://www.bot-tz.org/publications/QuarterlyEconomicBulletins/QER_Mar_2007.pdf

Hakielimu. (2006). *What do schools do to improve their performance in primary school leaving examinations?*

International Union for Conservation of Nature and Natural Resources (IUCN), East Africa Programme. (2003). *Pangani Basin: A situation analysis.*
Available at http://iucn.org/themes/wani/publications/pub/SituationPangani.pdf

Lankford, B. A. (2004). Resource-centred thinking in river basins: should we revoke the crop water approach to irrigation planning? *Agricultural Water Management* 68:1 33-46
Available at ftp://ftp.fao.org/agl/emailconf/wfe2005/Lankford_cwr_revoke.pdf

Masanja, H., & Ifakara Health Research and Development Centre. *Child Survival Gains in Tanzania: What can we learn?* (forthcoming)

Ministry of Agriculture, Food and Cooperatives. (2002). *National Irrigation Master Plan 2002.*

Ministry of Education and Vocational Training (MOEVT). *Basic Statistics in Education.* (various years). Dar es Salaam, Tanzania: MOEVT.
Available at http://www.moe.go.tz/statistics.html

Ministry of Health and Social Welfare (MOHSW). (2007). *National Road Map Strategic Plan to Accelerate Reduction of Maternal and Newborn Deaths in Tanzania (2006 - 2010).* Dar es Salaam: MOHSW

Ministry of Planning and Economic Empowerment (MPEE). (2006a). MKUKUTA Status Report 2006: *Progress towards the goals for growth, social well-being and governance in Tanzania.* Available at http://www.povertymonitoring.go.tz/documents/Status_Report_2006.pdf

MPEE. (2006b). *MKUKUTA Monitoring Master Plan and Indicator Information.* November 2006. Available at http://www.povertymonitoring.go.tz/documents/mkukutamasterplan.pdf

Ministry of Water and Livestock Development. (2007). *Water Sector Development Programme 2006-2025.*

Mujwahuzi, M. R. (2001). Water use conflicts in the Pangani Basin. In Ngana, J. O. (ed.). *Water resources management in the Pangani River Basin: challenges and opportunities.* Dar es Salaam, Dar es Salaam University Press: 128 - 137
Available at http://www.iwmi.cgiar.org/africa/files/riparwin/05/EARBM_Papers/Theme5/Ngaga.doc
http://www.uni-siegen.de/fb10/fwu/ww/publikationen/volume0305/pdf/mtalo.pdf

National Bureau of Statistics Tanzania (NBS). (2002). *Household Budget Survey 2000-2001*. Dar es Salaam: NBS.
Available at http://www.nbs.go.tz/HBS/index.htm

NBS (2003). *Population and Housing Census 2002.* Dar es Salaam: NBS.
Available at http://www.tanzania.go.tz/census

NBS (2005). *Agricultural Sample Census 2002-03. Preliminary Report of Basic Tables: Smallholder* Data. 1 August 2005.

NBS (2007a). *Integrated Labour Force Survey 2006.*

NBS (2007b). *Household Budget Survey 2007 Community Characteristics*

NBS and Macro International. (2000). *Tanzania Reproductive and Child Health Survey 1999.* Calverton, Maryland: NBS and Macro International Inc.

NBS & ORC Macro. (2007). *Tanzania Service Provision Assessment Survey 2006,* Preliminary Report. Calverton, Maryland, U.S.A.:NBS and ORC Macro.

NBS and Macro International (2005). *Tanzania Demographic and Health Survey 2004-2005,* Preliminary Report. Dar es Salaam: NBS and Macro International.

