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CHAPTER 1: INTRODUCTION

The implementation of the Poverty Reduction Strategy in Tanzania (PRS) is now in its third year. As part of this implementation, a comprehensive poverty monitoring system that ensures timely availability of reliable information is being implemented. This is vital for the determination and analysis of poverty levels and trends, for a timely and efficient dissemination of that information to the public, and for facilitating decision-making about any changes in the strategy. The annual Poverty and Human Development Report (P&HDR) is one of the key outputs of the Poverty Monitoring System and is produced through the work of the Research and Analysis Working Group (R&AWG).

The P&HDR gives a detailed account of the status of indicators of poverty in terms of the levels and trends and explanations of changes. The status of poverty is based on the indicators specified in the original PRSP. The current report uses the revised set of indicators that was produced in early 2003. Furthermore, this year's report precedes the review of the PRS that would formally be launched in October 2003. Therefore, this report repeats some of the indicators and conclusions of the last report to provide some insights on the trend of poverty in the country.

The Poverty and Human Development Report 2003 also reports results of studies that were specifically commissioned by R&AWG to provide greater detail on themes that are considered important for poverty reduction. These themes are either those that were identified during the first year of PRS implementation in a consultative process and reported in a commissioned study by Yvonne Tsikata and Marjorie Mbilinyi, or those that were prioritized by the R&AWG and those arising from the government's commitments.

In this year's report, four studies were commissioned on:

- **Governance**: undertaken by Professor Andrew Kiondo, Dr Bernadeta Kilian and Dr Laurean Ndumbaro from the Department of Political-Science, University of Dar es Salaam (UDSM).[1]
- **Vulnerability:** undertaken by Dr Wilfred Lerise from the University College of Land and Architectural Studies (UCLAS), Donald Mmari from REPOA and Mgeni Baruani from the Prime Minister's Office (PMO).
- **Agriculture:** undertaken by Professor Ntengue Mdoe from Sokoine University of Agriculture and Denis Rweyemamu from the Economic and Social Research Foundation (ESRF).
- **Benefit Incidence in the water sector:** undertaken by Dominick De Waal from WaterAid. In the following P&HDRs Benefit Incidence in education and health will be dealt with.

During the preparations of the second P&HDR special attention was paid to enhancing local capacity to poverty analysis. The teaming up of researchers of different levels and disciplines in commissioned studies and the review process built within the R&AWG is part of this process. Also, in this context, Oxford Policy Management Limited of the United Kingdom was contracted to work with local researchers on the Status of Poverty chapter.

[1] Sadly Professor Kiondo passed away shortly after the submission of the final draft.

Similar to last year's P&HDR, the current report has used quantitative data particularly in the assessment of poverty monitoring indicators. Unlike last year's, however, this report has, in addition, used qualitative data that is currently available from the Participatory Poverty Assessment that was carried out over the past two years. Analysis of vulnerability has specifically made use of qualitative data.

The Poverty and Human Development Report 2003 is organized in two main parts. Part One, the Status of Poverty, presents an analysis of the status of poverty, guided by the revised Poverty Reduction Strategy indicators. As mentioned above, this chapter builds on last year's status chapter, adding new data where available, and discussing the rationale behind newly selected indicators as well as the abolition of some indicators, which had been included in the second report. The Second Part contains analyses of four topics. It starts with vulnerability, which focuses on identifying vulnerable groups, major social protection and risk management programmes and strategies in place to address vulnerability. It is then followed by benefit incidence that analyses the extent to which government spending reaches the poor in the water sector. The chapter also suggests the mechanisms through which the government budget might be reoriented to improve its anti-poverty strategy. This is then followed by governance, which focuses on three major areas of governance, namely accountability and transparency, enforcement of rule of law and progress made towards democracy and participation. Finally is the chapter on agriculture, which focuses on the assessment of the extent to which reforms have impacted farmers, particularly small holders. The report also contains a conclusion chapter, which summarises key issues and challenges ahead.

PART I

CHAPTER 2: THE STATUS OF POVERTY 2003

2.0 Introduction

Tanzania became the third country in Africa to qualify for the Highly Indebted Poor Countries (HIPC) Initiative debt relief towards the end of the 1990s. In this context, the Poverty Reduction Strategy Paper (PRSP) was developed as a medium-term strategy for poverty reduction, through broad consultation with national and international stakeholders. This commits the Government to ongoing efforts to reduce poverty, in the light of longer-term strategies outlined in the National Poverty Eradication Strategy (Vice President's Office, 1998) and Vision 2025 (Planning Commission, 1999).

The PRSP outlines strategies for reducing both income and non-income poverty. Implementation began in the financial year 2000/01 and will conclude in 2003/04, followed by a review of progress. A set of monitoring indicators was defined in the PRSP and was refined and extended in the Poverty Monitoring Master Plan (PMMP) (URT, 2001). The PMMP also defined an institutional framework for the poverty monitoring system, with four technical working groups reporting to a national poverty monitoring steering committee. The initiation of Poverty Reduction Budget Support and the Poverty Reduction Support Credit led to a further revision and extension of the monitoring indicators, with a view to using them for assessing the performance of the poverty reduction strategy and informing the release of these funds (Poverty Monitoring Secretariat, 2003). For some indicators, targets and baseline values were defined, while for others they were not.

This Chapter aims to report on the current status and trends in the new set of indicators, bringing together information on the full set for the first time. Where possible, information is presented for both the period of the PRS and, for comprehensiveness, the 1990s, which provides the broader picture and a background against which recent trends can be assessed. Where possible, information is disaggregated by place of residence (rural-urban, region) and gender. The chapter also assesses whether the targets are likely to be achieved and, where necessary, suggests revisions to policy and to monitoring mechanisms in the light of what is found. The chapter is intended to provide a contribution to the review of progress under the PRS. For this reason, it draws on and repeats some of the key findings outlined in the 2002 PHDR, as well as on new data where available.

The Chapter follows the structure of the PRSP, with the first section addressing income poverty. This looks at the growth rate of GDP, agriculture and food security, inflation, employment and roads. The next section looks at non-income poverty: human capabilities, survival and well-being. This includes access to core social services - education, health service and water; survival and nutrition; extreme vulnerability; and the linkage between poverty and the environment. A review on the governance and governance-related gender indicators follows.

Finally the chapter concludes, giving an overall review of progress, identifying key policy issues and identifying lessons learned for poverty monitoring.

2.1 Income Poverty: Growth, Employment and Roads

The PRS identifies sustained economic growth as a precondition for poverty reduction, grounded in sound macro-economic management, increased investment and improvements in productivity. Growth in agriculture and other pro-poor sectors will be prioritised and improvement to the road network is an essential component of this strategy.

2.1.1 Performance Indicators and Targets

Targets and Baselines

The indicators identified in the PRSP were extended and modified in 2002. The road indicators were modified to reflect available data, the agricultural indicators were extended, food price inflation was added and unemployment indicators were included to reflect the extent of economic opportunities, particularly in urban area. No targets were set for the new indicators, although a baseline is available in many cases. The resulting indicators are presented in Table 2.1.1. The poverty targets have been adjusted to reflect the revised poverty estimates that were produced after the publication of the PRSP.[2]

Table 2.1.1 Income Poverty Indicators, Baseline and Targets

Indicator	Baseline			Targets		
	Estimate	Year	Source	2003	2010	2025
% of the population below the basic needs poverty line	36	2000-01	1	30	18	
% of the population below the food poverty line	19	2000-01	1	16	9	
GDP growth rate (%)	4.9	2000	1	6		
Agricultural growth rate (%)	3.4	2000	1	5		
Food price inflation in urban areas (%)	6.8	2000	1	(4)		
% of smallholders who report availability or cost of transport as obstacle to marketing						
% of smallholders who wanted, but were not able to use credit in a given year						
% of smallholders who report satisfaction with extension services						
% of districts reported to be food insecure	39	2003	2			
Number of kilometres of roads under periodic maintenance			3			
Number of kilometres of roads under routine maintenance			3			
% of working age population not currently employed	5	2000-01	1			
% of 15-24 years old not currently employed in urban areas	28	2000-01	1			

Sources: ***1 – National Bureau of Statistics***
2 – Ministry of Agriculture and Food Security
3 – TANROADS AND PO-RALG

[2] The 2010 targets were presented in the Second PRS Progress Report (20001/02) and were calculated by halving the revised baseline figures from the HBS 2000-01. The 2003 targets presented here are set in proportion to the three of the ten years available to reach the 2010 target goal.

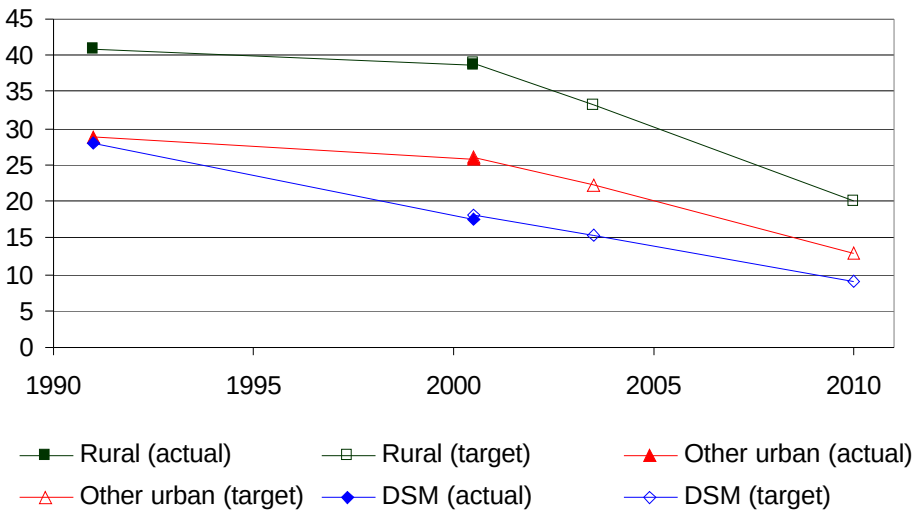
The National Bureau of Statistics is re-basing both the GDP and CPI in 2003, which will ensure that they are based on the most up-to-date data and current, systematic methods of calculation. This may affect some of the estimates presented in this section.

Estimates and Trends

Income Poverty Levels

There is no information on trends in household income poverty since 2000. The Household Budget Surveys provide information on trends in income poverty between 1991/92 and 2000/01. They show very limited declines in income poverty levels over the 1990s. The improvements were particularly small in rural areas, whereby 39 per cent of households remain below the basic needs poverty line. Only in Dar es Salaam was the decline in line with the 2010 targets of halving income poverty levels (Figure 2.1.1). Elsewhere, declines were well below what would be required to meet these targets. The picture is similar using the lower 'food poverty' line, which measures the proportion of individuals with insufficient resources to meet their calorie requirements. Almost one fifth of Tanzanians remain below this level.

Figure 2.1.1: Trends and Targets for Poverty Reduction (Basic Needs Poverty Line)



Economic growth over the period between the two household budget surveys was limited, with a *total* increase in GDP per capita of only around 1.8 per cent over the period as a whole (see below). The HBS found that household consumption-expenditure rose by around 16 per cent in per capita terms over the 1990s, although this may reflect the shift of consumption costs from government to households, in part due to increased cost recovery in the social sectors.[3] The HBS also shows an increase in inequality over the period, with the Gini coefficient increasing from 0.34 to 0.37. Under these circumstances, it is not surprising that poverty showed little decline between the two surveys.

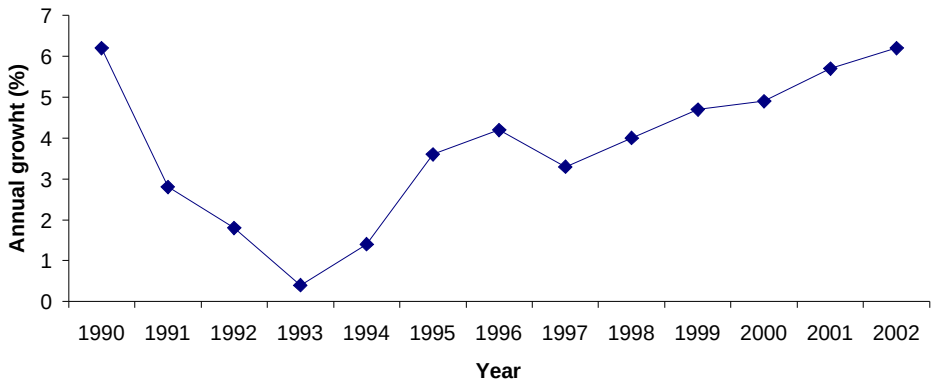
[3] For this reason, they are removed from the consumption aggregate used to measure poverty.

Since it is difficult to produce annual estimates of household consumption levels, the rest of this section focuses on macro-economic and sectoral indicators that have an impact on income poverty. The 2005 Household Budget Survey will provide the next estimates of household income poverty.

Economic growth

Economic growth is an essential condition for poverty reduction in Tanzania. In the early 1990s economic performance was extremely weak, with growth in GDP often less than the growth in population. Growth appears to have increased steadily since the mid-1990s and by 2002 had surpassed the six per cent target defined in the PRSP. This impressive performance probably reflects economic and fiscal reforms undertaken during the 1990s, as much or more than reforms initiated under the PRS.

Figure 2.1.2: Annual growth in GDP (per cent), 1990-2002



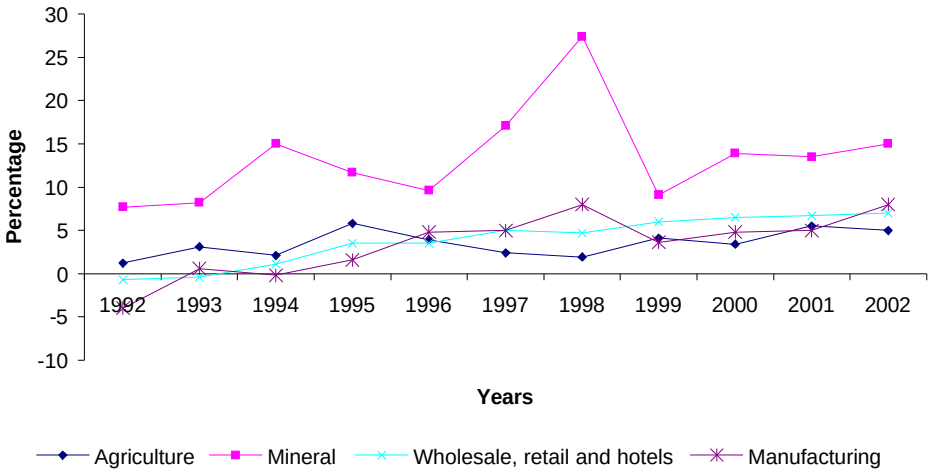
Source: NBS, 2003

Given this, the question is how far this growth will translate into poverty reduction over the coming years, that is the degree to which growth is pro-poor. Two issues are crucial. The first is whether such growth rates, high by historical standards, will continue – that is, whether they represent a shift onto a permanently higher growth trajectory or reflect short-term cyclical and contingent factors. The second is the question of how the gains from the growth will be distributed among households. The benefits of growth must reach the poor in order for poverty to be reduced. This report cannot directly answer these questions, but points to some important indications.

Growth in agriculture is essential if rural incomes are to increase. This is discussed further below. However, structural change in the economy requires that some other sectors grow faster still. Many key sectors have done so – manufacturing, construction, mining and quarrying and wholesale, retail and hotels have generally grown faster than agriculture since 1997 (Figure 2.1.4). As a result, agriculture's share of GDP has declined somewhat, from 50 per cent in 1997 to 47.5 per cent in 2002. However, since they grew from such a low base, other sectors still have relatively small shares of overall GDP – particularly manufacturing, which is about 8.4 per cent of the GDP, little above the 8.2 per cent it constituted in 1992.

Mining has grown rapidly in response to government policies; it represented 42.5 per cent of exports in 2002, compared with less than 20 per cent in the first half of the 1990s. It has contributed to a large increase in the value of non-traditional exports, although it was still only 2.7 per cent of GDP in 2002 (see appendix Table A2.1.1) and its linkage to the rest of the economy and the direct employment it provides remain limited (PHDR, 2002). The challenge remains to ensure that growth is sufficiently pro-poor; in the immediate future, broad-based agricultural growth remains one of the highest priorities.

Figure 2.1.3: Annual Growth Rates for Selected Sectors, 1992 to 2002



Source: NBS, 2003

Information on total domestic savings and investment is limited. More information is available on foreign direct investment (FDI), whose share of total investment has significantly increased in recent year. In 1999, for example, stock of total private investment amounted to USD 2.6 billion, out of which USD 2.2 billion was FDI (NBS, BoT and TIC, 2001). It therefore makes sense to assess the trend of FDI in analyzing the investment trend in the country. The trend of FDI has increased over the 1990s, mainly due to the policy reforms carried out by the country during the period. A large share of FDI went into mining (about 40 per cent at the end of 1999), manufacturing (22 per cent) and tourism (13 per cent) (Economic survey, 2002 and BoT, 2001). Investment in agriculture, employing the majority of labour force and contributing to the substantial share of exports has been lower, accounting for only 7 per cent.

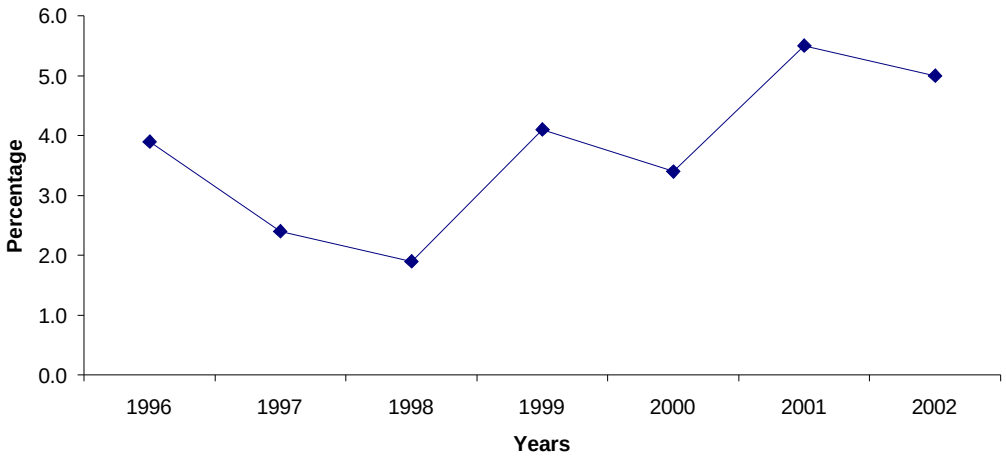
A large share of the FDI was concentrated in a few regions. Dar es Salaam, Arusha, Shinyanga, and Mwanza regions received over 75 per cent of the total by the end of 1999, reflecting the location of the sector that receives most investment. Less FDI goes to regions with less developed economic infrastructure and social amenities (NBS, BOT and TIC, 2001). This will tend to reinforce existing inequalities. Basic infrastructure in the poorest regions must be improved if private investment is to be more widely dispersed.

Agriculture

Agriculture represents almost half of GDP and is the main economic activity of most adults. It will remain the mainstay of the economy in the immediate future, and agriculture must grow at rates well above the growth in population if it is to contribute to the decline in rural poverty. The agricultural sector saw extensive liberalization and reforms during the 1990s. The PRS target is to achieve 5 per cent growth in agriculture, which was achieved in both 2001 and 2002. Growth is expected to be lower in 2003 because of the poor rains (MAFS, 2003).

The production figures used as a basis of growth estimates are subjective estimates provided by district officers, based on their knowledge of conditions in the area. It will be important to crosscheck these figures with information from the forthcoming agriculture survey.

Figure 2.1.4: Growth in agriculture, 1996 to 2002



Source: NBS, 2003

Tanzanian agriculture is dominated by small-scale, predominantly rain-fed subsistence farming. The major limitation on land holding size is the use of hand hoe as a major cultivating tool. The longer-term objective of the Agriculture Sector Development Strategy (2001) is for a modernized, commercial sector. In the immediate future, one of the main priorities is to improve labour productivity of small farmers through the use of affordable technology and improving access to credit, information and markets, the latter particularly through the improvement of rural roads and a reduction in financial barriers to transport and trade within the country.

Access to credit appears to have declined as a consequence of reforms, with commercial bank loans for agricultural marketing falling from almost 20 per cent of the total credit to less than one per cent between 1995 and 1999 (URT/WB, 2000). There is no direct information on farmers' overall access to credit over this period or since 2000. Agriculture continues to suffer from under-investment relative to other sectors, with a share of commercial investment well below its share of GDP, reflecting investors' perceptions of unfavourable conditions (NBS, BoT and TIC, 2001).

There is no information available on trends in access to markets or satisfaction with extension services. The forthcoming agricultural survey will provide a baseline for 2003 and beyond, together with more current information on access to credit. Road improvement is another crucial aspect for market accessibility and will be discussed below.

Food Production and Food Security

One of the objectives of the agricultural sector development plan is to improve availability and access to food, and thereby improve food security. The food security division of the Ministry of Agriculture and Food Security provides estimates of crop production and undertakes the assessment of food security in the country.

Food production increased by 5.6 per cent in 2002, largely due to favourable weather conditions (Economic survey, 2002). Production of both cereal and non-cereal food crops increased by about the same amount. The Ministry of Agriculture and Food Security Production also compares estimates of food production, based on rainfall and planted area, with estimates of requirements, based on population. These calculations suggest that food production has been above 92 per cent of requirements in recent years, and in 2001/02 production was greater than requirements (Table 2.1.3). Along with a relaxation of export restrictions, this enabled sales to neighbouring countries. However, due to poor rainfall in 2002/03, domestic food crop production is predicted to be 7.55 million tonnes of grain equivalent, falling below the total requirements.

Table 2.1.3: Food Production and Requirements, 1999/00 to 2001/02 (millions of tonnes of grain equivalent)

Year	Production	Requirements	Production as a % of requirements
1999/00	7.322	7.916	93
2000/01	7.695	8.143	94
2001/02	8.572	8.384	102

Source: URT, 2002

District Level Food Situation Assessment

Since shortages and excess will not be spread evenly among all districts, district-level assessments are carried out. Two complementary methods are employed in the assessment of district level food situation. Predicted yield is calculated for 12 basic food crops using information on the area planted and rainfall data from a sample of villages. Regional and district level officials also make assessments of expected yields during supervision trips, particularly for districts with insufficient data from the sampled villages. This identifies districts with a deficit of food crop production, which are then visited by a team that undertakes a 'vulnerability assessment', assessing the extent to which households have other sources of income/livelihoods and stocks that can mitigate the effect of low food production. For 2003, these visits identified 46 districts as food insecure (39 per cent). No information on trends in the number of food insecure districts is available, since 2003 is the first year in which the analysis assessing other sources of income used to buy food has been carried out. For earlier years, only the number of districts with production less than requirements is available.

It is difficult to use these methods to assess food insecurity in districts where there are substantial sources of income aside from food crop production. Urban districts represent a particular problem. The approach also classifies entire districts or villages, so it cannot easily deal with heterogeneity within these populations, while in many instances some households may be relatively food insecure and others in the same area may not be. The approach provides a practical means of identifying at-risk rural populations and targeting them with food aid, and possibly longer-term development assistance. However, it does not, as yet, appear to provide a reliable monitoring indicator for PRS purposes.

Traditional Export Crops

With the exception of cashew nuts, production of other cash crops increased during 2002 (Economic survey, 2002). However, export earnings from these crops decreased, because of a decline of the amount of traditional exports that went to the world market and the fall in the price of coffee, cotton, tea and cloves (Economic Survey 2002). The unexpected decrease in the amount of traditional exports that went to the world market is due to lower prices being given to farmers as a result of slumping of traditional export prices since the mid 1990s, which has reduced smallholder incomes since many depend on these as an income source. However, part of the fall in price might have been contributed by the problems of quality. Recently, there have been allegations that the quality of exports has gone down. Following this trend, it is likely that production in 2003 will be lower than in the preceding years, because of poor rains and the low prices paid in 2002, reducing even further the cash available to farmers to meet production costs.

Roads

Adequate roads are an essential part of the infrastructure that enables rural communities to trade and to access basic services. The PRS recognized this and proposed the rehabilitation of a total length of 4,500 km of rural roads in twelve of the poorest regions, by 2003. It also aimed at undertaking routine and periodic maintenance promptly on all rural roads, with a focus on community involvement.

The condition of most roads is classified as ‘poor’, and district roads are particularly likely to be in a poor condition (Table 2.1.6). The rehabilitation programme outlined in the PRSP was not undertaken. The weak coordination between implementation at local government level and financing level is likely to have contributed to this. The funds that were disbursed to the local governments were used to rehabilitate roads other than those specified in the PRSP because disbursement conditions were not sufficiently specific. Furthermore, there have been substantial changes in the management of the road sector since 2000. TANROADS, an executive agency, now maintains regional and trunk roads, while the management of rural roads is the responsibility of the local authorities.[4] This re-organization has further complicated road information and has also resulted into some difficulties in centralizing information on road status and road maintenance activities, which must now come through TANROADS and PO-RALG. The table below gives the status of road conditions as of 2002.

[4] The Road Fund Board was established to deal with overall sector fund management while the ministry retains policy responsibility.

Table 2.1.6: Road Condition in 2002 (km)

	GOOD	FAIR	POOR	TOTAL
Trunk Road	3,300	3,900	2,845	10,045
Paved	2,400	1,100	404	3,904
Unpaved	900	2,800	2,441	6,141
Regional roads	3,725	7,475	7,265	18,465
Paved	25	175	45	245
Unpaved	3,700	7,300	7,220	18,220
Local authority roads	3,995	9,755	36,250	50,000
Paved	40	98	362	500
Unpaved	3,955	9,657	35,888	49,500
TOTAL	11,020	21,130	46,360	78,510

Source: PER, 2003

The total length of road maintained by TANROADS has varied since it began activity. Total maintenance rose between 2000/01 and 20001/02, to reach a total of over 10,000 km, but then declined again in 20002/03 to around 8,600 km. Within this total, there has been a clear shift of activity from trunk roads towards regional roads, particularly towards unpaved regional roads. Local authority maintenance activities have been lower than TANROADS, with around four to five thousand kilometers under routine and periodic maintenance each year. The trend is similar, with a peak in 2002. While it is still a small fraction of all maintenance activities, local authority periodic maintenance is more extensive than that undertaken by TANROADS.

Table 2.1.7: Planned and Actual Maintenance Activities by Type of Road and Year (km)

Activity and road type	FY 2000/01		FY 2001/02		FY 2002/03	
TRUNK ROADS	Plan	Actual	Plan	Actual	Plan	Actual
Routine & Recurrent – Paved	3,658	2,931	3,964	3,061	3,496	2,258
Routine & Recurrent - Unpaved	2,266	2,515	3,432	2,624	2,896	1,975
Periodic maintenance – Paved	1,075	81	91	70	165	38
Total – all types	6,999	5,527	7,487	5,755	6,557	4,271
REGIONAL ROADS						
Routine & Recurrent - Paved	3,730	3,376	166	156	272	135
Routine & Recurrent - Unpaved	4	4	8,905	5,068	10,535	4,264
Periodic maintenance - Paved	0	0	19	15	0	1
Total – all types	3,734	3,380	9,090	5,239	10,807	4,400
LOCAL AUTHORITY ROADS						
Routine maintenance	6,795	4,394	6,924	3,990	8,867	3,773
Periodic maintenance	703	297	618	1,021	748	624
Total – all types	7,498	4,691	7,542	5,011	9,615	4,397

Source: TANROADS, 2003, PO-RALG; rounded to nearest km

The fraction of the road stock that these maintenance activities represent, for each type of road, is shown in Table 2.1.8. Proportionately, trunk roads receive more attention than do regional roads, and both receive far more than do local authority roads. Unpaved roads receive substantially less maintenance than paved roads. Periodic maintenance was

undertaken on only around one per cent of any type of road stock.[5] While routine maintenance is important to reduce accidents, it does very little to maintain the value of the road, which requires the more substantial repairs undertaken during periodic maintenance. Such low levels of periodic maintenance, particularly for paved roads, risk a decline in the quality of existing roads.

Table 2.1.8: Maintenance Activities in 2003 as a per cent of Road Stock

Type of maintenance	Trunk		Regional		Local Authority
	Paved	Unpaved	Paved	Unpaved	
Routine and recurrent	58	32	55	23	7.5
Periodic maintenance	0.9	0	0.3	0	1.2

Source: TANROADS, 2003; PO-RALG, 2003.

Employment and unemployment

Tanzania is estimated to have an economically active population about 15.5 million above the age of 15 (ILFS, 2000/01), having increased from 10.6 million in 1990/91, with an estimated 650,000 individuals added to the labour force each year (LFS, 1991 & ILFS 2000-01). The labour force participation rate has kept pace with the number of economically active persons, increasing from 85 to 88 per cent over the same period (LFS, 1991 & ILFS 2000-01). This increase was concentrated in rural areas.

The importance of agriculture declined during the 1990s, with evidence of economic diversification from agriculture even in rural areas. However it remains by far the most important economic activity, employing some 81 per cent of the employed population, reaching 90 per cent in rural areas (see Appendix Table A2.1.1). Employment in government and parastatals has declined, while employment in the private sector has increased, particularly in urban areas (HBS 2000-01).

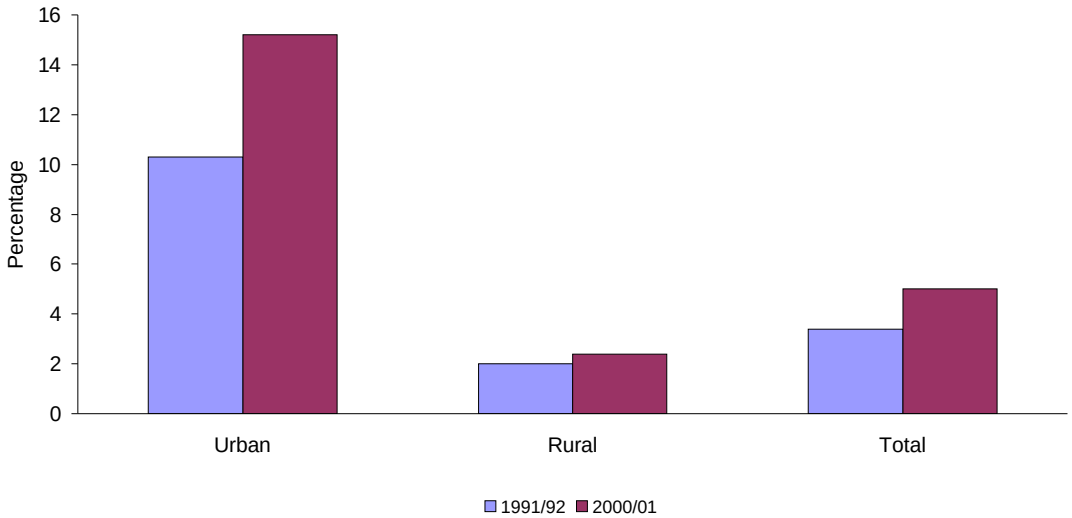
The measurement of unemployment in Tanzania is not simple. One issue is that lack of economic activities in rural areas do not readily show as unemployment – rather, individuals will remain in subsistence and low-return agricultural activities. For this reason, unemployment appears as a largely urban phenomenon. The second set of complications arises due to differences in definitions and survey practices, including the existence of both a national and international definition of unemployment and differences in the age groups included in the analysis in different surveys.[6]

[5] There are some inconsistencies in the data on the total length of roads by type. Ministry of Works data (1999) shows that the total length of trunk and regional roads was 35,000 km, while the TANROADS operation plan for FY 2002/03 quoted the road length to be 28,510 km. PO-RALG data also shows some inconsistencies, totaling 55,000 km in FY 2001/02 and 50,000km in 2002/03.

6 In the international definition, unemployment covers all persons who are not engaged in any economic activity but are available for such activities (whether actively seeking employment or not). To this group are added individuals with a marginal attachment to the labour force in the national definition. In addition, the main report of the 2000/01 LFS included all individuals of ten years and above in the survey, whereas the 1990/91survey included individuals of 15 years and above. These differences make the comparison of unemployment figures between the two reports more difficult. In line with the 2002 PHDR, this report uses survey data for individuals at the age of 15 years and above, to ensure consistency.

The overall unemployment in the country increased from 3.5 per cent in 1990/91 to 5 per cent in 2000/01, by using the international definition. Unemployment rates remain low in rural areas – at 2 per cent, they did not change over the 1990s. However, in urban areas unemployment has risen (Figure 2.1.5). Unemployment is substantially higher amongst women than men in urban areas; 35 per cent of women in Dar es Salaam were unemployed in 2000/01, as compared with 19 per cent of men. Unemployment rates are substantially higher when the national definition is used - 13 per cent nationally in 2000/01.

Figure 2.1.6: Unemployment Rate for Population Aged 15+ (International Definition)



Source: ILFS, 2002, recalculated for PHDR 2003 using age 15+

Unemployment is particularly high amongst young people – about twice as high as in the working age population taken as a whole, with 28 per cent of urban 15-24 age group unemployed in 2000/01 (Table 2.1.5). Lack of opportunities, diminishing access to land and marginalisation of the youth in rural areas, are some of the driving forces behind rural-urban migration, adding more young people to the already large urban reservoir of the unemployed (TzPPA, 2003). Table 2.1.5 furthermore shows that unemployment amongst young women is higher than amongst young men.

Table 2.1.5: Proportion of 15-24 Years in Urban Areas Who are Unemployed

Gender	National definition	International definition
Male	36.9	24.8
Female	48.2	30.7
Total	43.1	28.1

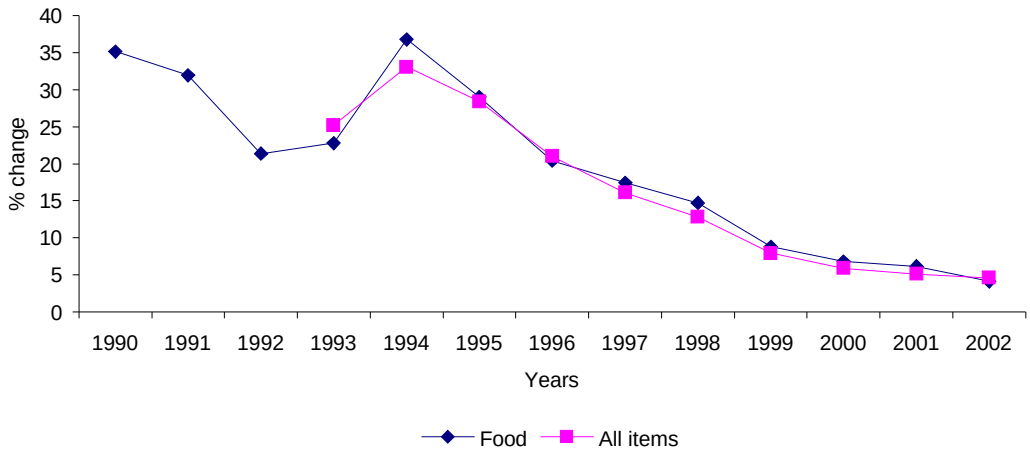
Source: NBS, 2003

The Consumer Price Index

Macro-economic management has successfully brought down price inflation, with a growth of the overall consumer price index of 4.6 per cent in 2002, compared with double-digit figures for much of the 1990s. This is in line with the target value of 'approximately four per cent' defined in the PRS and continuing price stability should provide one of the necessary conditions for long-term growth.

The CPI reflects prices in urban areas, where the price data are collected. The urban poor are particularly vulnerable to increases in the price of food, since most of their food is purchased and a large part of their expenditure is on food. The food component of the CPI reflects the general decline in inflation (Figure 2.1.2) – food prices increased by 4.1 per cent in 2002.[7] Food price inflation remained at about the same level in the first half of 2003 (NBS, 2003).
It is not yet clear how the revision of the CPI that is currently being undertaken will affect the inflation figures. The Household Budget Survey shows that over half of the food consumed in rural households, as measured by value, is purchased. This suggests that food price increases in rural areas should be a focus for future poverty monitoring efforts.

Figure 2.1.6: Annual Food Price Inflation



Source: NBS, 2003

2.1.2 Conclusions and Recommendations

Summary of Progress

The improvement in the economic growth, from rates below population growth in the early 1990s to well above them, provides a welcome basis for long-term poverty reduction. The most recent estimates of overall growth, agricultural growth and inflation are all on target. However, poor rains in 2003 are likely to reduce growth rates in this year. Lower agricultural production is expected to reduce farm incomes and increase food insecurity. Youth unemployment remains high in urban areas and total unemployment has increased during the 1990s.

The specific planned road rehabilitation scheme did not take place. Total road maintenance activities in 2002/03 were somewhat lower than in 2000/01 and the highest level was achieved in 2001/02. There has been a shift of emphasis towards unpaved regional roads.

[7] As a result of dominance of food items in the consumer basket of good, the general trend of the CPI has followed that of food items – food items were 71per cent of the total basket of goods in the first half of 2003 (NBS, 2003).

Policy and Operational Issues Identified

The outstanding concern must be to ensure that growth benefits the poor, particularly in rural areas where most poor people reside. Agriculture, on which the majority of the rural people depend for employment, food security, is crucial, and the relatively low levels of investment it receives, remains a problem, as does the variability in international prices. The apparent decline in access to credit during the 1990s must be reversed. There is an ongoing need to ensure that investments in mining and other non-traditional sectors benefit the wider economy. The concentration of investment in certain, mainly less-poor regions, will also reduce the extent to which the benefits of growth reach the poor.

Low levels of periodic maintenance of the road stock risks serious loss of value. Local authority roads suffer from particularly low levels of maintenance.

Recommendations on Indicators and Monitoring Systems

The ongoing revisions to GDP and CPI figures are important, and it is possible that they will change the picture presented in this report since revised time series will be produced. It is particularly important to check that the positive trends in growth, both overall and in agriculture, are supported by the most recent data available and the application of systematic methods of calculation.

The costs and benefits of extending the consumer price index to rural areas should be assessed. The possible use of price data collected through the food security system should be considered.

Food security analysis provides a useful basis for targeting assistance. However, it is not currently able to provide a comparable time series to assess trends in district-level food security, if indeed such a concept is meaningful. It is difficult to see how it could effectively cover districts with large non-subsistence components to their economies.

The measurement of unemployment remains difficult in Tanzania; in addition to technical issues, the concept of unemployment has limited relevance in rural areas.

2.2 Education

2.2.1 Performance Indicators and Targets

Targets and Baselines

The education indicators have changed since the original PRSP, excluding the secondary enrolment indicators and adding the percentage of the cohort completing standard 7 and the literacy rate within the 15-24 age groups.[8]

Table 2.2.1: Education Indicators, Base line and Targets

	Baseline			Targets	
	Estimate	Year	Source	2003	2010
Primary net enrolment ratio (%)	59	2000	1	90	100
Primary gross enrolment ratio (%)	78	2000	1	100	
Ratio of girls/boys in primary schools	0.98	2000	1	1.00	
Ratio of girls/boys in secondary schools	0.85	2000	1	0.90	
% of cohort completing Std 7	70	2000	1		
Primary dropout rate (%)	6	2000	1	3	
% students passing PSLE	22	2000	1	50	
Transition rate Std 7 to form 1 (%)	16	2000	1	28	
Literacy rate of pop aged 15+	71	2000-01	2		100
Literacy rate of pop aged 15-24	82	2000-01	2		

Sources: 1- MoEC Basic Statistics Education (BSE)
2- Household Budget Survey 2000-01

Note: the targets for 2003 are the revised values given in the Second PRS Progress Report (2000-01), where different from the PRSP

2.2.2 Estimates and Trends

The estimates presented below are mainly from the Ministry of Education and Culture's (MoEC's) Basic Education Statistics (BSE), a routine data collection system which first published national statistics in 1985. Coverage of schools is good, particularly at primary level, and there are reasons to believe that the enrolment data is of reasonable quality.[9]

Uptake of Primary Schooling

After a period of virtually stagnant enrolment ratios in the late 1990s, there have been huge gains in primary enrolment in the past three years. Actual enrolment grew by 50 per cent, up from 4.4m in 2000 to 6.6m in 2003, far outstripping the growth of the school age population. Indeed, both net and gross enrolment ratios have increased by about 30 per cent points. The largest increase in enrolment came in 2002, coinciding with the official abolition of the Universal Primary Education (UPE) levy and other mandatory contributions and the launch

[8] There are some minor inconsistencies between different policy documents in the targets set, but they are broadly consistent.

[9] Although coverage of private schools is acknowledged by the MoEC to be incomplete, private enrolment at primary level accounts for less than 1% of total enrolment and so this is not of major concern. The private sector is much more prominent at secondary level and thus overall coverage may be more incomplete here. BSE estimates of primary enrolment ratios for 2000 and 2001 are reasonably close to estimates obtained from the Household Budget Survey (HBS) for 2000-01, which suggests that the enrolment data is of reasonable quality. Furthermore, up until the recent influx of new enrolment, an analysis of student flow rates from year to year does not throw up any inconsistencies, which also points to strengths in MoEC's data collection system.

of the Primary Education Development Plan 2002-2006 (PEDP). The considerable increase in enrolment recorded in the previous year could be attributed to widespread public knowledge of the impending abolition and the MoEC's announcement that parents would not need to pay anything as a *condition* of enrolling children in school into 2001.

Table 2.2.2: Primary Education- Net and Gross Enrolment Ratios, Ratio of Girls to Boys Enrolment

	1997-99 [1]	2000	2001	2002	2003
NER (%)	57	59	66	81	89
Female	58	60	66	79	87
Male	56	59	66	82	90
GER (%)	77	78	85	99	105
Female	77	78	84	96	102
Male	78	79	86	101	109
Girls/Boys: all Stds	0.99	0.98	0.97	0.96	0.95
Std 1	0.97	0.94	0.93	0.94	0.94

Source: MoEC (BSE)
Note: [1] mean of estimates 1997-1999; there was little variation between years.

While there has undoubtedly been very strong growth in enrolment ratios in the past three years, the absolute levels of these ratios are subject to considerable uncertainty. The figures in Table 2.2.3 are based on school age population estimates projected from 1988 and may overstate enrolment rates.[10]

The gap between the NER and GER reveals that over and under aged pupils together account for about 20 per cent of the total enrolment. The main reason for this phenomenon is late entry into standard 1. At the end of the 1990s the average age of standard 1 enrolment was around 8.9 compared with the official age of 7. A cornerstone of PEDP is to change this situation. PEDP prioritises the enrolment of children aged 7, and includes a short-term timetable for enrolling overage children from past cohorts who have missed out on schooling. Judging by the sharp fall in the average age of standard 1 enrolment to 7.6 in 2003, reflecting a large increase in the proportion of children in standard 1 aged seven, this policy has been very successful. The gap between the GER and NER has also narrowed by a few percentage points; obviously it would take time for the younger entrants to work their way through the system and bring about a substantial reduction in the gap.

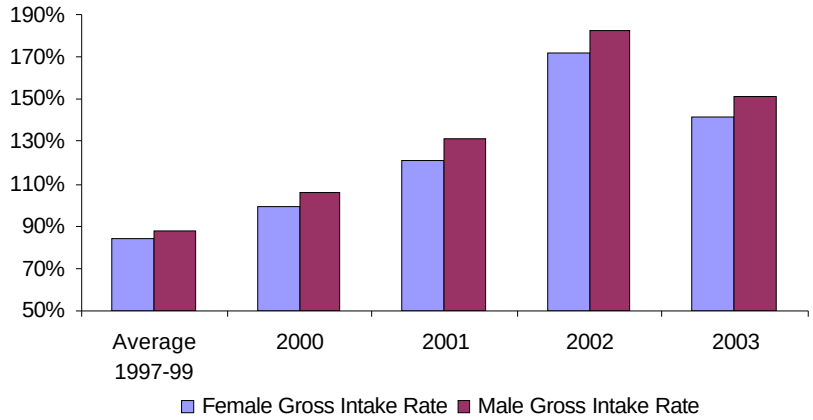
The BSE data show that *nearly all* children from the three most recent cohorts have entered school already, assuming that age reporting is reasonable, in contrast to the cohorts from the late 1990s where only 85 per cent of children *ever* entered school. Overall then, it is evident that the 2003 PRS and PEDP targets for GER and NER have already been surpassed. Moreover, the encouraging data on initial entry rates imply that if the new entrants can be retained in the system, the longer-term MDG target of 100 per cent primary school completion could be achieved much earlier than 2015.

Equity Issues in the Uptake of Primary Schooling

[10] Results from the 2002 population census show that the overall population grew at an annual rate of 2.9% over the past 10 years; if this also applies to the school age population then the 2003 enrolment ratios are 6% points too high. Moreover, recent enrolment estimates may well be overstated by a few percent, further inflating the enrolment ratios.

Girls have tended to enter school earlier than boys. In 2000, the average age of girls in standard 1 was 8.7 years compared with 9.0 years for boys. This is the reason for the consistently smaller gap between the GER and NER for girls than for boys. This disparity is narrowing - in 2003; the average age of Standard 1 girls was 7.6 years compared with 7.7 years for boys.