People's Republic of China, Ministry of Water Resources. (2005). 2005 *Water Resources Bulletin.* Available at http://www.mwr.gov.cn/gb/tj/egbmenu.asp

President's Office, Planning Commission (1999). *The Tanzanian Development Vision 2025.* Available at http://www.tanzania.go.tz/vision.htm

Research and Analysis Working Group (2002). *Poverty and Human Development Report 2002.* Dar es Salaam: Mkuki na Nyota Publishers.
Available at http://www.povertymonitoring.go.tz/documents/PHDR_2002.pdf

Research and Analysis Working Group (2003). *Poverty and Human Development Report 2003*. Dar es Salaam: Mkuki na Nyota Publishers.
Available at http://www.tanzania.go.tz/pdf/PHDR_2003.pdf

Research and Analysis Working Group (2005). *Poverty and Human Development Report 2005.* Dar es Salaam: Mkuki na Nyota Publishers.
Available at http://www.repoa.or.tz/documents_storage/PHDR_2005.pdf

Research and Analysis Working Group. (2008). *Views of the People Survey 2007.* Forthcoming

Research on Poverty Alleviation (REPOA) (2003). *Policy and Service Satisfaction Survey 2003.* Dar es Salaam: 2003
Available at
http://www.repoa.or.tz/documents_storage/Research_and_Analysis/PSSS_october_2003.pdf

REPOA. (2008). *Views of the Children Survey 2007.* Forthcoming

REPOA (2007). *Service Delivery in Tanzania: Findings from Six Councils 2000-2003*
Available at http://www.repoa.or.tz/documents_storage/Special_Paper_06.20.pdf

Sustainable Management of Usangu Water Catchment. (2002). *Restoring Flows in the Great Ruaha River: The Challenges Ahead*

TANESCO. (1999). *Power System Master Plan: Final Report*

TANESCO. (1998). *Tanzania Power VI Project: Feasibility study for Hydropower Project. Ruhuji Hydropower Project, Final Report.*

TANESCO. (1995). *Feasibility Study of the Mandera Hydroelectricity Power Project: Final Report.*

Tanzania Commission for AIDS (TACAIDS), National Bureau of Statistics (NBS), and ORC Macro (2005). *Tanzania HIV/AIDS Indicator Survey 2003-04.* Calverton, Maryland, USA: TACAIDS, NBS, and ORC Macro.
Available at
http://www.tacaids.go.tz/modules/documents/index.php?action=downloudhlerhlename=Tanzania%20(thIS)%20-9020A4

TRAFFIC Report. (2007). *Forestry, Governance and National Development: Lessons Learned from a Logging Boom in Southern Tanzania.* TRAFFIC: East/Southern Africa.

United Republic of Tanzania (URT). (Various years). *The Economic Survey.*
Available at http://www.tanzania.go.tz/economicsurveyf.html

URT. (1981). *Tanzania Power Sector Studies.* Appendices, Volume 1.

URT. (1995). *Rapid Water Assessment.*

URT and World Bank. (2003). *Tanzania Country Procurement Assessment Report (CPAR).* Available at http://www-wds.worldbank.org/servlet/WDSContent Server/WDSP/IB/2004/05/24/000160016_ 20040524160653/Rendered/PDF/264311TANZANIA1VE0SUMMARY01april030.pdf

Vice-President's Office (VPO) (2005). *National Strategy for Growth and Reduction of Poverty (NSGRP). June 2005.*
Available at http://www.povertymonitoring.go.tz/documents/mkukuta_main_eng.pdf

WaterAid Tanzania, March 2003. *Prospects for the poor: water reforms and private sector participation in Dar es Salaam, Tanzania.*
Available at http://www.wateraid.org/documents/prospects_for_the_poor_1.pdf

WaterAid Tanzania, 2003.*Water Reforms and PSP in Dar es Salaam. New Rules, New Roles: Does PSP benefit the poor?*
Available at http://www.wateraid.org/documents/psp_tanzania.pdf

WaterAid. (2005). *Water and Sanitation in Tanzania: An update based on the 2002 Population and Housing Census.*
Available at http://www.wateraid.org/documents/plugin_documents/060524_censusupdate_wssweb.pdf

World Health Organisation (WHO) and UNICEF. (2006). Meeting the Drinking Water and Sanitation MDG Target: *The urban and rural challenge of the decade.*
Available at http://www.unicef.org/wes/mdgreport/ and
http://www.who.int/water_sanitation_health/monitoring/jmp2006/en/index.html

WHO. (2006). Multi-country Study on Women's Health and Domestic Violence against Women.
Available at http://www.who.int/gender/violence/who_multicountry_study/en/