Figure 2.2 1: Trends in Gross Intake Rates by Gender



Source: MoEC (BSE) for enrolment and NBS for age 7 population estimates
Note: Gross intake rate is defined as new entrants in standard 1 as a per cent of the 7-year-old population

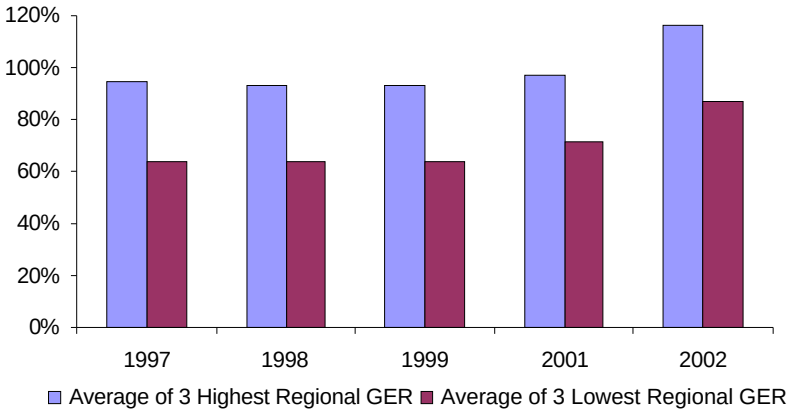
The gross intake rate measures new entrants to standard 1 as a percentage of the seven year old in the population, since they are the expected entrants for that year. With the recent influx of enrolment, the disparity between girls and boys in this measure has worsened. Figure 2.2.2 shows that the difference was about 3 per cent points in favour of boys in the late 1990s and is now nearly 10 per cent points (2003). This is also shown by the ratio of girls to boys enrolled in standard 1 falling from 0.97 in the late 1990s to about 0.94 more recently (Table 2.2.2).[11] It would be easy to draw a simple conclusion that the proportion of girls *ever* entering school is still lower than boys, as in the late 1990s. However, the true picture may be more complicated than this. A closer look at the age composition of standard 1 enrolment in the last 3 years shows that almost equal numbers of 7-year old girls and boys are enrolled; it is the older boys who are far more numerous than the girls. Over-age girls find it more difficult to start school than their male counterparts; if this trend continues there is a danger that many of the over-age girls targeted by PEDP will miss out on formal schooling opportunities. The PRS and MDG target for parity in the overall enrolment of girls and boys in primary education by 2005 looks to be in jeopardy, despite encouraging signs of near-equality in the entry of 7 year olds.

There are vast disparities in enrolment rates across regions and the gaps do not appear to have greatly diminished, despite the recent increase in enrolment. To get an idea of how the range of regional GERs has changed over time, Figure 2.2.3 shows the average of the 3 highest regional GERs alongside the average of the 3 lowest, over recent years. The difference between them was roughly 30 per cent points in the late 1990s, and while there was some

[11] Standard 1 repetition rates are slightly higher for girls, which serve to reduce the gender disparity in enrolment ratios compared to intake rates.

progress in reducing these inequities in 2001, by 2002 the difference had again reached 30 per cent points.

Figure 2.2.2: Trends in Regional Gross Enrolment Ratios



Source: MoEC (BSE) for enrolment data and NBS for population estimates
Note: No figures have been presented for 2000 because the data for Lindi, the region with one of the lowest GERs, are implausible.

Older children who have missed out on formal schooling are seriously underserved by the education system. Many out-of-school children registered for Complementary Basic Education programme (COBET) in 2002, but actual enrolment in non-formal education (NFE) centres is still extremely low. Pilot programmes such as COBET and ACCESS enrol children aged 11-13 and youth aged 14-18 onto a 3-4 year course designed to enable students to mainstream into the formal system on completion. There are approximately 370,000 children aged 11-13 who have never entered school, as well as a considerable number who have dropped out of the formal system. The 2002 PEDP review found that a total of 435,793 in the age group of 11-13 year olds registered for the COBET programme at the start of the year, yet enrolment was only 11,564 or about 3 per cent of the total. The figures suggest that most eligible children registered for NFE programmes, only to be faced with the disappointment that places in COBET centres were not forthcoming. The government aims at rectifying this situation by implementing its new strategy for adult and non-formal education in the 2003/04 budget year.

Effectiveness of Primary Schooling

Table 2.2.3: Primary Education Effectiveness Indicators

	1997-99 [1]	2000	2001	2002	2003
% cohort completing std 7 (%) [2]	70	70	74	-	72
Female	73	70	76	-	72
Male	67	69	71	-	73
Primary dropout rate (%) [3]	5.5	5.6	4.8	-	4.8
Female	4.8	5.5	4.3	-	4.8
Male	6.1	5.6	5.3	-	4.7
% students passing PSLE [4]	20	22	29	27	-
Female	14	15	21	20	-
Male	27	29	36	34	-

Source: MoEC (BSE)

Notes: [1] Mean of estimates 1997-1999. [2] Calculated using synthetic cohort analysis, which relies on data from two consecutive years; years on the column headings use enrolment data from that year and the preceding one for the analysis.[12] There are no estimates for 2002 because the data is inconsistent between 2001 and 2002. [3] Annual dropout rate (average of standard 1-6 rates). [4] Calculated as the number of students passing the PSLE as a per cent of candidates sitting the exam, which is passed with 61 marks and above out of 150 in total. The figures presented in column 1 are averages pass rates for 1998-1999.

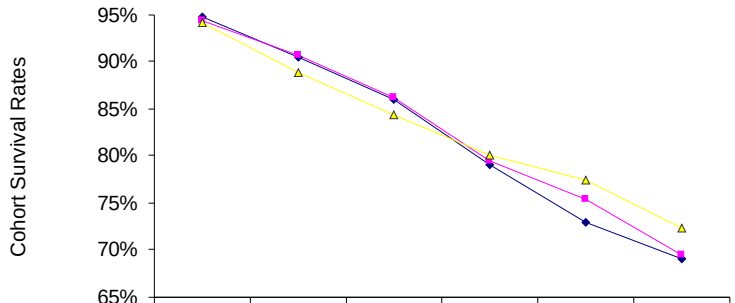
After entering primary school, just over 70 per cent of pupils reach standard 7 and the rest dropout. Annual dropout rates, averaged across standards 1 to 6, are about 5 per cent and this pattern of poor retention shows only modest signs of improvement in recent years. If current trends continue, the PRS target of 3 per cent dropout by 2005 is unlikely to be reached.

The highest drop-out rates have previously been between standard 4 and 5 (Figure 2.2.4), attributed to the national achievement exam taken in standard 4. By 2003 this situation had improved. Dropout rates were similar across the first 5 standards and there was a visible improvement in retention in standard 6. However, there are reasons to treat the 2003 survival rates with some caution. Careful analysis of the evidence suggests that the 2002 enrolment data is overestimated by about 2 – 4 per cent[13] and this may affect the reliability of the given survival rates.

[12] Synthetic cohort and paired years approaches give similar estimates where they can be compared (1997 and earlier) and so synthetic cohorts are used for the most recent years.

[13] Cohort calculations reveal some inconsistencies in the enrolment data between 2001 and 2002. For example, there appears to be more students newly enrolled in standard 2 and repeating standard 1 in 2002 than were enrolled in standard 1 in 2001 - negative dropout rates. This could be caused by 'drop-ins', that is, children returning to school in higher standards, although MoEC officials thought that this was unlikely. The most plausible explanation is that enrolment is over-reported. The introduction of a capitation-based financing system may have contributed to this, since schools have an incentive to inflate the number of enrolments reported. If dropout rates have in fact remained at historic levels of about 4-5% then enrolment was over-reported in 2002 and 2003 by about 4%, although if dropout rates have fallen considerably in the past 2 years, then enrolment might only have been overstated by a few percent.

Figure 2.2.4: Cohort Survival Rates by Standard for the Years 1997, 2000 and 2003



	Std 1-2	Std 1-3	Std 1-4	Std 1-5	Std 1-6	Std 1-7
1997	95%	91%	86%	79%	73%	69%
2000	94%	91%	86%	80%	75%	70%
2003	94%	89%	84%	80%	77%	72%

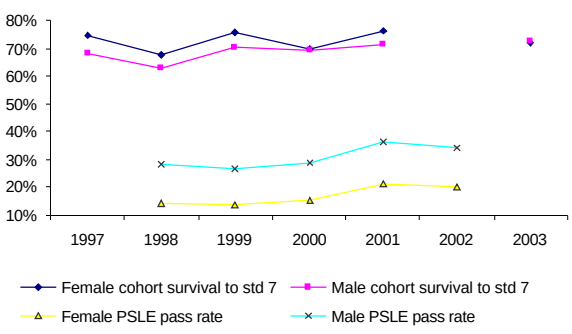
Source: Calculations from MoEC (BSE) data using synthetic cohort analysis

There has been a dramatic rise in repetition rates in the 2003 data, increasing to 6.5 per cent from between 2.2 per cent to 3.3 per cent per annum in the 1997-2002 periods. Almost all of this repetition is concentrated in the first four years. Particularly critical is standard 4 where rates of around 10 per cent have been consistently recorded over the past six years. In 2003 the standard 4 repetition rate doubled to over 20 per cent. The reason for the blockage is probably related to the standard 4 examination. This is a serious concern for policy makers since repeating student absorb valuable resources, which could otherwise be used to improve the capacity or quality of the system.

Pass rates in the Primary School Leaving Examination (PSLE) taken in standard 7 are extremely low. There has been some improvement in the past 2 years with a peak pass rate of 29 per cent in 2001. On top of low cohort survival rates this means that, at best, 21 students out of every 100 who enter primary school leave with a PSLE certificate. If these pass rates are indicative of standards of learning achievement being reached by students, radical quality improvements are urgently needed. The PRS target of a 50 per cent PSLE pass rate by 2005 is almost certainly unattainable

There are worryingly large differences in PSLE pass rates by gender, which are 13-15 per cent higher for boys than girls (Figure 2.2.5). This gap does not appear to be diminishing. This is despite the slightly higher cohort survival rates observed for girls prior to 2003.

Figure 2.2.4: Gender Differences in Cohort Survival and PSLE Pass Rates



Source: MoEC (BSE)

Secondary Schooling

Transition rates from primary to secondary school have increased quite markedly since the late 1990s from 16 per cent to about 20 per cent (Table 2.2.4). This is largely due to the 50 per cent expansion of secondary school places between 1997 and 2003 (from 226 to 345 thousand). Notwithstanding this achievement, the absolute level of transition is still extremely low. The cohorts that recently moved from primary to secondary schooling, for example, faced a path through primary education as follows: about 85 per cent of each cohort of children entered primary schooling, of these 70 per cent reached Standard 7, 20 per cent of the survivors moved to form 1, and thus only 12 per cent of the relevant age group entered secondary schooling.

Table 2.2.4: Secondary Schooling Indicators

	1997-99 [1]	2000	2001	2002	2003
Transition rate std 7 to form 1 (%)[2]	16	16	20	21	19
Female	15	15	19	19	18
Male	16	17	21	22	20
Ratio of girls/boys in secondary	0.84	0.85	0.86	0.84	0.84
Form 1	0.91	0.92	0.96	0.88	0.93
Form 4	0.83	0.84	0.85	0.78	0.80
Form 6	0.57	0.50	0.51	0.47	0.50

Source: MoEC (BSE)

Notes: [1] Calculated as mean of estimates 1997-1999; [2] Calculated as enrolment in form 1 as a per centage of enrolment in standard 7 the previous year.[14]

It should be pointed out that transition rates quoted in previous reports (PHDR 2002, PRS monitoring report) are higher than the figures presented above. The PRS baseline for 2000 is 22 per cent, some 6 per cent points higher than the value in Table 2.2.4. The figures in Table 2.2.4 are based on the number of children actually enrolled in Form 1, rather than the number that were selected for it, which has been used previously. The PRS transition rate target of 28 per cent by 2005 represents a 6 per cent point increment on the PRS baseline. The rate shown in Table 2.2.5 has increased by 3-5 per cent point increase in the past 3 years; adding a further few per cent in the next 2 years might be achievable, although the 2 per cent point fall in the pass rate in the latest year is a worrying sign.

It is perhaps surprising that the gender gap in transition rates is not larger given the very much poorer performance of girls in the PSLE. This implies that the selection criteria for secondary school places takes account of gender as well as academic performance. Nonetheless, the overall gender gaps in secondary enrolment are considerable, with female students representing only 46 per cent of the student population. The target of increasing this to 47 per cent (the ratio of 0.9 girls per boy) looks feasible but is hardly ambitious. The more ambitious MDG target of 50 per cent by 2005 would require interventions to greatly reduce the dropout rate of female students. By form 6 only about one in three students are female and this inequity appears to have worsened since the late 1990s.

[14] Repetition in standard 7 is negligible.

Reaching the end of a schooling cycle is not an end in itself; the system exists to enable students to acquire knowledge and skills that will be of use in society. A recent tracer study of secondary school leavers in Tanzania (Mukyanuzi, 2003) concluded that the school curriculum requires 'drastic change' to keep pace with changes in the labour market. The researchers followed two samples of form 4 leavers, 546 students in total, one from1990 and the other from 1995. On comparing the occupational profile of the two samples six years after leaving school, they found some stark changes amongst *male* leavers. For these, unemployment[15] in the earlier cohort was 6 per cent compared with 16 per cent amongst the 1995 male leavers. The fall in wage employment observed across the two samples of males is even more pronounced, from 46 per cent (1990 male leavers) to 28 per cent (1995 male leavers). At the same time, self-employment appears to be increasingly important, accounting for 32 per cent of occupations in the earlier male cohort and 43 per cent for the later group. For female leavers from the same two cohorts, occupational profiles show relatively little change. The unemployment rate for female leavers is 14 per cent for the 1990 cohort and 11 per cent for the 1995 group. These findings are of a major concern. Given that only about 9.5 per cent (2001) of the relevant population are enrolled in lower secondary education, levels of unemployment as high as 16 per cent raise serious questions about the purpose and relevance of secondary education. Respondents attributed deficiencies in the school curriculum as one of the main reasons for their labour market difficulties. They recommended modifying the curriculum to include elements such as analytical and problem solving skills, entrepreneurship, and education and information technology competencies.

Literacy

Table 2.2.5 shows literacy estimates from the household budget survey (HBS) carried out in 2000-01. The literacy level of the adult population was discussed at length in the PHDR 2002. The report concluded that the PRS target of eliminating illiteracy by 2010 seems very challenging particularly for rural women - the population group with the highest incidence of illiteracy.

Table 2.2.5: Literacy Rates in 2000-01

	Female	Male	Total
Literacy rate of pop. aged 15+ (%)			
All	64	80	71
Dar es Salaam	88	94	91
Other Urban	81	92	86
Rural	59	76	67
Literacy rate of pop. aged 15-24 (%)			
All	80	84	82
Dar es Salaam	94	97	96
Other Urban	93	93	93
Rural	76	81	78

Source: HBS 2000-01

Literacy estimates for the younger population group (aged 15-24) shed light on changes in the literacy status of the population over time. The younger group are more literate than the overall adult population by an estimated 11 per cent points. The size of this difference varies by area and gender ranging from a gap of 17 per cent points for rural women to only 1 per cent point for men in urban areas (excluding Dar es Salaam). Presumably this reflects the

[15] Unemployment is defined as leavers/graduates who are out of work but are actively seeking work.

proportionally greater expansion of formal schooling opportunities in rural areas in past decades compared with urban areas, as well as changes in parental attitudes towards the education of girls. Migration patterns of educated individuals probably also play a part.

While the higher rate of literacy amongst 15-24 year olds does give some cause for optimism over future adult population literacy rates, the stagnation of enrolment rates over the mid to late 1990s probably means that, without other interventions, literacy rates of these later cohorts are unlikely to surpass 82 per cent (the rate for current 15-24 year olds). The recently launched Adult and NFE Strategy aim to address these concerns. This strategy contains particularly bold targets for adult education, aiming to enrol 3.8 million adult learners by 2007, some 86 per cent of the estimated 4.4 million illiterate adults.[16] Such an ambitious programme is necessary if the PRS target is to be achieved. There is a risk, however, that the incorporation of COBET into this much larger programme will further delay reaching the over-age children who are currently missing school.

2.2.2 Conclusions and Recommendations

Summary of Progress

Huge gains in primary school enrolment ratios in the past 3 years, particularly 2002, have been accompanied by a marked reduction in the age of the entering cohort. Not only are children entering school earlier, there is an increase in the proportion of children going to school. This is a clear success for the PEDP policy launched in 2002. However, the formal system is still characterised by geographical and gender based disparities, and out-of-school children and illiterate adults are seriously underserved. There has been very little progress on the ground in the provision of complementary basic education, despite the registration of more than 400,000 eligible children in 2002.

The effectiveness of primary schooling is still very low despite some improvement in the PSLE pass rate and the transition rate to secondary schooling recorded in the past few years. Girls fare much worse than boys in the examination, despite having comparatively high survival rates to standard 7. On top of this dismal situation, there was a dramatic rise in primary school repetition rates in 2003, particularly in standard 4.

The capacity of the secondary school system has expanded rapidly in recent years but is still not large enough to absorb all those who pass the PSLE. Currently only about 12 per cent of the relevant age group enter into secondary schools. Large gender gaps exist in secondary enrolment in the higher forms, and these appear to be getting worse.

Although the incidence of illiteracy in 15 - 24 age group is much lower than in the overall adult population, it is still over 20 per cent in rural areas and nearly 25 per cent for rural women. The advent of PEDP may well produce generations of literate adults in years to come, but there are many children who missed out on basic schooling over the 1990s and who are now too old to qualify for formal schooling.

[16] The total population is estimated to be 33.6m according to the 2002 census; assuming that 45% of the population are over the age of 18 and 29% of this group are illiterate, then approximately 4.4m adults are illiterate.

Policy and Operational Issues Identified

The recent influx of students into primary education has put huge pressure on the infrastructure, teaching force and provision of pedagogical inputs. In the first year of PEDP implementation, substantial progress has been made in ensuring the provision of non-salary inputs and building new classrooms-stock has increased by 13 per cent (PO-RALG, 2002). This support to the improved quality of the system needs to be maintained to ensure that students are retained and to stem the costly increase in repetition rates. Efforts have also been made to re-deploy teachers to underserved areas to address some of the geographical inequities in the quality of provision (PO-RALG, 2002). This critical intervention should be stepped up but barriers to the entry and performance of girls must also be tackled. Supply-side measures such as providing female latrines and recruiting more female teachers can make a difference, but demand factors including high opportunity costs and cultural attitudes are often just as important. Specific interventions, such as the provision of stipends, may be needed to ensure that most vulnerable children, including poor and orphaned children, are able to complete primary schooling.

The provision of non-formal education for older out-of-school children and illiterate adults is vastly inadequate. The PRS targets on eradicating illiteracy by 2010 will not be met unless the new Adult and Non-Formal Education Strategy is taken seriously by those responsible for resource allocation decisions in the government and development partners. A careful implementation plan, backed by a realistic assessment of available resources, is needed to avoid spreading resources too thinly over an ambitious programme.

A whole scale review of the school curriculum, its delivery and assessment is overdue. Although part of this has already been started under PEDP, with measures such as provision of in-service training for teachers, this is clearly a huge challenge. It requires a critical investigation into the reasons for the comparatively poorer learning achievement of girls at primary school, as well as taking on board recommendations from former students about the inclusion of knowledge and skills useful to graduates in labour market. The MoEC could usefully improve its links with the Vocational Education and Training Authority (VETA).

The continued expansion of secondary schooling is highly desirable. The government's strategy has been to ask communities and the private sector to support secondary expansion. MoEC pays for the salary and operating costs of new community secondary schools. It is possible that richer communities are better able to expand secondary schooling in this way than poorer communities, resulting in government subsidies becoming increasingly skewed towards richer communities. This needs to be investigated and if corroborated, the MoEC needs to set out a more equitable policy for the development of secondary education provision.

Recommendations on Indicators and Monitoring Systems

(i) Develop linkages between, and streamline, the various routine data collection systems covering education. There are, surprisingly, many public organisations that collect routine national education data from schools. Within MoEC, the Statistics Unit manages the main

data collection system (published as BSE), but the Primary Education Department has a parallel system for collecting school data and there is also a separate Education Management Information System (EMIS) Unit.[17] In addition, there are at least three other public bodies that collect routine national education data from schools. PO-RALG collects the most similar data to MoEC and initial signs suggest that data consistency between the two sources is reasonable.

(ii) Use sentinel site data to complement the analysis of national education data. The sentinel sites also collect some information on education. This is valuable because it can track actual cohorts of children and identify behaviour that goes undetected in routine data – for example, children dropping out of school for a few years and then dropping back in. In addition, it is data that is completely independent of routine sources. Trends in the sentinel site data could be usefully compared with routine data from the same areas.

(iii) Carry out more research studies into the performance of the education system. In order to measure the quality of education in terms of final outcomes, it is necessary to go beyond examination pass rates. There are few recent research studies into issues of learning achievement and success in the labour market for children who have, and have not, participated in the education system. The graduate tracer study, discussed above, is a step in the right direction; this could usefully be extended to primary school leavers. PEDP is noticeably quiet on issues of curriculum. Investigations into current levels of learning achievement, perhaps using internationally comparable tests, would provide important information to feed into a review of the existing curriculum, its delivery and assessment.

[17] Data has only been collected once since the EMIS unit was established.

2.3 Survival, Nutrition and Health

This section discusses measures of survival and of nutritional and health status. It then looks at indicators of health service delivery, which were added largely to monitor the direct output of the health services. The conclusion brings together the findings in both areas.

2.3.1 Survival and Health Status

Performance Indicators and Targets

Targets and Baselines

Table 2.3.1 presents the baseline values and targets for the indicators of health outcome and nutritional status.

Table 2.3.1: Health Outcome and Nutrition Indicators, Base line and Targets

PRS indicator	Base line			Targets		
	estimate	year	source	2003	2010	2025
Total fertility rate	5.6	1997	1			
Infant mortality rate	99	1997	1	85	50	20
Ratio of the IMR of the poorest quintile to the IMR of the richest	1.25	1999	1			
Under-five mortality rate	147	1997	1	127	79	
% change in mortality attributable to malaria in under-fives						
HIV prevalence in age group 15-24 (%)	Male 8 Fem. 13	2000	2			
% of children born to HIV+ mothers who are HIV+						
Life expectancy at birth	52	1988	3		52	
Nutrition in the under fives:						
Stunting (moderate-severe, %)	44	1999	1		20	
Wasting (moderate-severe, %)	5	1999	1		2	
Under-weight (mod.-severe, %)	29	1999	1			

Source: 1 – Tanzania Reproductive and Child Health Survey 1999
2 – National AIDS Control Programme, 2002
3 – National Population Census, 1988

The maternal mortality ratio was removed from the PRS indicator list, since it is difficult to measure accurately. Attendance and place of birth are used instead, as proxies.

Estimates and Trends

The forthcoming census analysis and the DHS in 2004 will provide updates for most of these indicators. In the meantime, there are generally no national estimates available after 2000 for the measures presented in this section. Most information presented is based on the Demographic and Health Surveys of the 1990s. The data is of relatively good quality, though the major disadvantages are its periodic nature and the limits to disaggregation because of the sample size. Modest changes between surveys should be interpreted with great caution because of sampling errors. A number of estimates are disaggregated by the proxy consumption quintiles developed in and analysis of the 1999 TRCHS (World Bank, 2003).

Infant and Child Mortality

Infant and child mortality stagnated in the second half of the 1980s and more recent data suggest a small, though not statistically significant, increase in the second half of the 1990s (Table 2.3.2). HIV/AIDS may have contributed to this. An estimated 72,000 infants will be infected annually through mother to child transmission of the HIV virus (MOH, 2003). For this reason, the PRS targets for 2003 shown in Table 2.3.1 seem unlikely to be attained.