World Bank. (2007). *Policy Note: Did Poverty Really Decline Since 2000/01?*

World Bank. (2007). *Policy Note: Tanzania: Low Electricity Tariffs for the Rich.*

World Bank. (2007). *World Development Report 2007.*
Available at http://go.worldbank.org/N17EUZ4T31

World Bank. (1976). *World Development Report 1976.*

World Bank. (2006). *United Republic of Tanzania Water Resources Assistance Strategy: Improving Water Security for Sustaining Livelihoods and Growth.*
Available at http://go.worldbank.org/CRCOYEPUR0

World Bank. (2005). *Water Resources, Growth and Development: A working paper for discussion.*
Available at http://www.un.org/esa/sustdev/csd/csd13/documents/worldbank_paper.pdf

List of Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
ARV	Anti-Retro Viral (therapy)
BEST	Basic Education Statistics in Tanzania
BOT	Bank of Tanzania
BWO	Basin Water Office
DAWASCO	Dar es Salaam Water and Sewerage Corporation
DPP	Director of Public Prosecutions
DPTHb3	Diphtheria, Pertusis, Tetanus and Hepatitis B (3rd dose)
EIA	Environmental Impact Assessment
EMA	Environmental Management Act (2004)
EPI	Expanded Programme of Immunisation (Ministry of Health and Social Welfare)
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GOT	Government of Tanzania
ha	hectare
HBS	Household Budget Survey
HIV	Human Immunodeficiency Virus
ILFS	Integrated Labour Force Survey
LGA	Local Government Authority
LMIS	Lower Moshi Irrigation Scheme
MAFSC	Ministry of Agriculture, Food Security and Cooperatives
MDAs	Ministries, Departments and Agencies (of Government)
MDG	Millennium Development Goal
MKUKUTA	Mkakati wa Kukuza Uchumi na Kuondoa Umaskini Tanzania (Swahili for the National Strategy for Growth and Reduction of Poverty)
MOEVT	Ministry of Education and Vocational Training
MOF	Ministry of Finance
MOH&SW	Ministry of Health and Social Welfare
MOW	Ministry of Water
MPEE	Ministry of Planning, Economy and Empowerment
MTEF	Medium-Term Expenditure Framework
MW	Megawatt
NACP	National AIDS Control Programme
NACSAP	National Anti-Corruption Strategy and Action Plan
NAO	National Audit Office
NBS	National Bureau of Statistics
NEMC	National Environment Management Council
NER	Net Enrolment Rate

NGO	Non-Government Organisation
NPF	New Pangani Falls (power plant)
PFM	Participatory Forest Management
PCCB	Prevention and Combating of Corruption Bureau
PED	Poverty Eradication Division (of the Ministry of Planning, Economy and Empowerment)
PEDP	Primary Education Development Programme
PEFAR	Public Expenditure and Financial Accountability Review
PHDR	Poverty and Human Development Report
PHSDP	Primary Health Services Development Plan (also known as MMAM)
PLSE	Primary School Leavers' Exam
PMO-RALG	Prime Minister's Office - Regional Administration and Local Government
PO-PSM	President's Office - Public Service Management
PRS	Poverty Reduction Strategy
PSSS	Public Service Satisfaction Survey
PTR	Pupil-Teacher Ratio
RAWG	Research and Analysis Working Group
REPOA	Research on Poverty Alleviation
RUBADA	Rufiji Basin Development Authority
SEDP	Secondary Education Development Programme
SSR	Self Sufficiency Ratio (for food)
STI	Sexually Transmitted Infection
TACAIDS	Tanzania Commission for AIDS
TADREG	Tanzania Development Research Group
TANESCO	Tanzania Electric Supply Company Ltd.
TANROADS	Tanzania Roads Authority
TANWAT	Tanganyika Wattle Company
TB	Tuberculosis
TDHS	Tanzania Demographic and Health Survey
THIS	Tanzania HIV/AIDS Indicator Survey
TRA	Tanzania Revenue Authority
TSh	Tanzanian Shilling
UNICEF	United Nations Children's Fund
URT	United Republic of Tanzania
VAT	Value Added Tax
VETA	Vocational Education Training Authority
VOP	Views of the People
WHO	World Health Organisation
WSDP	Water Sector Development Programme