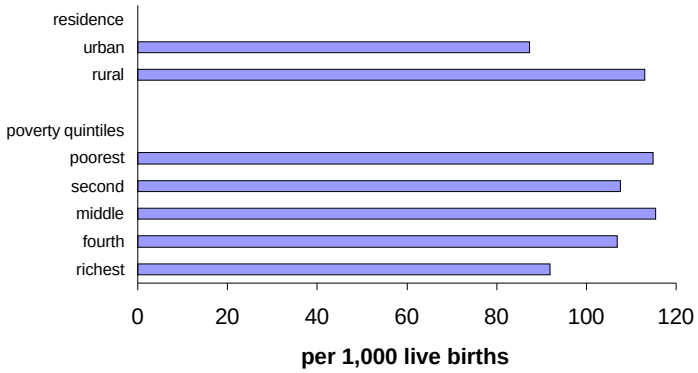
Table 2.3.2: Infant and Under-five Mortality Rates (per 1,000 Live Births)

Period	Infant Mortality Rate	95 % Confidence Intervals	Under-five Mortality Rate	95 % Confidence Intervals
1987-1992	92	-	141	-
1991-1996	88	78-97	137	125 – 148
1994-1999	99	85 - 113	147	129 – 165

Source: DHS 1991/92, DHS 1996 and TRCHS 1999

Infants born in rural areas have a 30 per cent higher probability of dying before their first birthday than infants born in urban areas. The richest quintile has lower infant mortality than the other quintiles, although differences amongst other quintiles are small (Figure 2.3.1.). The ratio of infant mortality in the lowest quintile to the highest is 1.25, which means that infants from the poorest mothers have a 25 per cent higher probability of dying before completing one year than those of mothers belonging to the richest quintile. This is slightly smaller than urban-rural differences. Perhaps surprisingly, given the larger contribution of environmental factors to under-five mortality rates, differences by consumption quintile are smaller for this measure than for infant mortality rates.

Figure 2.3.1: Infant Mortality Rates by Background Characteristics of the Mother



Source: TRCHS 1999 and World Bank 2003

Since recent national estimates are not yet available, sentinel surveillance sites provide useful information on more recent trends in the populations they cover. The AMMP shows no significant change in infant mortality between 1995 and 2000 for Dar es Salaam and Hai district, although the Morogoro site experienced a significant decline over the same period from 88 to 64 deaths per 1,000 live births.[18] The Rufiji Demographic Surveillance Site showed a 32 per cent decrease in infant morality between 1999 and 2002, from 100 to 68 deaths per 1,000 live births. Both of these sites also showed comparable declines in under-five mortality. The observed declines might in part be due to the Integrated Management of Childhood Illness programme (IMCI), which started in 1997[19]. This programme has operated in both Rufiji and Morogoro, and concentrates on reducing some of the main causes of death in the under-fives[20]. It has now been rolled out to over 60 districts and if the declines were a consequence of IMCI and were replicated on a large scale, it might contribute to a more general decline in child mortality, although HIV will also tend to counteract any reductions in mortality from other diseases. An evaluation of how much the IMCI may have contributed to decline in Rufiji and Morogoro is currently being undertaken.

Malaria

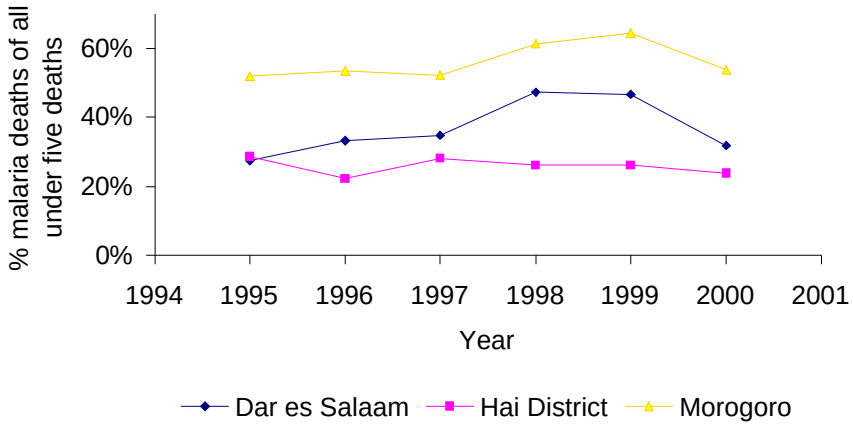
Malaria is one of the most important causes of morbidity and mortality in children under five. The DHS/TRCHS surveys show that, during the 1990s, there was little change in the prevalence of fever in children under five, used as an approximation for malaria. The TRCHS shows that prevalence does not differ between urban and rural areas, or between the poverty quintiles. However, medical treatment of the children with fever was substantially lower for the poorest quintile (66 per cent) than for the richest (84 per cent).

Sentinel site surveillance data show little net change in the importance of malaria as a cause of child deaths between 1995 and 2000, though there is some year-on-year fluctuation (Figure

[18] The information presented on sentinel surveillance sites in this report is based on unpublished data provided by them.
[19] Based on 2000 evidence from Rufiji Sentinel District, 37% of the burden of disease in under-fives can be addressed by IMCI.
[20] Main causes addressed are malaria and dehydration due to diarrhoea.

2.3.2). There are substantial differences in malaria as a cause of death between the sites, however: in 2000, the percentage under-fives deaths due malaria was 54 per cent, 32 per cent and 24 per cent respectively for Morogoro, Dar es Salaam and Hai District.

Figure 2.3.2: Percentage of Deaths to Under-Fives due to Malaria



Source: AMMP 2003

The indicator used - change in the proportion deaths due to malaria, in the sentinel surveillance system - was selected because the incomplete coverage of HMIS data meant that inpatient case fatality rates were considered unreliable. In practice, however, these would suggest substantially different things. Care is needed in interpreting a proportionate cause of death measure such as this, since it does not give an indication of whether overall levels of mortality due to malaria have increased or decreased. It should be interpreted in the light of the overall or cause-specific mortality rates. The decline in overall child mortality in Morogoro, together with an unchanged proportion of deaths due to malaria, means that deaths caused by malaria have declined substantially there while they have remained stagnant in Dar es Salaam and Hai district.

Since the mid-1990s there have been more sustained efforts to combat malaria (Malaria Control Programme). These include IMCI, improving malaria case management with effective anti-malarial drug regimes and the promotion of insecticide treated bed nets. The recent replacement of chloroquine with SP as an anti-malarial drug therapy should provide a significant, though temporary, reduction in the malaria fatality cases in the under-five population. The use of insecticide treated nets (ITN) has been shown to reduce the under five deaths due to malaria by about 20 per cent. However, the impact of such programmes depends on their successful national implementation[21], not just on the technical effectiveness demonstrated in studies. There is as yet no data to assess how effectively they have been implemented at the national scale, although the sentinel surveillance sites provide some more limited, but encouraging, information.

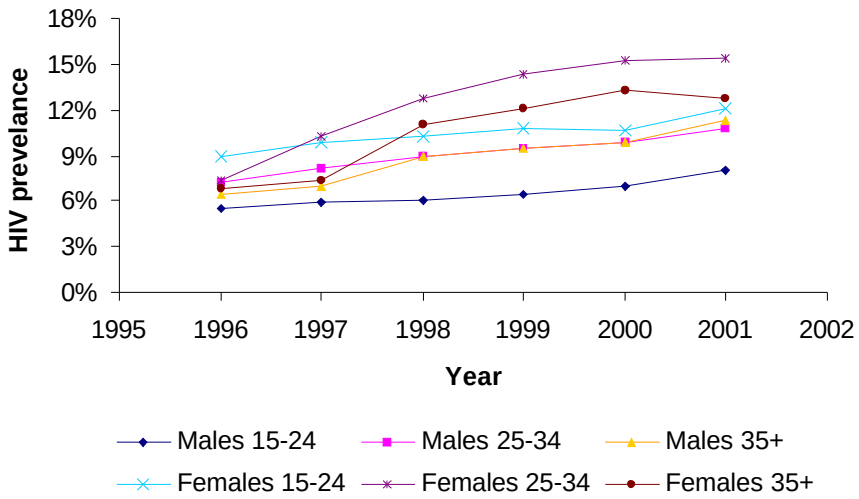
[21] Pilot studies on social marketing of ITNs in Kilombero and Ulanga have shown that an ITN coverage of 55 to 66% can be reached in the poorest quintile group of the population under consideration after a period of three years.

HIV and AIDS

The 2002 Poverty and Human Development Report and PPA report stressed the magnitude and impacts of the HIV/AIDS pandemic. These include a reduction in economic growth; an enormous social burden imposed through illness, death and orphanhood; and serious implications for the operation and financing of government services. Life expectancy at birth may fall below the 52 years estimated from the 1988 census. Out of the 2 million people currently estimated HIV infected, more than 700,000 are suffering from AIDS (PMO, 2003). The recently developed National Multi-sectoral Strategic Framework (NMSF) is intended to address HIV in a comprehensive manner and overcome some of the previous weaknesses in efforts against HIV. It is also hoped that the extension of the voluntary counselling and testing programme will assist individuals to inform themselves of their HIV status and thereby reduce transmission. Efforts to make this service more accessible to young people and especially women are required, since at present it is used much more by men than women.

Data from blood donors show steady increases in HIV prevalence since 1996 (Figure 2.3.3). Despite widespread knowledge of HIV, and some successful local initiatives in its prevention and control, for example in Kagera Region, the national data indicate little suggestion of prevalence stabilisation[22]. In general, prevalence is higher in women than in men. The gap between male and female infection rates has increased since 1996; prevalence levels for the age group 15 to 24 were 8 per cent and 13 per cent for male and female respectively in 2001.

Figure 2.3.3: HIV Prevalence Rates among Blood Donors



Source: National AIDS Control Programme, 2002

Prevalence in blood donors replaced prevalence in antenatal clinic attendees as an indicator because of weaknesses in the ANC sentinel surveillance system. However, blood donors may

[22] A behavioural study in Kagera Region showed an increase at age at marriage, an increase in the use of condoms and a decrease in the number of sexual partners.

not be representative of the general population since they are largely the relatives of hospitalised patients, who will, more likely, be HIV-positive. It is expected that trends, at least, will be similar to the general population. In the second half of 2003 a national HIV/AIDS survey would be conducted. It would provide prevalence estimates by age-sex group at national level, and regional estimates, together with information on knowledge and behaviour. It will provide a baseline against which the future trends can be monitored at 5-years intervals.

Measures of the welfare of persons living with AIDS would provide a valuable additional indicator of the impact of HIV.

Mother to Child Transmission of HIV

The reduction of HIV transmission to infants was adopted as one of the NMSF goals, and mother to child transmission of HIV was selected as PRS indicator. Improved delivery services and the provision of antiretroviral prophylaxis can reduce transmission. Measurement is difficult, however, and the data are not yet available; the first large-scale estimates of the extent of transmission are expected in 2006 and will depend on the operation of a single project, with no guarantee that subsequent monitoring data will be available. An alternative indicator could be the number of pregnant HIV positive women who receive a complete course of antiretroviral prophylaxis to reduce the HIV transmission (United Nations General Assembly Special Session on HIV/AIDS indicators). This information, however, is also not currently available.

Life Expectancy

The last national estimate of the life expectancy at birth was 52 years, based on the 1988 census. Life expectancy is expected to be lower now, due to the effect of HIV. Surveillance sites show a mixed picture between 1995 and 2000, with a slight decrease in Hai district and a slight increase in Morogoro (Table 2.3.3).

Table 2.3.3: Life Expectancy at Births 1995 and 1999

Surveillance site	1995		1999	
	male	female	male	Female
Dar es Salaam	50	49	50	49
Hai	54	58	52	57
Morogoro	43	45	45	46

Source: AMMP 1996 and 2000

Based on the life expectancy estimates from the AMMP sentinel sites a poverty analysis was done, using area based poverty quintiles[23]. Table 2.3.4 shows a difference in life expectancy in the male population in all three surveillance areas between the poorest and richest quintiles. This difference is largely absent in the female populations.

[23] Within the Adult Mortality and Morbidity project, poverty profiles were given to areas, using the socio-economic characteristics of areas as indicator for poverty status. Sentinel sites were divided in 5 equal sized areas ranging from poorest to richest.

Table 2.3.4: Differences in Life Expectancy at Birth by Poverty Status, 1996-2001estimates

Sex	Poverty Status	Dar es Salaam	Hai	Morogoro
Female	Poorest 20 %	55	63	54
	Richest 20 %	55	63	56
Male	Poorest 20 %	50	58	51
	Richest 20 %	59	59	54

Source: AMMP 2002

The forthcoming analysis of the census will provide a definitive picture on trends and differentials in life expectancy.

Fertility

After showing little change in the 1970s and 1980s, there has been a slow but steady decline in the total fertility rates (TFR) during the 1990s (Table 2.3.5). It remains relatively high by global standards, however, and teenage fertility is high, at around 140 live births per 1,000 women. In 1999, 61 per cent of women had had their first birth or were pregnant before their 20th birthday. This reflects, in part, the early onset of sexual intercourse and young age at marriage. There is little legal discouragement provided to this by the 1971 Marriage Act, which sets the minimum age of marriage for women at 15. Teenage pregnancies are associated with higher infant and maternal mortality rates and contribute to school dropout amongst girls. Programmes to discourage the early onset of sexual intercourse and increase girls' retention in education might reduce these problems and, in addition, reduce total fertility rates. Fertility rates in 15-19 year olds would be a useful supplementary indicator.

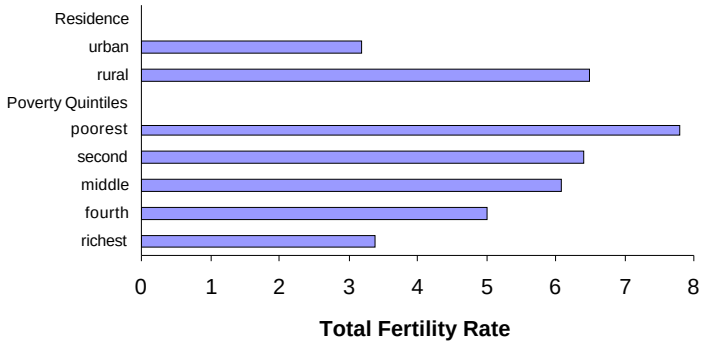
Table 2.3.5: Age Specific and Total Fertility Rates, 1991-1999

Age	1991	1996	1999
15-19	144	135	138
20-24	282	260	268
25-29	270	255	240
30-34	231	217	213
35-39	177	167	138
40-44	108	87	78
45-49	37	42	37
TFR	6.3	5.8	5.6

Source: DHS 1991/92, DHS 1996 and TRCHS 1999

There are large differences in fertility rates by place of residence, with a TFR of 6.5 in rural compared to 3.2 in urban areas (Figure 2.3.4). The differences are even more pronounced by poverty quintile, the poorest having a TFR of 7.8 and the richest 3.4. Changes in the total fertility rates between 1991 and 1999 also had a strong bias towards the richer women; the poorest 51 per cent of women showed a less than 0.2 decrease in the TFR compared to a decrease of 1.5 children in the richest 49 per cent (World Bank, 2003). Adolescent fertility rates show similar patterns. The extension of contraceptive services, and measures to encourage their uptake, must focus heavily on both male and female adolescents and on poorer and rural areas.

Figure 2.3.4: Total Fertility Rates by Background Characteristics



Source: TRCHS 1999 and World Bank 2003

Nutrition

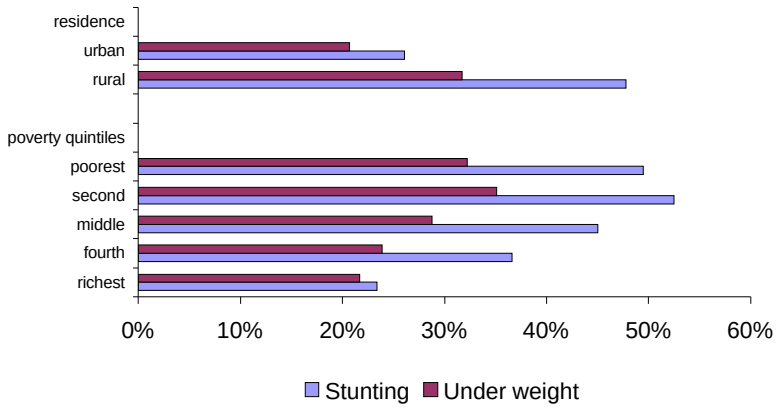
The DHS/TRCHS results do not show much improvement in the nutritional status of the under-fives in Tanzania (Table 2.3.6). With 44 per cent of the children moderate to severely stunted, chronic malnutrition remains a widespread problem. This suggests little improvement in their general health status, given the close relationship between nutrition and health.

Table 2.3.6: Nutritional Status in Children Under-Five

	1991/92	1996	1999
Stunting – low height for age	47	44	44
Wasting – low weight for height	6	7	5
Underweight – low weight for age	29	31	30

Source: DHS 1991/92, DHS 1996 and TRCHS 1999
Note: cut-offs are less than 2 standard deviations from the reference median ie moderate and severe malnutrition

Figure 2.3.5: Nutritional Status in Children Under-Five by Background Characteristics



Source: TRCHS 1999 and World Bank 2003

Child malnutrition is much worse in rural than urban areas, and much higher in the poorest quintiles than the richer (Figure 2.3.5). The relationship is strongest for stunting, reflecting the cumulative effects of long-term and repeated exposure to illness and poor nutrition.

To reach the PRS targets, a clear break with the current trends has to be achieved. Stunting of infants and young children is strongly related to birth-weight, breastfeeding practices and current feeding practices. About 16 per cent of the children have a birth-weight below 2,500 grams, a result of early pregnancies and illness and poor nutritional status of pregnant women (MOH, 2003). Though breastfeeding is almost universal, some of its benefits are lost due to the early supplementation of water and complementary foods. Educational programmes to advocate exclusive breastfeeding up to 6 months seem to have had some effect, the percentage of 0 to 1 month olds who are exclusively breastfed increased from 43 per cent in 1991 to 58 per cent in 1999 (TRCHS, 1999). Food insecurity and HIV/AIDS in under-fives will also worsen the nutritional status of children.

Health Service Delivery

The current health sector reform plan aims to improve primary health care delivery through decentralisation of responsibilities to district level, favouring rural areas in particular. This is intended to improve service quality, availability and accessibility.

Targets and Baselines

Information on health service delivery comes from household surveys and from the Ministry of Health's routine data system. The HMIS should additionally provide annual updates on many of the health service indicators. However, reporting is incomplete and varies over time, meaning that it is currently unable to provide reliable information on trends. Recent information on output from the health sector is lacking as a result, limiting the degree to which progress can be assessed.

Table 2.3.7: Health Service Indicators, Base line and Targets

PRS indicator	Base line			Targets		
	Estimate	Year	Source	2003	2010	2025
Annual no. of outpatient visits per capita	Gov 1.3 All 2.3	2000-01	3			
Health facility users satisfaction (%)	Gov. 66 All 71	2000-01	3			
Total number of family planning acceptors (new and old users)						
Births attended by doctor, nurse or skilled midwife (%)	36	1999	2		80	
Births taking place in govt health facility (%)	44	1999	2			
DTP (Hb)3 immunization coverage (%	DHS 81 MoH 76	1999 1999	2 1	85		
TB treatment completion (%)	78	2000	1			

Source: 1 – Ministry of Health 2002
2 – Tanzania Reproductive and Child Health Survey 1999
3 – Household Budget Survey 2000-01

Health Facility Use: Outpatient Visits

Table 2.3.8: Number of Outpatient Visits

Year	Total	% Annual Change
1995	7,687,329	
1996	11,061,990	44
1997	11,766,793	6
1998	11,997,012	2
1999	12,376,939	3
2000	16,561,435	34
2001	20,897,134	26
2002	24,282,271	16

Source: Ministry of Health 1998 and 2002

The number of outpatient visits reported through the HMIS has increased enormously since 1999, showing a 47 per cent increase in absolute numbers between 2000 and 2002, after a period of relative stagnation in the late 1990s (Table 2.3.8). However, it is difficult to know how much of this increase reflects a real increase in the number of consultations and how much reflects improved reporting under the HMIS.

Figures given in Table 2.3.4 imply 0.5 outpatients visits per capita in 2000, reaching 0.7 by the year 2002. Since reporting is still not complete, these are underestimates of the true level of outpatient consultations. HMIS officials estimate the overall reporting completeness to be about 60 per cent, implying the estimated total number of outpatient visits for 2002 would be around 40 million, assuming consultation levels are similar in facilities where reporting is poor. This gives 1.2 outpatients visits per capita, 1.3 visits for one district with reliable annual outpatient registration[24]. It is difficult to know how accurate this estimate is, however, and it gives no indication of real trends in the number of consultations.

The HBS data can also be used to calculate the same measure. It gives an estimate of 1.3 annual visits per capita to government facilities and 2.3 when private facilities are included; these estimates may themselves be underestimates. This suggests that HMIS reporting levels are probably less than 60 per cent.

User Satisfaction

User satisfaction provides a measure of the perceived quality of the health services provided. The HBS asked health service users about their satisfaction with the service used - specifically, whether there was any problem. For public facilities, some two thirds of respondents did not report a problem, while one third did. Users complained of long waiting times, presumably reflecting a shortage of personnel, and a shortage of drugs. Regional hospitals were considered too expensive. Users were more likely to be satisfied with private facilities and 71 per cent of users of all formal facilities, public and private, said they were satisfied[25]. Least satisfied with the services were respondents from Tabora (44 per cent

[24] Source: Second Health Sector Strategic Plan, 2003

[25] This indicator can be monitored only for public facilities, where it assesses government delivery of services, or can also include private facilities in order to include government regulation of the private sector.

reporting no problem) and Kigoma (48 per cent), both predominantly rural regions. The level of satisfaction is not related to poverty status

Users' perceptions are important but will always reflect expectations, which may be low. Direct assessment of the technical quality of services would also be valuable in addition to user feedback.

The cost of services is also an important problem, both for users and for those who do not use services. One third of respondents who were ill and did not use health services said that it was because of cost; this proportion is over one half of individuals who were ill and perceived a need to use services but did not do so (HBS 2000-01). The PPA report 2003 mentions un-official payments as one of the main barriers for utilization of health care facilities.

Table 2.3.5. per centage of Respondents who Reported No Problem with the Health Care Services Provided

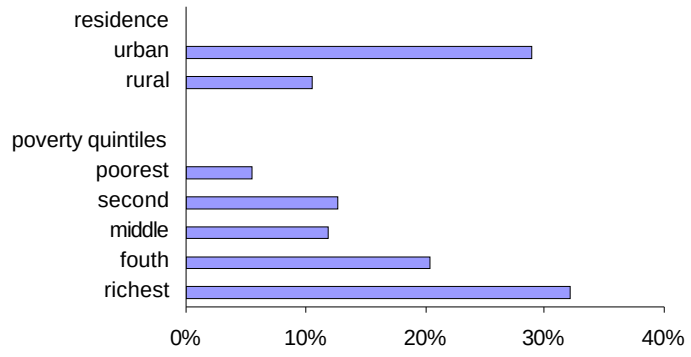
Facility Type	% Reporting No Problem
All health facilities	71
All government health facilities	66

Source: authors' analysis of HBS 2000/01 data

Contraceptive Use

Until 1992, family planning services were officially limited to couples or women with at least one child. At the end of 1992 the government extended contraceptive services to those who can become pregnant or can cause pregnancy. Smaller families are advocated through awareness campaigns. Although contraceptive prevalence remains low, the proportion of women currently using modern methods more than doubled from 6 per cent in 1991-92 to 16 per cent in 1999.[26]

Figure: 2.3.6 Proportion of Women Currently using any Modern Contraceptive Method by Background Characteristics



Source: TRCHS 1999 and World Bank 2003

[26] The five-year National Family Planning Programme (1989-1994) set a contraceptive prevalence target of 25% for 1993. This target was not met in 1999 and probably will remain out of reach for many years to come.

Contraceptive prevalence is particularly low in rural Tanzania, with urban women almost 3 times more likely to use contraceptives than rural women (Figure 2.3.6). Women in the richest quintile are over 5 times more likely to use modern contraceptive methods than women from the poorest quintile. Lack of availability of modern contraceptives in rural areas is probably one of the major explanations for low prevalence levels among rural and poorer women.

The current monitoring indicator is the total number of family planning acceptors, which should be provided annually through routine data systems. Information on the number of new acceptors is available and shows an increase of 8.4 per cent between 2000 and 2001, from 1.359 to 1.484 million. However, the total number of acceptors is not known and data for 2002 remain unavailable. Given this, and since not all contraceptive users are captured by the formal health system, it is important that this indicator be supplemented by contraceptive prevalence estimates from periodic Demographic and Health Surveys. These are especially useful in monitoring condom use since they have multiple distribution channels.

Place and Attendance at Birth

The proportion of births attended by a skilled health worker provides a measure of the delivery of services important to reduce both infant and maternal mortality, and is intended to provide a proxy measure for the latter.[27] The proportion of institutional deliveries provides a second measure of maternal health care. Deliveries taking place in health institutions should be more hygienic and more likely to be attended by a trained health worker.[28] This definition was chosen to allow routine data system from government facilities to provide annual monitoring data. However, the HMIS is currently unable to provide either of these measures and information is limited to the trends in the 1990s shown by DHSs.

Both indicators showed a decline over the 90s (Table 2.3.10); the decline in the proportion of attended births is due to a decline in attendance by nurses and trained midwives. This is surprising, given the increase in the number of trained midwives during the 1990s. It is not clear if insufficient were trained or other factors, particularly increases in the cost of the service, were to blame.

Table 2.3.10 per centage of Births with a Skilled Attendant and in Health Facilities

Year	% with a skilled attendant			% of All Births at a Health Facility
	Doctor	Nurse/ Trained Midwife	Total Skilled Attendants	
1991	6	38	44	53
1996	6	33	38	47
1999	7	28	36	44

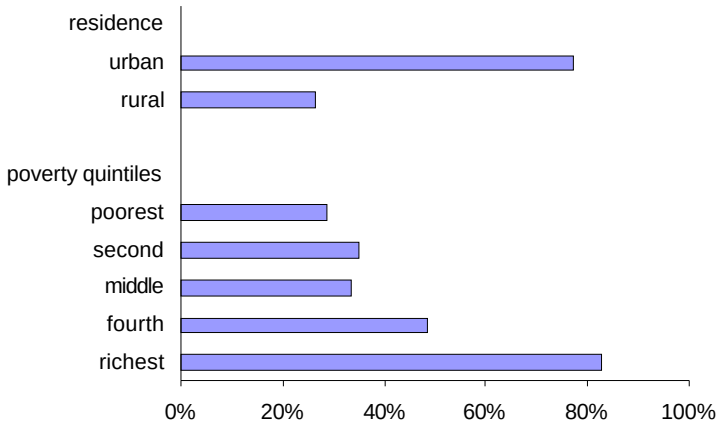
Source: DHS 1991/92, DHS 1996 and TRCHS 1999

[27] 'Skilled' means formally trained medical staff and excludes traditional birth attendants who have been trained.
[28] Delivery care is only one of a number of services that are important to reduce maternal mortality. Data from the AMMP on causes of maternal deaths show the importance of induced abortion. Post-partum haemorrhage, malaria, anaemia and hypertension are also important and can be reduced through better provision of ante- and post-natal care.

Rural-urban disparities in skilled attendance at births are large – 77 per cent versus 27 per cent - and the low overall levels are mainly due to the low levels in rural areas (Figure 2.3.3). These appear to be due, at least in part, to a shortage of adequately trained staff in rural areas. Differences between the poorest and richest quintiles are also substantial, though most of the difference is between the richest quintile and all of the others. Both urban-rural disparities and those between the poorest and richest increased during the 90s (World Bank, 2003).

Very similar differentials are observed in the proportion of births that take place in a health facility. Relatively higher cost due to transport (World Bank, 2003) and 'un-official' fees (PPA, 2003) may explain part of the significant difference in institutional deliveries between urban and rural areas. Additionally, the training of traditional birth attendants to perform safe deliveries at home will also reduce the demand for institutional delivery. International experience suggests that the benefits of trained TBAs are limited. Attention needs to be paid to improving the uptake of formal services in rural areas. This means allocating more adequately trained midwives and providing adequate delivery services at community level.

Figure 2.3.7: Proportion of Births Attended by Skilled Personnel by Background Status



Source: TRCHS 1999 and World Bank 2003

Immunization Coverage

Tanzania has high levels of child immunization compared to other sub-Saharan countries. The DHS show a rise then a small decline in immunization levels during the 1990s (Table 2.3.11). The 1999 estimates from routine EPI data are similar to the TRCHS estimates for the same year and so can be used to provide information on trends since then. They show continuous improvement in DTP3 and measles coverage; only BCG does not show this trend.

DTP3, which has been administered as DTPHb3 since 2001, reached almost 90 per cent coverage in 2002, well above the target for 2003. Despite this, geographical differences persist. Two districts in Tabora region had coverage of below 70 per cent, and 12 more were below 80 per cent in 2002, although accurate district-level estimates are difficult to calculate in the absence of recent population data.

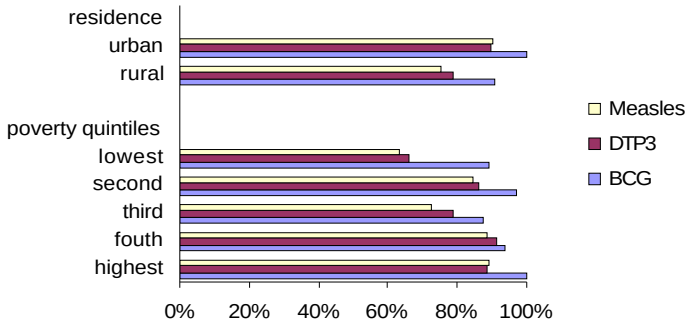
Table 2.3.11: Trends in Immunization Coverage

Type of Vaccine	1991	1996	1999	1999	2000	2001	2002
	DHS	DHS	TRCHS	EPI	EPI	EPI	EPI
DTP3	73	85	81	76	79	86	89
BCG	93	96	93	87	86	91	88
Measles	69	81	78	72	78	86	89

Source: DHS 1991/92, DHS 1996, TRCHS 1999 and Ministry of Health 2003

There are slightly lower levels of vaccination in rural areas (Figure 2.3.8). Children belonging to the richest quintiles were 1.3 times more likely to receive a full DTP immunization than children belonging to the poorest quintile, a larger difference than in 1991-92 (World Bank, 2003). The 1999 data also show a 4 per cent and 5 per cent difference in immunization rate for measles and DTP3 respectively in the favour of boys.

Figure 2.3.8: Immunization Coverage by Background Characteristics



Source: TRCHS, 1999 and World Bank 2003

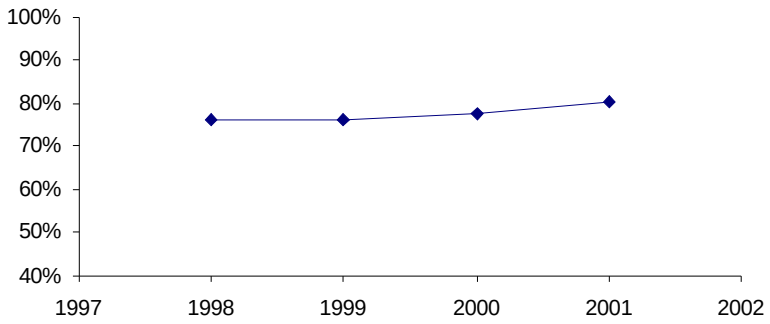
Vitamin A supplementation is often delivered with vaccination and helps to build the child's resistance to infections. Provision during special days has resulted in an increase in coverage[29] from around 22 per cent in 1999 to over 90 per cent in 2002 (TRCHS, 1999 and MOH, 2003. The challenge is now to integrate provision into routine services.

Tuberculosis Treatment

Tuberculosis is one of the major causes of death in adults. HIV co-infection is increasingly important, with an estimated 44 per cent of TB patients HIV positive in 1998. The government response is based on DOTS - Directly Observed Treatment Short course. Daily administration of the treatment at the health facility, during the first two months, is used to ensure compliance and completion of the course, since its very intensive and premature termination might cause resistance to develop. The completion rate increased between 1998 and 2001, rising from 76 to 81 per cent (Figure 2.3.9). The 85 per cent completion target for 2004 seems within reach. The absolute number of cases treated also increased during the same period, although there is no active TB detection policy.

[29] In children aged 6 to 59 months.

Figure 2.3.9: Percentage of Tuberculosis Patients Who Completed the Treatment



Source: National Tuberculosis and Leprosy Programme, 2003

Though the national figure is approaching the target set for 2004, regional variation does exist. Relatively low treatment completion rates were observed in Kilimanjaro, Pwani and Tabora regions (around 73 per cent), while Mtwara reached over 90 per cent. Because distances to DOTS centres are larger in rural areas, treatment failure is more likely to occur there. Women in general show higher treatment completion rates than men.

2.3.2. Conclusions and Recommendations

Summary of Progress

Survival and Health Status

The analysis of the census and the forthcoming Demographic and Health Survey in 2004 will provide recent national estimates for many of the indicators of survival, nutritional status and of health. Until then, there is little information available with which to assess recent trends. For some indicators, sentinel surveillance data provide valuable, complement information. For others, nothing can be said about trends since 2000 and attention focuses on trends in the 1990s.

Infant and child mortality did not decline during the 1990s. Two sentinel surveillance sites show a decline in mortality, respectively over the late 1990s or from 2000. Two others do not. The sites where the decline has occurred have both seen the implementation of IMCI. If the decline is a consequence of this, and is generalisable to other districts where IMCI has been implemented, then this offers the hope of more widespread reductions in child mortality. However, there has as yet been no evaluation of the impact of IMCI.

The trend in some of the most important causes of death during the 1990s was not positive. HIV prevalence rates have continued their upward march, with little suggestion that they were stabilising by 2001. The prevalence of malaria in children remained constant during the 1990s, although the sentinel sites where mortality declined show a fall in child deaths due to malaria. There was no progress in child malnutrition indicators during the 1990s.

More positively, fertility has declined over the 1990s, though it remains high in rural areas. Teenage pregnancies, with higher associated risks of infant and maternal mortality, also remain high.

The Delivery of Health Services

Many of the indicators measuring health service delivery should be available annually from routine data, although a few depend on periodic surveys. In practice, however, the coverage of routine data systems is often incomplete and the recent data are missing. This limits the extent to which trends in health service outputs can be assessed on an annual basis.

From survey data, trends in health service outputs show a mixed picture over the 1990s. The proportion of births that were attended by trained personnel and those that took place in health facilities both declined and urban-rural disparities increased. However contraceptive prevalence increased and child vaccination rates showed a small net increase.

Since 2000, EPI programme data suggest steady improvements in vaccination rates, so that coverage was an impressive 90 per cent by 2002, surpassing PRS targets. Some districts have rates well below this, however. There was an increase in the number of contraceptive acceptors between 2000 and 2001, but no more recent data are available. Improvements in TB treatment completion rates are encouraging.

Service delivery measures thus show improvements since 2000 for those services supported by particular programmes. It is not possible to assess whether there has been a more general increase in outputs, as measured by number of outpatient consultations, because of weaknesses in the routine HMIS data. One third of users complained about the services provided publicly.

Policy and Operational Issues Identified

Rural areas remain particularly disadvantaged on many health and survival indicators, both in terms of outcomes and service uptake. Many also show a strong relationship with poverty, and these differentials have sometimes widened during the 1990s. The differences are particularly strong for maternal health indicators including fertility, family planning and attendance at births. It is essential to ensure that health services are accessible to the rural population and the poor. Facilities must be adequately staffed and stocked and must provide quality services in order to ensure utilisation.

Health services must also be affordable. Informal charges and indirect costs (such as transport) already act as a barrier to service use. The proposed introduction of user fees at primary level facilities is likely to further raise the costs faced by users and may increase the incidence of informal charging and bypassing of the referral system. It is difficult to reconcile the introduction of user charges at primary health facilities with the successful increases in enrolment in primary schools as a result of the abolition of user fees, outlined in the previous section.

The challenge of integrating successful vertical programmes into routine service delivery remains considerable. If IMCI has had the impact that is suggested by the preliminary indications of the surveillance site data, then its expansion to all districts should be a major priority. Increasing the availability of insecticide treated bednets also looks promising.

Many factors affect health status apart from health services. Measures to encourage female participation in education are likely to bring about substantial health benefits in the longer term, particularly though not exclusively, on contraceptive use and fertility. Health education to inform and motivate changes in behaviour remains potentially one of the most cost-effective means of improving health, with changes in breast-feeding, weaning, feeding practices and sexual behaviours all having a large potential impact on health outcomes. The provision of information is rarely sufficient, however, and the social and economic pressures on women should also be addressed. These often impose a heavy workload, even during pregnancy, and while caring for small children and create dependency that makes safe sexual practices more difficult to ensure.

HIV remains one of the over-riding determinants of Tanzania's prospects for development over the coming years and the prioritisation of measures to reduce transmission, and its impact on the welfare of those affected, remains essential.

Recommendations on Indicators and Monitoring Systems

Periodic surveys, particularly Demographic and Health Surveys, although not entirely free of data problems, provide an appropriate and adequate means of monitoring population indicators of survival, and of health and nutritional status. They also provide useful periodic information on service delivery. Weaknesses in the core Health Management Information System (HMIS) mean that many service delivery indicators cannot be monitored annually, as was intended. The exceptions are those based on information provided by parallel programme information systems, which cannot be an efficient means of monitoring the sector in the medium term. This weakness affects not only poverty monitoring but must also seriously impede the extent to which the ministry can plan and undertake routine monitoring and management functions. Strengthening the HMIS must be a priority. In the immediate future, it would be valuable to see whether adjusting for changes in reporting levels could derive a more reliable measure of recent trends in outpatient consultations.

The system of ten demographic surveillance sites provides a valuable source of additional monitoring information. They provide a range of population-based longitudinal estimates, which will ideally link household and health service information so as to relate outcome variables to health system performance. The concern with these data is that it is difficult to know how representative the data are of the national population, particularly if the sites have been used for specific interventions. It would be useful to explore the questions of representativity and validity in more depth, particularly if this could be combined with an assessment of whether the sites can provide a measure of the impact of IMCI.

2.4 Water and Sanitation

Targets and Baselines

The PRS prioritises increasing access to clean, safe drinking water for the rural population, aiming for 55 per cent of rural inhabitants having access by 2003 (Table 2.4.1). There are no specific targets for sanitation, although indicators were developed as part of the revision process. These are shown below.

Table 2.4.1: Water and Sanitation: Indicators, Baseline and Targets

PRS indicator	Base line			Targets		
	Estimate	Year	Source	2003	2010	2025
% of rural population with access to piped or protected water as their main drinking water source	46	2000/01	1	55	85	
% of households able to fetch water in under 30 minutes (go, collect, return)	rural 66 urban 64	1999	2			
Number of reported cholera cases			3			
Incidence of diarrhoea among under-fives (% in last two weeks)	12	1999	2			
% change in mortality attributable to diarrhoeal disease among children under five						

Source: 1 – Household Budget Survey 2000-01
2 – Tanzania Reproductive and Child Health Survey 1999
3 – Ministry of Health

Notes: a – Estimates and targets are shown for the rural population, although the indicator is now defined for the total population. The baseline estimate is for households, not population.

Source of Drinking Water

Substantial improvements in the use of safer water sources were recorded by the HBS surveys during the 1990s. These improvements were concentrated in rural areas (up 11 per cent), with a small decline in coverage in Dar es Salaam and little change in other urban areas. The improvements in rural areas are a positive development; although according to the HBS 2000/01 over half of rural households continue to depend on unsafe sources. The Ministry of Water and Livestock Development reported through its routine data system that improved water supply coverage has gone up from 49 per cent in 2000 to 50 per cent in June 2002 and 53 per cent in June 2003.

Though eventually, routine data systems must form the basis for planning and monitoring at district, regional and national levels, there are concerns about the differences between coverage figures produced by the routine data system and those derived from national surveys (see Appendix Table A2.4.1). This may in part be due to routine data using population coverage rather than households and may also reflect sampling errors in the survey data, but these factors are unlikely to explain all of the discrepancies. It is important to identify the source of data when quoting national statistics; further works should also be done to understand the reasons for these disparities.

Distance and Time to Water Source

The 2002 PHDR made the point that focusing on the source of drinking water provides a limited view of a household's access to drinking water. The distance to source, the time taken to fetch water, the quantity of water available and affordability are also important. Currently, only information on time and distance is available from national data sources. Both give a partial indication of the burden of domestic water management felt mainly by women and children in Tanzania.

The proportion of households with a dry season drinking water source less than one km from the home increased during the 1990s, in both urban and rural areas (Table 2.4.2).[30] However, over half of rural households still depend on water sources that are one km or more away. There has been little change in the proportion of households with the source 'within 1km' (interpreted here as less than 1km plus 1km). There has also been little change in the proportion with sources 3km or more from the home in rural areas.

Table 2.4.2: % of Households with Drinking Water in Dry Season within Certain Distance

Distance (km)	Urban		Rural	
	1991 (%)	2000 (%)	1999 (%)	2000 (%)
< 1 km	73	77	44	49
1 km	14	10	25	21
within 1 km	88	87	69	70
2 km	7	5	11	9
3 km	2	4	7	9
4 km	1	2	4	2
5+ km	3	3	9	9
Total	100	100	100	100

Source: HBS 1991 and 2000/01

The HBS recorded all distances of under one km as a single category, while the National Water Policy target is for water within 400m of the home. The 2000/01 HBS also collected information on the time taken to reach the dry season source of drinking water, which might provide a proxy for distances under one km. Using 10 minutes or less as an average time taken to walk 400m, it shows that 57 per cent of all mainland households travel for 10 minutes or less for drinking water; this figure is 51 per cent of rural households and 78 per cent of urban households. It is not clear whether this measure in fact correlates well with distance, however, and it does not capture waiting times.

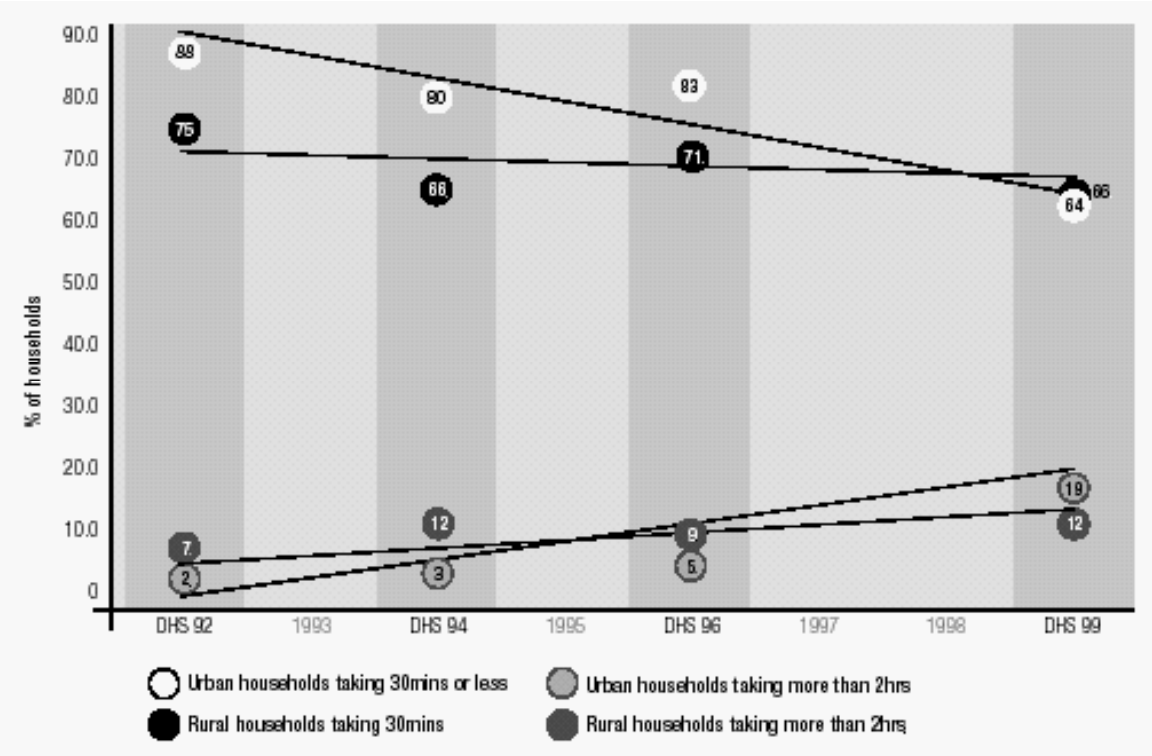
The DHS collects information on the total time taken for collecting water - going to the water source, waiting, collecting water and returning home. This gives a better picture of the burden of domestic water collection as it captures waiting times at water points. The indicator uses 30 minutes as the cut-off point, since water use is substantially lower for households that take over 30 minutes to collect water.[31]

[30] The 2000/01 HBS also collected information on time taken to reach the source, while the 1991/92 HBS only collected information on distance. It may be difficult for many respondents to estimate distance accurately.

[31] Cairncross and Feacham (1993) state that rural water use does not increase as distance to the source is reduced until it is less than 100m. However, they (a) suggest a correlation between a distance of "within about one kilometer" and "within half-an-hour's return journey of the home" and (b) show that consumption falls for households more than 30 minutes return journey time from source.

Figure 2.4.1 shows that between 1991-1999, the percentage of households taking 30 minutes or less fell, particularly in urban areas. Conversely, those households taking more than 2 hours to fetch water has increased, again the trend being more pronounced for urban households. Given that distances to water have not increased significantly over the 1990s it appears that pressure on the water points, causing queues for water, is the likely explanation. This has clear costs for the time and productive energy levels of those collecting water – usually women. It illustrates the value of an indicator that measures time rather than just distance.

Figure 2.4.1: Change in Time Taken to Go, Collect Water and Return 1992-99

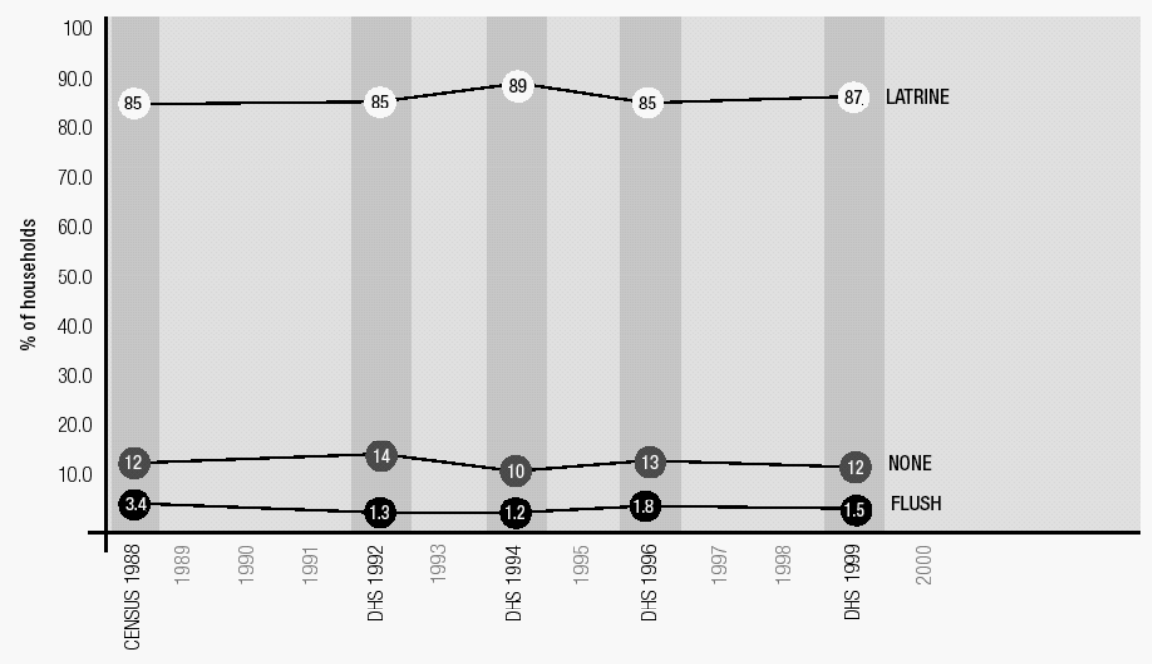


Sanitation

At the World Summit for Sustainable Development (WSSD) a target for sanitation was successfully negotiated. The target has yet to be formally integrated into the MDGs and Tanzania's PRSP but it is widely accepted that sanitation should be addressed. The difficulty though is in identifying meaningful indicators for the target and in translating the target into specific actions.

The percentage of households owning a toilet facility fluctuates between 84 per cent and 89 per cent in the DHS and Census from 1988 to 1999 (Figure 2.4.2). The Household Budget Survey, which asks about the use of toilet facilities, also showed no change in the percentage of households using toilet facilities between 1991 and 2000.

Figure 2.4.2: % of Households in Tanzania Mainland using Different Toilet Facilities Over Time



Household survey data on sanitation in Tanzania is currently limited to information on household toilet facilities. There are comparability problems between earlier and more recent surveys while even in the more recent surveys some ask about ownership and others about use. The surveys provide limited information on the quality of toilet facilities and probably fail to capture information on the degree to which latrines may have been improved.[32]

In addition, information on toilet facilities provides an incomplete picture of sanitation issues. For this reason, the indicators in Table 2.4.1 were proposed. These themselves have limitations. For example, most endemic diarrhoeal disease is not waterborne, but transmitted from person to person through poor hygiene practices (Cairncross 2003). However they were selected because the data were expected to be available and because they should reflect *integrated* improvements to water, sanitation and hygiene. In practice, however, it has been difficult to obtain information on recent trends in these indicators.

Number of Reported Cholera Cases

Data on cholera is collected through the Ministry of Health routine data system known as Infectious Diseases Week-ending Reports (IDWE). These data are not yet available for analysis.

Diarrhoea in Children under-five

[32] The HBS distinguishes only flush toilet; ventilated improved pit latrines (VIP); (other) pit latrines; no facility; and 'other'. Most people do not know what a VIP latrine is, while combining all other pit latrines fails to capture important information on their status. This could usefully be collected in a separate question (see MOWLD/WaterAid 2002).

Diarrhoea is one of the leading childhood illnesses, and is closely associated with poor sanitation and hygienic household practices. Adequate sanitation at household and community level (including schools) should reduce the prevalence of diarrhoea. The 1999 TRCHS shows that 12 per cent of children under-five were reported with diarrhoea during the two weeks preceding the interview, with highest risks between 6 and 12 months when children start moving around and start being weaned.

Table 2.4.3: Prevalence of Diarrhoea in Children Under the Age of Five, 2 Weeks Preceding the Survey

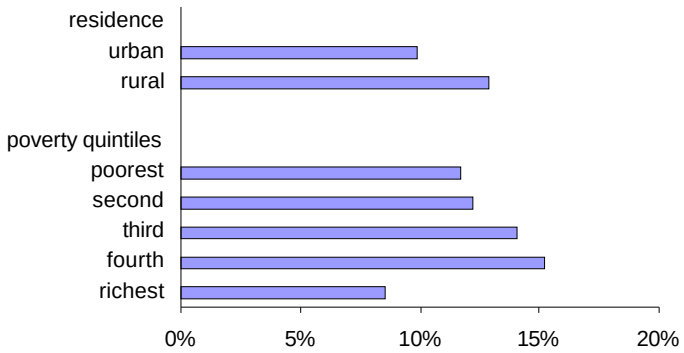
Age	1991	1996	1999
	(%)	(%)	(%)
< 6 months	12	12	10
6 - 11 months	26	27	30
12 - 23 months	21	23	20
24 - 35 months	11	13	11
36 - 47 months	7	6	4
48 - 59 months	4	3	4
Total	13	14	12

Source: DHS 1991/92, DHS 1996 and TRCHS 1999

The overall prevalence rates reported by the different surveys changed very little during the 1990s. There is no more recent information available.

The 1999 TRCHS data show a somewhat higher prevalence of diarrhoea in rural areas compared to urban areas; poverty status and diarrhoea in under-five do not seem to be strongly related. Though the difference between poorest and richest quintiles is marked, the difference across other quintiles is erratic (see Figure 2.4.3).

Figure 2.4.3: Prevalence of Diarrhoea in Children Under Five, 2 Weeks Preceding the Survey by Background Characteristics



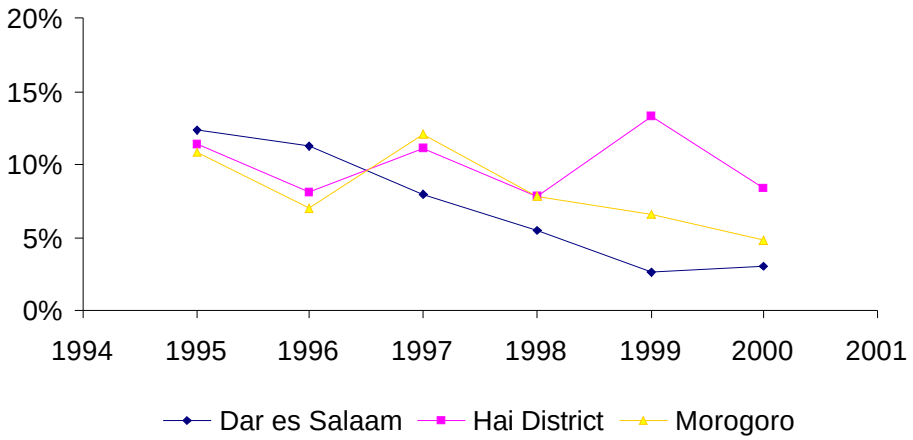
Source: TRCHS 1999 and World Bank 2003

Mortality Attributable to Diarrhoeal Diseases in Children

Information on this indicator is available from surveillance sites. It suggests a very substantial decline in the importance of diarrhoea as a cause of death between 1995 and 2000 in two of

the three sites, although the third site shows little change (Figure 2.4.5). Combined with an overall decline in under-five mortality in Morogoro, the absolute levels of diarrhoea related mortality dropped substantially. If correct, and if it reflects changes that have occurred in the population as a whole, this would represent a major improvement in child health. Further investigations to confirm these findings and to understand the causes would be valuable.

Figure 2.4.5. % of Death due to Diarrhoea of All Diagnosed Causes of Death for Children Under- Five, AMMP Sites 1995-2000



Source: AMMP 2003

The proportional cause of death indicator quoted here provides information on the proportionate contribution of different causes of death, but does not give any insight into the trends of the absolute mortality rates. Cause specific under-five mortality rates would provide a better measure. Though annual estimates make it tempting to monitor annual changes, it is advisable to analyse trends over longer periods, to avoid confusing annual fluctuations with medium or long-term trends.

Conclusions

Summary of Progress

There is no new survey data on development in the coverage of improved sources, or in the accessibility of sources, since the 2000/01 HBS. Improvements in coverage in rural areas during the 1990s are very positive, although the rate of improvement, based on the survey results, suggests that the 2003 target is unlikely to be reached. The time taken to collect water appears to have increased during the 1990s in urban areas, probably as a result of increased pressure on water points due to urban growth rates, implying substantial time costs on those who collect the water, mostly women and children.

There is no recent data on trend in the other two sanitation indicators. The prevalence of diarrhoea in children changed little over the 1990s. Surveillance site data do, however, suggest a decline in the importance of diarrhoea as a cause of death during the 1990s. If this applies nationally, it would be an important mark of progress in child health. Further work would be useful to assess this.

Indicators and Monitoring

The weakness of routine data systems is a concern. It is to be hoped that the Local Government Monitoring and Evaluation (LGME) system that has been developed might assist with the strengthening of water and sanitation data at the district level. However, there are a number of concerns. First, the data collected through the LGME are alone not enough for planning water and sanitation interventions at ministry or district levels. Second, since regional and district water engineers are now accountable to district councils rather than to the ministry, and data passes via the regional secretariat to PO-RALG and finally to the ministry, there is a serious concern that the ministry will not be able to obtain the additional information that is necessary. There is an urgent need to develop a single, highly accessible monitoring system that contains all of the necessary data and is used by local and national planners alike.

In water, coverage indicators currently refer to population while previously estimates have generally been presented for households. Although differences are likely to be small, this is potentially confusing. Further work to assess the reliability of distance and time measures reported in household surveys would be useful.

The sanitation indicators continue to depend largely on household surveys and are limited by weaknesses in health routine data systems. However, on-going work on the Ministry of Health's IDWE system will yield routine data on notifiable diseases, including cholera.
It should be noted that proportionate cause of death measures risk providing a misleading picture unless examined in the light of overall mortality levels.

2.5 Extreme Vulnerability

2.5.1 Performance Indicators and Targets
Targets and Baselines

The PRS recognises that there are particularly vulnerable groups in Tanzania that require special attention, including AIDS sufferers, orphaned children, the disabled, the very old and refugees. It argues that the number of vulnerable individuals is increasing at the same time as traditional support mechanisms are under stress. There are five indicators for monitoring extreme vulnerability (Table 2.5.1), which were adapted from the indicators in the Poverty Monitoring Master Plan in recognition of the limitations of the previous approach, which was based on counting the numbers in specific social groups. There are no targets defined for any of these indicators.

Table 2.5.1: Extreme Vulnerability Indicators and Their Baseline Values

	Estimate	Year	Source
% of households who take no more than one meal per day	1.1	2000-01	1
Average number of days adults report to have been too sick to work			
% of adults considered chronically ill			
% of children orphaned	Mother: 3.4 Father: 6.4 Both: 1.1	1999	2
% of children in the labour force and not going to school	19.0	2000-01	3

Sources: 1 – Household Budget Survey 2000-01
2 – Tanzanian Reproductive and Child Health Survey, 1999
3 – Integrated Labour Force Survey, 2000-01

The PRS 2002 Progress Report identified the difficulties in defining indicators of vulnerability when it stated, "setting targets and quantitative measurement of extreme vulnerability remain a challenging task in the absence of a clear understanding of the concept and its manifestations in the Tanzanian context." We will return to this issue after a review of the existing information on the indicators.

Estimates and Trends

All five of the indicators of extreme vulnerability depend on household surveys for their measurement and there is no information available on trends since the PRS began to be implemented. Instead, this section concentrates on describing the existing data and assessing the appropriateness of the proposed indicators.

There is no information currently available on the average number of days that adults report having been too sick to work, nor on the proportion of adults considered chronically ill, since existing household surveys have not collected the necessary data.[33]

The Proportion of Households That Take No More Than One Meal per Day

[33] It would be reasonably simple to modify the Labour Force Survey questionnaire so that it measures both of these indicators in the future, once the definition of chronic illness has been agreed upon.

Overall, 1.1 per cent of households reported (usually) taking one meal per day in 2000/01 (Table 2.5.2). This was slightly higher in rural areas and lowest in Dar es Salaam. The proportion of poor households reporting taking no more than one meal per day was more than twice as high as the proportion of non-poor households (1.8 compared 0.8 per cent), however it is not high in overall terms even amongst the poor. There is no information on trends over the 1990s.

Table 2.5.2: The Percentage of Households That Take No More Than One Meal per Day

By area	
Dar	0.4
Other urban	0.8
Rural	1.2
By poverty status	
Poor	1.8
Not poor	0.8
Total	1.1

Source: HBS 2000/01, 2002

The usual number of meals consumed per day has been shown to be strongly related to household standards of living and poverty (Ward, Owens and Kahyrara, 2002). However, the regional differences in this indicator urge caution. It is highest in Kilimanjaro and Rukwa, which are not particularly poor regions, and there is little relationship between the indicator and poverty levels by region (see Appendix Table A2.5.1).[34]

This indicator was included "not because it identifies the vulnerable, but because it identifies those who were vulnerable and have slid into poverty because of their vulnerability" (PMS, 2003). However, it does not seem to be a particularly reliable proxy for income poverty as it stands. This suggests it ought to be re-considered.

Orphanhood

Table 2.5.3: Single and Double Orphanhood for Children under 15 Years of Age

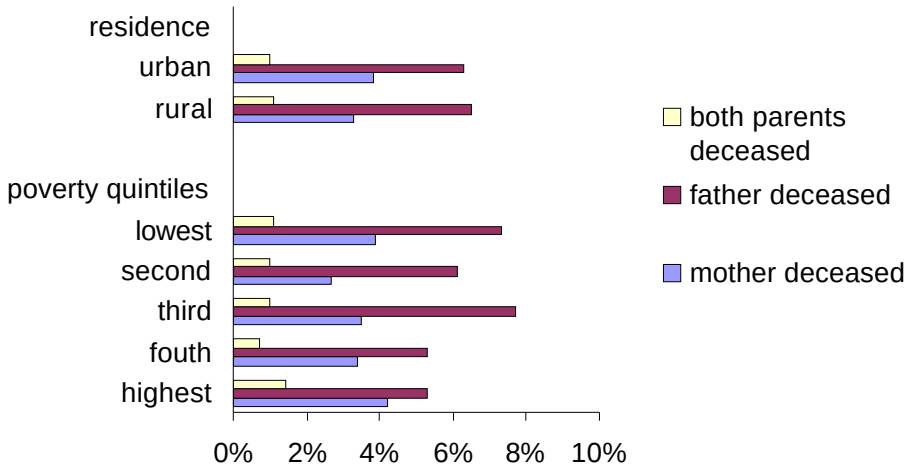
Year	Mother deceased	Father deceased	Both parents deceased
1996	2.9 %	6.2 %	0.6 %
1999	3.4 %	6.4 %	1.1 %

Source: DHS (1996) and TRCHS (1999)

Almost 10 per cent of children under the age of 15 experienced the death of one of their parents; around one per cent had lost both parents. The loss of a father was commoner than the loss of a mother, both because adult male mortality is higher than adult female mortality and because men are more likely to become fathers at older ages. There are similar levels of orphanhood in urban and rural areas (Figure 2.5.2). The risk of paternal orphanhood is somewhat higher in the poorest quintiles, although the relationship is not strong and there is little relationship between household income and maternal orphanhood.

[34] In addition, the low overall level of this measure raises questions about which particular households are being identified. When the poor are disaggregated into poor and very poor, 1.4 percent of very poor households report taking no more than one meal per day, compared with 2.3 percent of other poor households ie not the pattern expected if it is to act as proxy for poverty. There is also a question of how far discrete 'meals' are identified by respondents.

Figure 2.5.2 Single and double Orphanhood for Children under 15 Years of Age by Residence and Household Consumption Levels



Source: TRCHS 1999 and World Bank 2003

There appears to have been an increase in orphanhood over the second half of the 1990s, at least in part as a consequence of the HIV/AIDS epidemic. With little sign of the HIV epidemic stabilising, it is likely that the number of orphans will continue to increase. A recent study suggests that the economic impact of this problem may be much larger than anticipated and depend greatly on the extent to which the extended family can absorb orphaned children (Bell, Deversban and Gersbach, 2003). It suggests that financial support to orphans and ensuring that orphaned children continue with their schooling, are essential, as well as programmes to reduce transmission of the virus and to mitigate its effects on the sufferers.

The Proportion of Children in the Labour Force and Not Going to School

Child labour is "work performed by children under 18 years of age which is exploitative, hazardous or inappropriate for their ages and which is detrimental to their schooling, or social, mental, spiritual and moral development" (MoLYDS & NBS, 00/01). The proportion of children who are in the labour force and not going to school identifies a particularly deprived group of children and is a practical indicator of the extent of child labour.

According to the last Labour Force Survey, around one fifth of all children aged 5-17 years were in the labour force and not attending school in 2000/01 (Table 2.5.4).[35] The proportion is lowest in Dar es Salaam and highest in rural areas, mostly because of the high proportion of children working in rural areas. Since the rural population is largest, it is clear that the vast majority of these children are residents in rural areas. Slightly more boys than girls are in this situation.

[35] Note that the indicator presented here is the proportion of all children who are in the labour force and are not attending school, rather than the proportion of children in the labour force who are not attending school. The former provides a more comprehensive picture and is recommended in preference to the latter. Reports of activity in the previous week are the basis for the measure.

The LFS provides a more exact measure of children's participation in the labour force, since it asks specifically about availability for work, and should be used as the primary source for this indicator. The Household Budget Survey (2000/01) gives quite different values for this measure, reflecting the higher labour force participation rates found in the HBS.[36]

Table 2.5.4: Percentage of Children in the Labour Force and Not Attending School, and Labour Force Participation Rates, from the LFS and HBS (2000/01), Children Aged 5-17 Years

	Labour force participation rates		% of children in the labour force and not attending school	
Source	LFS	HBS	LFS	HBS
By area				
Dar es Salaam	6.5	31.2	3.2	14.3
Other urban	20.1	52.7	7.4	18.2
Rural	45.7	62.9	22.4	30.8
By sex				
Male	40.6	58.4	19.9	28.0
Female	38.5	61.3	18.1	28.3
Total	39.6	59.9	19.0	28.2

There is no information on trends in this indicator over the 1990s and it cannot be calculated by region or by poverty status from the LFS.

2.5.2 Conclusions and Recommendations

Summary of Progress

There is no information on trends in these indicators during the implementation of the PRS, i.e. between 2000 and 2003. Trends over the 1990s are known only for orphanhood, which appears to have increased during the decade, almost certainly as a consequence of the HIV epidemic.

Policy and Operational Issues Identified

As they stand, the indicators cover a disparate set of areas and do not appear to have been selected within a common conceptual or policy framework. Addressing these conceptual issues, discussed below, is a prerequisite for a comprehensive response. Apart from this, the urgent need to address the HIV/AIDS epidemic and to mitigate its effects on children remain a pressing priority.

Recommendations on Indicators and Monitoring Systems

The usefulness of the existing indicators is limited by a lack of information and some technical problems. There is no information on their trends during the implementation of the PRS, so they are of limited use in such short-term monitoring. There is no information on the average number of days that adults were too sick to work nor the proportion of adults considered chronically ill, since existing household surveys do collect the necessary

[36] It is not clear what causes these differences but it may be due to problems in the classification of secondary activity in the HBS, leading to an over-estimate of labour force participation.

information. A baseline for comparison with future household surveys can be provided for the proportion of children who are in the labour force and not at school, and for the proportion of households taking no more than one meal per day. Trends in orphanhood are known for the 1990s.

There are, however, fundamental questions around the appropriateness of these indicators. They do not explicitly represent a comprehensive list of particularly vulnerable groups, which in any case would be hard to identify and would probably be of limited use in practice. Neither do they comprehensively cover factors that might be considered to create or mitigate risks for Tanzanian households – illness is the only one of such factors that is included.

Since these indicators were selected, the Participatory Poverty Assessment (PPA) (2003) has developed a comprehensive framework for understanding vulnerability in Tanzania. It identifies a range of impoverishing forces, to which households and individuals may respond with the assets at their disposal, subject to a set of conditioning factors that affect the deployment of these assets. It recognises that most community members are in fact at risk of a decline in their well-being as a result of these factors, and it is the degree of vulnerability that varies. This suggests that monitoring should focus more on the impoverishing forces and less on particular groups. Many of the impoverishing forces that the PPA identified are already prioritised under existing poverty reduction policies. These include health, particularly HIV/AIDS and malaria, governance/corruption, natural resource degradation and drought. Others are currently given less emphasis. These include the impact of taxation, changes in the terms of trade, physical insecurity and law and order, and risks associated with the life cycle, particularly ageing.

The PPA will assist with refining indicators for vulnerability in sectors that are already monitored. It focuses its attention particularly on the importance of informal payments for basic services, health, for example. It might also provide a basis for the development of additional indicators. For example, it may be possible to assess the burden of taxation or the incidence of multiple taxation in the next household budget survey.

The value of a comprehensive conceptual framework for vulnerability is outlined further in Chapter 3 of this report, which reviews social protection programmes. These programmes operate with diverse ideas about what constitutes vulnerability and usually do not cover the multiple factors that affect it. They often have limited coverage of their target population, the size of which is often unknown. A clarification of the government's understanding of, and policy towards, vulnerability and of the way in which social protection programmes fit into this policy would contribute to the development of a more coherent and comprehensive approach.

2. 6 Poverty-Environment Linkage

2.6.1 Performance Indicators and Targets

There are strong links between poverty, the environment and the country's natural resources. These resources provide the main sources of peoples' livelihoods and play an important role in some key economic sectors, including agriculture, tourism and mining. Most people in the country *directly* depend on a robust, healthy environment for their livelihoods and to provide them with building and cooking materials, clean water, food and medicine. The environment is therefore critically linked to poverty in many ways.

Targets and Baselines

In recognition of the importance of environment to poverty reduction, the revised PRS indicators introduced new indicators but there are no targets (Table 2.6.1). The first two indicators assess the participation of the local community in the management of wildlife and forests, on the basis that effective local management will enhance the benefits they receive and increase protection. The mean distance to the firewood works as a measure of deforestation due to extensive use of firewood, on the assumption that an increase would be due to cutting down trees without replacement. The farming indicator is intended to capture dependence on small areas of farming land.

Table 2.6.1: Indicators and Baseline Values for Poverty-Environment Indicators

	Estimate	Year	Source
Number of joint forest management agreement	0	2003	1
Number of wildlife management areas	0	2003	1
Mean distance to firewood (km)	2.7	2000/01	2
Proportion of smallholders with a planted area of less than 2 hectares for staple crops (maize, sorghum, rice)	-	2003	2

Sources: 1 – WWF
2 -- NBS

Estimates and Trends

There is no information on trends in the number of joint forest management agreements or the number of wildlife management areas, since the implementation of these approaches began recently. There are currently wildlife management agreements in only fifteen districts, operating on a pilot basis, with an expectation of expansion in the future.

The forests under joint management agreement are of two types; catchment forest reserves and participatory forest management in the districts/regions. The former are larger reserves, concentrated in the northern regions, while the latter are smaller forests spread across the country. Almost all districts have one or more participatory forest management agreements but they vary in the level they cover: some are at the district-level, some ward-level and some cover villages. This makes it difficult to aggregate them meaningfully. In addition, both of these indicators are output measures and it will be difficult to know how far changes in them will be translated into improvements in people's welfare.

The Household Budget Survey provides some information on distance to firewood. It suggests that there has been a decline in the average distance overall, from 3.2 km in 1991/92 to 2.7 km in 2000/01, with a smaller decline in rural areas. It also suggests that the mean

distance to firewood has increased for the poor and has decreased for the non-poor. There is great diversity among regions in this indicator, with Kigoma, Rukwa and Singida having an average distance greater than five km. However, care is needed in interpreting these figures. In particular, the responses included distance to a place where firewood or charcoal could be purchased, at least for the 2000/01 HBS, while the indicator is presumably intended to capture the distance travelled to the place where firewood is collected.

There is no recent information available on the size of smallholder holdings by type of crop, though the forthcoming Agriculture Survey can be expected to provide this information.

Challenges around Poverty–Environmental Indicators

The challenge is to identify robust and meaningful indicators of these linkages that provide insights into the impact of the poverty reduction policies. Until now human development, poverty, and environmental issues have generally been looked at separately, and the linkages among them have not been widely appreciated. Recent research has highlighted the complexity of the relationships between poverty and environment and the need for increased understanding on these links (Rigby, Howlett and Woodhouse, 2000; DFID, 2002; Shayamsundar 2002). Indicators for some of the other main environmental resources that have strong poverty links are poorly represented in the existing list, particularly agriculture.

In the coming year, the Government will commission a study on poverty and environment linkages, which will assist in the definition of indicators. The development of M&E systems under the Agricultural Development Support Programme will help identify agriculturally related indicators, while the 2003 agricultural survey should provide some baseline data.

2.6.2 Conclusion

Community involvement in wild life management is still weak. Measures need to be taken to promote mass participation in wildlife management areas.

While there appears to have been some improvement in the mean distance to access firewood, there is substantial geographical diversity and a suggestion that access for the poorest has declined. However, these findings need to be looked at in the light of data limitations. Future surveys should distinguish between collected from purchased firewood. Work during 2003, described above, should assist with the revision and strengthening of the indicator list.

2.7 Governance

The PRS, and subsequent progress reports, emphasise the importance of good governance. Strengthening the legal, judicial and public expenditure management systems and limiting corruption are all highlighted. Studies have shown that there is a close relationship between governance and poverty, in that weak governance tends to negatively affect the poor (Kiondo *et al*, 2003). The greater challenge has been to identify and prioritise those aspects of governance that are key to poverty reduction.

Performance Indicators and Targets

Table 2.7.1: Governance Indicators- Baseline Values

Indicator			
	Estimate	Year	Source
% of district councils with clean audits from the National Audit Office	14	2000	1
Number of cases of corruption reported	33	2000	2
Number of convictions for corruption	6	2000	2
% of women among senior civil service	39	2000	3
% of women among Members of Parliament	27	2000	4

Source: 1 – Report of the Controller and Auditor General
2 – Prevention of Corruption Bureau
3 -- Civil Service Dept and NBA
4 – Tanzania Electoral Commission, 2000

The percentage of councils with clean audit report reflects the proper use and accountability of government funds by local authorities. The number of corruption cases reported is an indicator showing the readiness of the population to report corruption and their willingness to combat it, while the number of convictions is intended to show how quickly and effectively cases are prosecuted after they have been reported. The final two indicators are measures of more inclusive governance.

Estimates and Trends

Local Authority Audit Performance

The Controller and Audit General reports on external audits of district councils for each financial year. Each council is awarded a clean certificate, qualified/conditional certificate, or adverse opinion depending on the results of the audit.[37] The coverage of the audit service in recent years has been impressive and since 1998 nearly all local authorities have been audited annually (Table 2.7.2). However, only 10 per cent of councils were awarded a completely clean certificate. There was a decline in the proportion of councils with an adverse opinion between 2000 and 2001, but this appears to be largely due to the 2000 figure being so high. Almost 40 per cent of councils in 2001 still did not 'properly present or give a true and fair view of the respective council financial position', giving serious grounds for concern about the utilisation of public funds. The percentage audited and the results are shown in Table 2.7.2, below.

[37] A clean certificate means no point of objection in the accounts; a qualified or conditional certificate indicates some point of objection in the accounts; while an adverse opinion means that the accounts did not properly present or give a true and fair view of the respective council's financial position

In addition to the possibility of fraud, two other factors might have contributed to large percentage of councils with adverse audit certificates. The first one is simply poor documentation and filing in the local authority accounts departments. The public expenditure review study on local government indebtedness showed that the figures for the local authority debt reported by local authorities themselves could be different from those reported by creditor (REPOA, 2001). The second reason could be misallocation and leakages of funds. An expenditure tracking study revealed leakages and extensive re-allocation of funds to administration from the purpose that was indicated on the exchequer issue notification (ESRF & REPOA, 2001), which may have resulted in an adverse opinion.

Table 2.7.2: Trends in Local Authority Audit Performance

	1997	1998	1999	2000	2001
% of local authorities audited	81	100	100	98	97
Of which:					
% with clean certificate	22	15	9	14	10
% with qualified/conditional certificate	35	49	45	21	53
% with adverse opinion certificate	43	36	46	65	38

Source: Report of the Controller and Auditor General on Local Authority Accounts (various years)

Number of Corruption Cases and Corruption Convictions

Though a somewhat ambiguous indicator in the long term, an increase in the reporting of corruption cases is assumed to be a signal that people are prepared to complain about corruption and demand accountability. On this assumption, the substantial increase in the number of cases lodged between 2000 and 2002 is encouraging. However, the number of convictions remains low. This is apparently due to the long delays in processing cases before a conviction or an acquittal is obtained. These delays are likely to reduce the incentives to report corruption, suggesting that cases should be dealt with more speedily.[38]

Table 2.7.3: Prosecution of Corruption Cases in the Courts of Law for the 1999-2003 Period

Year	Cases Lodged	Convictions	Acquittals
1999	13	9	25
2000	33	6	3
2001	53	0	0
2002	129	12	26
Total	228	27	54

Source: Tanzania Prevention of Corruption Bureau (PCB, 2003)

Proportion of Female Civil Servants and Members of Parliaments

The proportion of women among civil servants has remained a steady 39 per cent over the past 3 years, with a small rise to 40 per cent in 2003. The figures presented include more than 140,000 education staff, of which primary teachers are the most numerous. When teachers are excluded from the civil servant data, the proportion of women falls to about one third. The proportion of women in the senior civil service would be a more useful indicator but the data disaggregated by grade is not currently available. Data on newly hired and promoted employees by gender would also be useful.

[38] The PCB can itself convict and sentence individuals in only certain circumstances; most charges require the involvement of the Director for Public Prosecutions, which tends to slow down the processing of the case.

Table 2.7.4: Trends in Proportion of Female Civil Servants

	2000	2001	2002	2003
Proportion of women in civil servants	39	39	39	40

Source: Civil Service Department and NBA, 2003

Women's role in parliament remains limited. There are currently 62 women Members of Parliament, out of a total of 231 seats, meaning that they occupy only 27 per cent of all seats despite constituting more than half of the population (Table 2.7.5). However, this represents an improvement on the previous Parliament, in which women held only 18 per cent of seats. Of the women in Parliament, 81 per cent occupy seats reserved for women and are nominated by political parties. Only 19 per cent of women are directly elected, meaning that directly elected women hold 5 per cent of all seats in Parliament.

Table 2.7.5: Number of Parliamentary Seats Held by Women

Year	Total Seats	Total Women	Nominated Seats	Elected
1995	232	42 (18 %)	37	5
2000	231	62 (27 %)	50	12

Source: Tanzania Electoral Commission, 1995 and 2000

Conclusions

Progress

Despite almost all councils being audited, only 10 per cent have received a clean certificate. Almost 40 per cent receive an adverse opinion, and there is little evidence of a systematic decline in this figure. The number of corruption cases reported has also increased, presumably representing greater effectiveness in tackling corruption, although the processing of cases appears to be extremely slow. There has been only a small increase in the representation of women in the civil service. There has been more of an increase in their involvement in Parliament, although they remain highly under-represented.

Policy and Operational Issues

The high proportion of district councils given an adverse audit opinion is extremely worrying, suggesting that public funds are not being properly accounted for and that the audits of previous years are failing to induce improvements. It calls for urgent action. Faster processing of corruption cases is also required if public confidence is to be retained. The limited progress in increasing women's involvement in government is disappointing and calls for far more robust action.

2.8 Monitoring Poverty Reduction in Tanzania

This section outlines data collection and analysis activities currently underway that will produce important new information for the poverty monitoring system. It also outlines recent changes in the poverty monitoring indicators and discusses the use of these indicators. This discussion considers lessons that have been learned in the preparation of this chapter and the use of the indicators for short-term monitoring, given the forthcoming PRS review.

Ongoing Data Collection and Analysis in 2003

A number of important data collection and analysis activities are currently being undertaken and will provide additional poverty monitoring data in the near future. Foremost amongst these is the analysis of the Population and Housing Census, 2002. Preliminary tabulations of population by district have already been produced and more detailed analysis is ongoing. The census will provide updated information on a series of poverty indicators. These include: literacy; school enrolment and the level of schooling attained; child and adult mortality; fertility; source of drinking water; and unemployment. It will also provide information on population by age group, improving the denominator used for many of the indicators based on routine data, which can then be recalculated. This will be particularly important in education, where it will help to resolve current uncertainties about enrolment rates.

A particular benefit of the census is that data can be highly disaggregated – down to districts and below. Basic socio-economic information disaggregated to these levels, and preferably geographically mapped, can be used as a basis for more specific and targeted activities. Information collected in the census can also be used to produce poverty maps, so that grants allocated to local authorities reflect their different levels of poverty and capacity for revenue generation.

The National Bureau of Statistics will implement the Agriculture Survey in 2003, providing information on agricultural production that can be used to update GDP figures and that will allow the calculation of three of the agriculture indicators for the first time. This survey will be the first to use the 'core poverty module', which standardises the measurement of basic socio-economic characteristics across surveys, particularly those that are useful for the prediction of consumption and poverty status.[39] The NBS will also carry out a national HIV/AIDS survey that will provide national seroprevalence estimates, linked with information on knowledge and behaviour.

The review and re-basing of the GDP and CPI series being undertaken in 2003 is also noteworthy. The importance of these indicators means that it is essential that both be based on recent data and on a sound and transparent methodology.

[39] This chapter reports on poverty/consumption differentials using two different types of quintile. Where HBS data is used, the quintiles are based on actual household consumption levels. Where DHS data is used, the quintiles are based on a proxy measure of consumption, derived from the analysis of other household characteristics. The core module is intended to improve and standardize the calculation of these proxies in other surveys by using models based on the HBS consumption data. There remain some outstanding questions around biases in these proxy measures, however (see Ward and Abassy, 2003).

The report of the 2002/03 Tanzania Participatory Poverty Assessment will be finalized in 2003. This provides an insight into vulnerability and the processes by which households and individuals may become impoverished. It outlines a set of impoverishing forces, to which households and individuals may respond with the assets at their disposal, subject to a set of conditioning factors that affect the deployment of these assets. It will deepen the understanding of this process, and of community perceptions of the process, informing poverty policy and the development of more comprehensive social protection programmes. It will also help to inform the further development of poverty monitoring indicators, particularly in the area of vulnerability.

A Policy and Service Satisfaction Survey, undertaken as part of the introduction of performance management systems into the civil service, is currently being analysed by REPOA. It will give quantitative information on people's knowledge of, and satisfaction with, government policies and basic services, including health, education, water, roads and agriculture. This will provide a baseline for assessing whether services are perceived to have improved in the future. This survey and the PPA, between them, provide an opportunity to strengthen the participatory component of monitoring.

The Poverty Monitoring Indicators and the Assessment of Poverty Reduction Efforts

One of the most substantial changes in the PMS since 2002 has been the revision of the list of poverty monitoring indicators in response to the monitoring requirements of Poverty Reduction Budget Support and the Poverty Reduction Support Credit. The indicators in the Poverty Monitoring Master Plan were revised and supplemented in preference to establishing an additional, parallel monitoring mechanism. The result was an increase in the number of indicators to sixty, with some previous indicators being modified or replaced. Targets and baseline values were not defined for the new indicators as this was beyond the scope of the working group convened to agree them. The group recognised that the indicators defined in a number of areas would benefit from further development, particularly in agriculture, poverty-environment links, vulnerability and governance.

This chapter has identified a number of limitations to the use of the monitoring indicators as they stand. The apparent inability of the core Health Management Information System to provide reliable data on attendance at facilities limits the extent to which utilization indicators can be monitored. The only exceptions appear to be information systems operated separately by vertical programmes, particularly EPI and TB. Strengthening the HIMS, even if initially for only a sub-sample of 'sentinel' facilities must be a priority for monitoring the health sector.[40]

Routine water and sanitation data is also weak, and the re-direction of reporting lines through PO-RALG has made it more difficult for the Ministry to obtain additional data directly from district administrations. This raises more general concerns. It is important that PO-RALG acts as an effective conduit for information in both directions, if decentralization is not to have a negative impact on line ministries' ability to obtain and use data for their sector.

[40] As part of the review of the PRS, it would be useful to assess if a sub-sample of regularly reporting facilities or districts can be identified to provide more robust information on trends in utilization.

The weakness of the routine data systems in health and water contrasts with the effectiveness of that in education. While there are some questions around the exact values of the enrolment estimates, particularly in the absence of recent population data for the appropriate age groups, education statistics are collected effectively and the problem is rather the surprising duplication of effort, with much of the same data being collected by a number of different parties.

The strengthening of weak routine data systems, though difficult, must be a priority if short-term output monitoring is to be undertaken seriously. Demographic surveillance sites provide a complement to health routine data systems and to some extent can cross-check them. They may also provide some information on other sectors, such as education. However, they generally do not provide information on health facility utilization that is required for monitoring direct outputs from the health system, such as the number of consultations. In addition, there will always be questions about how representative the data are of the national population, particularly if they have been used for specific health interventions.

There are also more conceptual issues in a number of sectors. The understanding of vulnerability, an operational definition of extreme vulnerability, and the relationship between vulnerability and social protection programmes needs to be clarified. A deeper understanding of the links between major environmental resources and poverty in Tanzania will assist in refining those indicators and may also strengthen the agricultural indicators.

The Poverty Monitoring Master Plan distinguishes indicators of inputs, outputs, outcome and impact. It focuses particularly on impact and outcome measures, since inputs should be assessed through the PER/MTEF mechanisms and outputs should be covered through sector-specific monitoring mechanisms. This has the benefit of fixing attention on the overall objectives of the PRS, namely, improvements in the welfare of the population. The focus of these indicators, and the P&HDR, is therefore largely to assess whether welfare has improved, rather than to report on progress in implementing the policies. It is important that the implications of this focus be understood.

There is an important issue of timescale. Most outcome and impact indicators would be expected to take some time to respond to policy changes, and to change only slowly once they respond. The PMMP prioritised the selection of indicators that might be expected to improve over the lifetime of the PRS, although it included a number of slow-moving impact indicators for balance. It is appropriate that the PMMP define indicators that can be used to monitor poverty beyond the short-term perspective of the PRS, but it is then necessary to identify the indicators that can reasonably be used for monitoring over the short term, since many cannot. Economic growth rates, the poverty headcount, fertility, mortality, orphanhood, literacy and a number of other indicators are unlikely to show substantial changes in three years, even in response to vigorous and effective implementation of poverty reduction policies. In addition, a number of these indicators may reflect the impact of forces beyond the control of the government. External shocks to the economy from the weather or commodity prices are a clear example.

Indicators used over the short term must also change *measurably* over the period – that is, expected changes must be large enough to be identified by the method that is used to measure

them. Caution is required in the interpretation of indicators based on sample surveys, since relatively small changes will be difficult to distinguish from sampling and non-sampling errors, even for those that could respond more quickly to policy changes.[41] At present, survey-based indicators are generated periodically in line with the multi-year survey programme. This provides useful information on trends over approximately three to five year intervals, which may well be a realistic minimum time in which most such indicators could be expected to change. In practice, many have only a baseline estimate by this point in time, since there have not been two surveys undertaken since 2000. Furthermore, it is not clear that changes over a few years would necessarily be large enough to distinguish real change from sampling errors. This further limits the number of indicators that can be used to assess the effects of policies in the short term.

Booth and Lucas (2002) have pointed to the importance of monitoring the implementation of poverty reduction strategies 'all along the chain', from inputs to final impact. In practice, short-term evaluation of progress – such as achievements in the three years of the PRS - must focus largely on 'upstream' measures of change. This requires an assessment of whether there has been a serious attempt to implement policies. For service provision, it means particularly whether increased resources have been allocated, released and (ideally) whether they have reached the units providing services. It also means assessing whether more services have been produced – whether outputs have increased. For the reasons outlined above, this information will largely need to come from routine data systems, particularly if an annual assessment is required.

While there are sometimes different interpretations of what constitutes 'outcome' and 'output' indicators, in practice the poverty monitoring indicators include measures of output for a number of the sectors. Education and health include both outcome/impact and output indicators, for example. Others include only output measures – roads, for example. These differences may partly reflect the role of the sector in poverty reduction; they also reflect data availability and the process of agreeing the indicators. However, on the whole it is only the sectors with both output indicators and reasonable routine data systems where anything can be said about progress since the beginning of the PRS. For other sectors, monitoring must take a longer-term perspective – much of the information presented in this chapter deals with trends during the 1990s as a result.

The PRS review will focus particularly on assessing progress since 2000. For this reason, it will need to focus much more on input and output indicators than does longer term poverty monitoring. A focus on the indicators covered in this chapter would provide an incomplete picture of the extent and effectiveness of the implementation of poverty reduction policies. The PRS progress report will consider these indicators together with information on public expenditure and on implementation activities in each sector. Such an integrated approach provides a much more comprehensive picture of poverty reduction efforts. For such comprehensiveness, it is important that the poverty monitoring system maintains strong and effective links with PERS and sectoral monitoring mechanisms.

[41] Very large sample CWIQ-type surveys or panel surveys may in the longer term reduce this problem, if they proved both practical and sustainable, although year-on-year changes in most indicators are always likely to be difficult to assess precisely.

2.9 Conclusions and Recommendations

Income Poverty

There was only a limited decline in poverty during the 1990s, and gains in rural areas were particularly small. Recent improvements in economic growth rates should provide a basis for long-term poverty reduction, although 2003 figures are likely to be lower than previous years because of poor rains. The outstanding concern must be to ensure that growth benefits the poor. Agriculture, on which the majority of the rural people depend for employment and food security, is crucial and the relatively low levels of investment it receives remain a problem, as does the variability in international commodity prices. Unemployment in urban areas, particularly amongst young people, is also high. There is an ongoing need to ensure that investments in mining and other non-traditional sectors benefit the wider economy and to encourage investments in more regions than the small number that currently capture most foreign investment.

Public investment in infrastructure, particularly roads, should contribute to poverty reduction. Much of road stock is in a poor condition, however, and planned rehabilitation has not taken place. Although there has been an increase in attention given to regional roads, overall levels of maintenance have been variable and the limited extent of periodic maintenance risks serious loss of quality of the road stock.

Human Capabilities, Survival and Well-being

After weak performance during much of the 1990s, primary education has shown impressive gains since 2000. More children are enrolled and children are increasingly entering school at a younger age. This represents a substantial achievement under the PRS and PEDP. However, the quality of education remains a serious concern, with low rates of transition to secondary school. Measures are required to address these problems, including a review of the curriculum, its delivery and assessment.

The capacity of the secondary school system has expanded rapidly in recent years but is still not large enough to absorb all those who pass the PSLE. Girls fare particularly poorly in PSLE, there are substantial sex differences in secondary school enrolments, and these appear to be worsening. The continued expansion of secondary schooling is highly desirable; this needs to be done in such a way that poorer communities are not neglected in the expansion process.

Out-of-school children and illiterate adults are seriously underserved by the education system. One in five children aged 5 to 17 years is working and not attending school. Despite this, there has been very little progress on the ground in the provision of complementary basic education. The PRS targets on eradicating illiteracy by 2010 will not be met unless the new Adult and Non-Formal Education Strategy is taken and vigorously implemented.

There is little recent national data available on survival, health, and nutritional status. Infant and child mortality did not decline during the 1990s. Some of the sentinel surveillance data show recent declines in mortality, but it is difficult to be sure whether this reflects a more

general decline and HIV prevalence rates have continued to climb. The prevalence of malaria in children remained constant during the 1990s, although the sentinel sites show a fall in child deaths due to malaria. There was no progress in child malnutrition indicators during the decade. Fertility declined over the same period, although it is still high in rural areas.

Trends in health service outputs show a mixed picture over the 1990s. The proportion of births that were attended by trained personnel and those that took place in health facilities both declined and urban rural disparities increased. However, contraceptive prevalence increased and child vaccination rates showed a net increase. Since 2000, there have been steady improvements in vaccination rates, surpassing PRS targets, and some increase in contraceptive uptake. Weaknesses in the HMIS data means that it is difficult to know if increases in reported outpatient consultations reflect a genuine increase in this key output. Users complain about the quality of services.

Rural areas remain particularly disadvantaged on many health and survival indicators, both in terms of outcomes and service uptake. Poorer households are often disadvantaged. There is an urgent need to ensure quality, accessible and affordable services reach everyone. These must focus particularly on the main causes of morbidity and mortality. In addition to the effective provision of health services, measures to encourage female education and health education campaigns are important.

HIV remains one of the over-riding determinants of Tanzania's prospects for development over the coming years. Amongst other effects, the number of children orphaned will continue to increase. Measures to reduce HIV transmission, and its impact on the welfare of those affected, remain the highest priority.

There has been an increase in households using safe water sources in rural areas over the 1990s, although there has not been the same progress in urban areas. Despite the progress, over half of all households in rural areas still take drinking water from a source that is not safe; around the same proportion is estimated travel for more than 10 minutes to reach their drinking water source. There is no information on trends in access to safe water since 2000, but based on trends over the 1990s it seems likely that increased resources will be required if PRS targets are to be reached. Sentinel surveillance data suggests that there was a decline in diarrhoea-related mortality over the second half of the 1990s, although there is little evidence of a decline in diarrhoea prevalence in national surveys covering the same period.

Governance

Trends in the governance indicators since 2000 show a mixed picture. An encouraging increase in the level of auditing of district councils has not, so far, been matched by any systematic increase in the proportion receiving a clean certificate. There is an urgent need to improve the accounting for public money at this level of government. The increased autonomy resulting from decentralisation must be balanced by a strengthening of mechanisms of accountability. There has been a positive increase in the number of cases of corruption reported, but the processing of cases appears to be extremely slow.

Gender

Gender differences stand out particularly in a number of areas. First and foremost is the education sector. While girls' enrolment into primary schools is similar to boys', their pass rates at PSLE remains much lower. Enrolment in the higher forms of secondary schools is also lower and these differentials appear to be getting worse. Targeted interventions must be undertaken to address both supply and demand-side dimensions to this problem.

Health services that are essential to reduce maternal mortality are weak. While there has been a small decline in fertility and some increase in contraceptive use, overall levels are still highly disfavourable. There is no information with which to assess whether the 1990s decline in the attendance at births has since been reversed.

The burden of water collection, which largely falls on women and children, remains high for some households - one in ten rural households take over two hours to collect drinking water, and this proportion appears to have increased during the 1990s. More favourably, the average distance to obtain firewood/charcoal appears to have declined slightly during the 1990s.

Women's participation in government also remains low. There has been only a small increase in the representation of women in the civil service. There has been more change in Parliament, though women remain highly under-represented. The limited progress calls for far more robust action.

PART II

SELECTED POVERTY THEMES

Introduction

The previous section has assessed the status of the indicators chosen for poverty monitoring. Where data are available, trends and likely future directions have been established. Recommendations on the usefulness and appropriateness of indicators have been given. This part of the Poverty and Human Development Report deals with selected themes related to poverty. Studies have been commissioned by the Research and Analysis Working Group to answer some of the questions arising out of the assessment of the indicators in the previous section. The second section starts with vulnerability and social protection, followed by an analysis of benefit incidence. The next part concerns governance and finally agriculture.

CHAPTER 3: VULNERABILITY AND SOCIAL PROTECTION

3.1 Introduction

Section 2.5 of the previous chapter presents the assessment of the indicators and targets on extreme vulnerability as adapted from the Poverty Monitoring Master Plan. It also provides practical limitations to the assessment of vulnerability using existing indicators and identifies policy and operational issues. This chapter describes the extent to which major social protection and risk management programmes and strategies in Tanzania have contributed in protecting extremely vulnerable individuals, households and communities in urban and rural areas from becoming absolutely destitute, and outlines the scope, appropriateness, and policy context within which they operate.

Given the importance of vulnerability to poverty reduction strategies, the Poverty and Human Development Report 2002, identified vulnerability as an important policy area that required further work. The report called for comprehensive documentation of different typologies of vulnerability to poverty in order to recommend policies that may respond more effectively.

A country level participatory poverty assessment (PPA) has been carried out as part of implementation of the Poverty Monitoring Master Plan (URT,2001). Reports from this assessment, which adopted a participatory approach, describe the most vulnerable social groups and outline the types of impoverishing forces facing different social groups who are vulnerable to poverty. In general, findings from the PPA show that the extremely vulnerable groups are likely to be members from the following social groups: children, people with disabilities, individuals carrying out high-risk jobs, elderly people, youths and women. The extent of vulnerability depends on how able these social groups are to cope with impoverishing forces. Among impoverishing forces described by the reports are; economic, environmental, social cultural, health, life cycle, and governance (such as restrictive policies and regulations, poor governance and limited access to productive assets such as fertile land, or business space).

The chapter begins with a brief description of the conceptual framework of vulnerability in Tanzania, drawn both from the framework developed in the Poverty and Human Development 2002 and the PPA, which details the impoverishing forces and the social groups identified as being extremely vulnerable. A review of existing social protection programmes follows, focusing on key trends and patterns. Finally, the chapter presents recommendations on policy and practical issues, and suggests additional indicators for assessing vulnerability.

3.2 Conceptual Framework and Context of Vulnerability

3.2.1 Vulnerability

The Tanzania Poverty and Human Development Report 2002 conceptualizes vulnerability as the risk or probability of an individual, household or a community experiencing a decline in well-being. The Participatory Poverty Assessment's (PPA) Conceptual Framework

differentiates poverty from vulnerability by pointing out that, " poverty is a description of how things are now, while vulnerability is how things might be in future with respect to individuals position on the poverty line. What determines vulnerability of the individual to poverty is the level of available resources or assets. It is the access to assets that determines capacity to respond.

Vulnerability to poverty is therefore an important aspect of poverty reduction policy and implementation as it engages the analysis of poverty more dynamically by extending policy concerns to impoverishing forces. The concept of vulnerability when applied to poverty analysis is a tool that draws policy makers' attention to impoverishing forces and to the vulnerable groups, especially those located close to the poverty line or those who are already extremely poor.

3.2.2 Impoverishing Forces

In simple terms, impoverishing forces are situations or factors, which if they occur, increase the chances of a person becoming poor. An individual depends on resources, assets, or support mechanisms sufficient to mitigate the effects from such situations. Impoverishment could occur as sudden, unexpected events or gradual stress and push people down the ladder of well-being. Risks of becoming poorer are always there, but for the risks to be realised impoverishing forces must be stronger than the individual's capacity to cope. There are, however, two main types of impoverishing forces: those, which are unpredictable, and those that may be known and are ongoing.

The unpredictable category includes natural disasters such as floods, droughts, cyclones, landslides and earthquakes; epidemics such as HIV/AIDS, cholera, plagues, meningitis, diarrhoea, etc; major accidents; fires; social conflicts; massive refugees inflows; pest infestation; animal diseases; and the like. The vulnerability assessment by the Disaster Management Department under the Prime Ministers Office provides a more detailed analysis of these unpredictable events.

Impoverishing forces that are known and can be predictable include environmental degradation such as loss of soil fertility, declining marine resources, depletion of pastures, declining biodiversity and others; worsening terms of rural-urban and international trade; life cycle experience; and other systemic factors. Although this categorisation of impoverishing factors may provide a better understanding, it may also complicate the policy assessment process because many factors cut across each other. For instance floods or droughts may be exacerbated by environmental degradation, and by social conflicts. To minimize such potential conceptualisation problems. The PPA Conceptual Framework has adopted six categories, which are already applied by the Government in the PRSP. These are summarised in the Table 3.1.

Table 3.2.1. Impoverishing Forces

Category	Description and Types
1. Economic	Macro and micro economic conditions as a result of national policies, and or changes in international markets or policies of foreign governments. They may occur as sudden shocks and/or evolving stress
2. Environmental	Environmental conditions created by shocks from floods or droughts and may result into famine or other disasters. They could also be a result of stresses from poor management of environmental resources, gradually leading to degrading forests, pastures, soils and fisheries. These forces may result from local and national policies and practices.
3. Governance	These are related to the responsibilities of government and the practice of governance and encompass shocks such as extortion by public officials, and stresses such as stifling taxation and political exclusion as a result of sanctioned or unsanctioned activities.
4. Socio-cultural	Socially construed entitlements and cultural norms may create conditions, which limit people's choices and actions. These forces are systemic and selective in the sense that many privilege men over women and some times elders over children.
5. Health	These are linked to poor health resulting from malnutrition, injury, disease and other forms of physical and or psychological ill health. Forces under this category may be systemic, for instance epidemics, famine and lack of safe drinking water. Those which are non systemic may include diseases such as cancer, HIV/AIDS, and others. Forces created by other categories such as low income, poor healthy policies, weak governments etc., may cause health related vulnerability and impoverishing forces which have consequences on patients, those taking care of patients and the dependants.
6. Life-cycle	These factors may include ill health, social marginalisation, diminished personal security, which occur as a result of an individual's place in the life-cycle. For instance childhood morbidity and mortality, maternal care and weakness or deaths due to old age are life-cycle related forces.

The assessment of trends and patterns presented in this chapter has applied these categories in describing the factors being experienced by different vulnerable groups. The major social protection and risk management strategies presented are therefore assessed on the basis of these categories of impoverishing factors and respective policy gaps.

3.2.3 The Extremely Vulnerable Groups

Generally, individuals, households, or communities with high exposure to risks and low capacity to cope are considered as extremely vulnerable. However, not all members of the identified social groups are extremely vulnerable, and the variation is due to differences in access to assets (social, capital, physical) to mitigate the effects of impoverishing forces. For example, for children who are orphaned, those not cared for in capable households and who have no other means of sustaining their well being can be considered to be extremely vulnerable. Results from the PPA show seven main social groups as the most vulnerable in rural and urban Tanzania. These are summarised in the Table 3.2.

Table 3.2.2: Summary and Description of Extremely Vulnerable Groups

Social Groups	Description
A. Children	Children who are exposed to a unique set of threats to their well being. Children under-five are mostly vulnerable to diseases, malnutrition, and inadequate care. Some of those aged 5 to 15 are vulnerable because they live on the street, are neglected and marginalized, and fend for themselves through begging, garbage rummage, and stealing. Working children, orphaned or not, mostly not attending school as well are subject to exploitation; often engage in risky and low pay jobs for their survival. Those working at home are not paid. Orphaned children often

	work and most of them fail to attend school, which increases their short and long term-vulnerability.
B. Persons with disabilities	Persons who are physically handicapped or mentally incapacitated. People with disabilities may be limited in their capacity to work for earnings, and depend on the work of others.
C. Youths 1. Unemployed 2.Youths with unreliable income 3.Female youths	Unemployed youths, youths with unreliable income and some female youths who lack ownership and control of resources that they could use to generate income.
D. Elderly persons	Persons who are 65 years old and above. Vulnerability among the elderly is associated with a set of physical and social changes. Some of these changes are inevitably a result of age, but others are a result of cultural attitudes, values, which influence the way a community takes care of elderly people.
E. People living with long illness, HIV/AIDS	Persons who suffer prolonged loss of physical well-being. This is caused by a number of communicable and non-communicable diseases, congenital diseases and defects, malnutrition, accidents and injuries, functional mental disorders, and chronic alcoholism and drug use. In addition to the burden of physical inability, such ill people often face stigmisation that result in subsequent decline in social capital.
F. Women 1. Widows 2. Other women who are not able to support themselves	Vulnerable women often include marginalized widows and other women unable to support themselves due to a variety of economic and social processes.
G. Drug addicts and alcoholics	Adults engaged in excessive and regular alcohol consumption and young people at risk of drug abuse. Vulnerable young people often live or work on the streets in towns, do not attend school, earn a living from begging or sex work. Most alcoholics are adult males who may increase the vulnerability of women (through creating economic hardship for the family; and/or through increased domestic violence) as a result of their habit.

Source: TzPPA 2002

3.3 Major Social Protection and Risk Management Programmes

3.3.1 Overview

Various initiatives to contain vulnerability are being carried out in Tanzania by individuals, households, communities, Government, and other organisations, albeit most at small scale and location-specific focusing on particular social or vulnerable groups. These initiatives include those that are carried out before the impoverishment is realised (ex-ante) or after it has taken effect (ex-post).

Under the ex-ante social protection and risk management measures are efforts related to preventive measures and risk mitigation. On the other hand, ex-post measures focus on minimizing the impact from impoverishing forces and copying with consequences.

A number of social protection and risk management programmes cover multiple vulnerable groups, while others were found to concentrate on specific vulnerable groups. While it is recognized that a number of such programmes are initiated and operate at regional, district and sub district levels, only those of national level origin and character are discussed for the purpose of this report. The information presented here is based on information provided by organizations operating from a national base, and therefore does not provide a comprehensive review of all the initiatives which may be underway especially in local settings. Table 3.3 provides a summary of programmes covering multiple social groups, and Table 3.4 provides a summary of programmes covering specific vulnerable groups.

Table 3.3.1: Programmes Covering <u>Multiple</u> Vulnerable Groups

Main Target Groups	Programmes and their components	Location	Estimate of beneficiaries	Duration	Financier	Implementers
Rural poor with access to credit	Rural Financial Services	21 rural districts in 7 regions	Not available	Continuous	Central Government, Swiss Government, and IFAD	Prime Minister's Office
Majority are rural people with HIV/AIDS related problems	Policy process, safety networks, governance and advocacy	All Districts	Not available	Continuous	Several International Donors	The Foundation for Civil Societies (an NGO assisting CSOs)
Men, women and children	Participation and Governance in education	All districts	Not available	Continuous	Several International Donors	HAKI-ELIMU an NGO.
The public and underprivileged	Awareness of Legal and Human Rights	11 districts in 4 regions more focus in urban areas	Not available	Five years and then Continuous	Several International Donors	Legal and Human Rights Centre
Rural and peri-urban communities and the very poor households	Creation of safety net for the poorest, work for income through community infrastructure	40 districts in 20 regions and 2 in Zanzibar and Pemba	Not available	Five years with possibility for extension	Central Government	TASAF and District Councils
Small-scale peasants, pastoralists and hunters and gathers	Awareness on land rights and related natural resources	The whole country	Not available	Continuous	Several International Donors	HAKI-ARDHI an NGO
People with complaints related to human and legal rights and good governance	Counselling and assistance in pursue court cases	The whole country	Not available	Continuous	Central government	The Commission for Human Rights and Good Governance

3.3.2 Key Trends and Patterns

The following key trends and patterns are observed from the review of programmes covering multiple vulnerable groups:

The majority of these programmes target the poor, although not necessarily the extremely vulnerable. However, the extremely vulnerable groups may benefit from these programmes in the process.

In terms of scope in relation to impoverishing forces, the main components of these programmes are on governance and economic forces, which create vulnerability to poverty.

They do this mainly through programmes that emphasize advocacy, awareness of rights, participation, safety nets and access to credit. Impoverishment resulting from environmental, social cultural, health, and life cycle are rarely directly addressed. Therefore the current situation of addressing only a few impoverishing forces is unlikely to have a widespread impact because of their limited focus and due to the fact that other impoverishing factors may well undermine these limited initiatives.

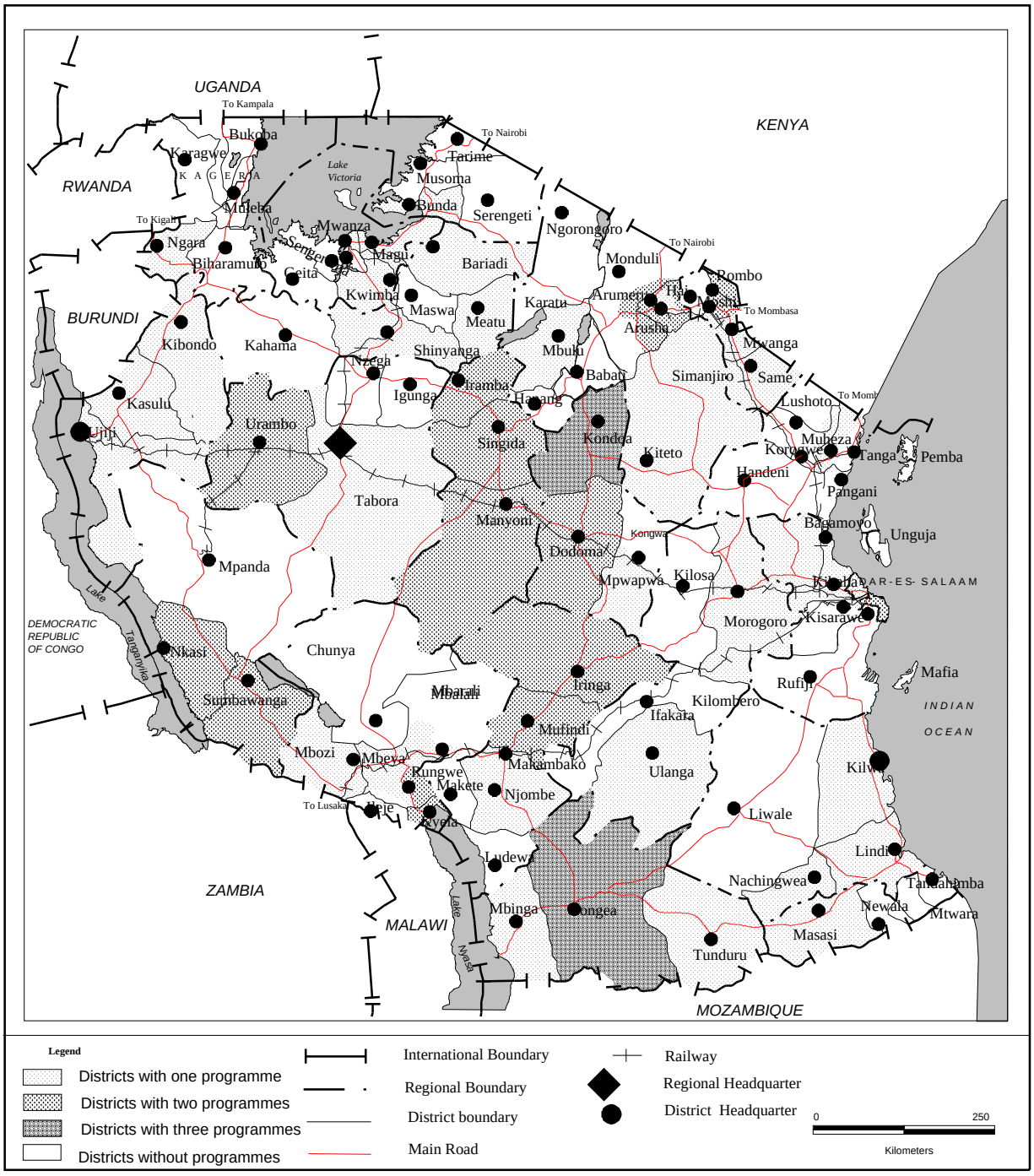
Furthermore, programmes with direct interventions, such as support to credit and access to income for the poor tend to cover only a few selected districts, as shown in Map 1. Programmes focusing on advocacy through media and other awareness raising efforts tend to cover the whole country. Direct intervention may be available from these programmes when individuals/communities request the implementing agencies. This suggests that awareness of, and access to, support programmes are important factors in demand driven programmes.

Although analysis of the number of beneficiaries is important for the assessment of the performance of the programmes, none of the programmes could readily provide estimates of the number of targeted beneficiaries.

Also, key sources of funding for most programmes are the Government and international donors. The continuity of most programmes depends on the availability of funds. However, the high dependency on international donor funds for continuous programme support is likely to make these programmes vulnerable to donor policy shifts.

Finally, various departments at district council level and NGOs are noted to be key implementers of most programmes. While the scope of the analysis for the purpose of this report was limited to national level programmes, it is recognised that there are various actors at local/community levels concerned with various vulnerable groups/locations.

Tanzania Map 1: Districts Covered by all Programmes



Source: Atlas of Tanzania

Table 3.3.2 Programmes Covering <u>Specific</u> Vulnerable Groups

Target Groups	Programmes and their components	Location	Estimate of beneficiaries	Duration	Financier	Implementers
Vulnerable Children with respect to basic needs	Child survival and protection	57 districts in 14 regions	Not available	Four years 2002 to 2006	UNICEF	Central and local Governments
Vulnerable children with respect to child labour	Awareness rising advocacy and support against child labour	11 districts in 7 regions	Not available	Four years 2002 to 2006	ILO	Central/local government and NGOs
Poor Urban Children and young people at risk	Improve access to basic services	Some parts of Dar es Salaam	40,000 poor children at risk in Dar es Salaam	1999 to 2002 (ended)	Save the Children (UK) as NGO	Save the Children (UK) an NGO
HIV/AIDS orphans and vulnerable children	General support to HIV/AIDS orphans	18 regions	55,376 orphans supported	Continuous	SATF (USAID) through profits from loans	NGOs supported by Schools/village committees
Orphans, their families and HIV/AIDS victims	Access to education, treatment and care	The whole country, but mainly Dar and Kilimanjaro region	1,500 orphans supported	Continuous	CCBRT and other Donors	CCBRT/Central govt.
Children and young people up to 24 years old	Care and protection for children and young people	6 districts in 5 regions	Not available	Continuous	UNICEF	UNICEF/District and village councils and NGOs
Women of reproductive age and children	To save lives of women and children	3 districts in Kigoma region	75,968 young women and mothers	2002 to 2006 i.e. four years	TRCS	TRCS, NGOs and CBOS
Women above 18 years old and who need social and economic assistance	Access to credits	Dar and Tanga regions	5239 women have benefited from the project.	Continous	Donors including: DANIDA, ILO, UNICEF and UNDP, and Central Govt.	CREW an NGO
Widows and Single women	Mainly financial support	The whole country but confined to Moslems	Not available	Continuous	BAKWATA mainly from collections made by believers	BAKWATA

Table 3.3.2 (Continued)

Target Groups	Programmes and their components	Location	Estimate of beneficiaries	Duration	Financier	Implementers
People with disabilities	Support to access credit and the establishment of income generating activities	All over the country	Not available	Continuous	International and local donors and charitable organisations	CHAWATA and its member organisations
People with disabilities and their families	Training, counselling and access to health and education	Dar es Salaam and Kilimanjaro regions	2,400 individuals and families, since May 1995	Continuous	International and local Donors	CCBRT and other NGOS
Elderly men and women	Counselling, advocacy and community awareness	All over the country	Not available	Continuous	International and local donors	HelpAge and the Central Government
People living with long illness	Coordination and monitoring of multi- sectoral responses to HIV/AIDS	All over the country	Not available	Continuous	Central Government, International and local donors	TACAIDS
School children and young people addicted to drug abuse and their parents/guardians	Advocacy, counselling preventive measures and treatment. Support to parents/ guardians	Dar es Salaam city, Temeke municipality	450 estimated to be treated	Two years	Save the Children (UK)	Save the Children (UK) as NGO
Young people	Reducing vulnerability to drug abuse	Bunda district and Kinondoni municipality	Not available	Two years	UNDCP/WHO AMREF	AMREF

The following key trends and patterns are observed from the review of programmes covering specific vulnerable groups:

Vulnerable Children

Of the six programmes that target vulnerable children, two focus on HIV/AIDS orphans, one on child labour, and the rest target poor children who are generally considered to be at risk of deprivation of basic needs. If these programmes deal with children under five vulnerable to diseases, malnutrition, and inadequate care, then it can be said that programmes address mainly vulnerable children. However, the scale of the programmes is insufficient to meet the national need. In addition to scale, certain categories of vulnerable children are being left out of programmes. For instance, orphans that are targeted are mainly those related to HIV/ AIDS, while the reality is that there are many other children orphaned by accidents, natural death, and social factors and yet their needs are broadly comparable. For programmes that target child labour, the emphasis is currently on the worst forms of child labour, and child labour occurring outside the family context. The geographic coverage of efforts is limited and dependent on external resourcing. In addition, children working at home within the family context are often overworked, which affects their well being, yet little attention is given to this category of children. It may indeed be a wise policy decision to begin by addressing the

worst forms, but recognition of the need to address the wider problem must be a part of the strategy.

Furthermore, most programmes appear to address impoverishing forces relating to access to basic needs such as health, education and general care. These are mainly ex-post in nature. However, ex-ante impoverishing forces are not adequately being addressed. For example, some economic, social/cultural, governance and environmental factors still require to be addressed. This analysis requires further work.

Also, the coverage of most programmes for vulnerable children is confined to selected districts and regions. There are virtually no programmes on a national scale. Those that do exist vary widely in the scope and type of support they receive and provide.

Finally, almost all programmes are funded by international donors, making the continuity of efforts subject to changes in policy and priorities of the donors. Clearer direction and resourcing by Government are important to ensuring Tanzanian ownership, predictability and prioritisation.

Vulnerable Women

Most programmes supporting vulnerable women focus on females aged from 15 to 49, as this is considered to be the reproductive age group. One organization gives particular attention to women in refugee affected villages in Kigoma region. Widows and single women with no possibility of earning income are also among the target group.

Most programmes deal with access to services including health and education. The programmes, which target ex-ante forces, focus on facilitating access to credits and support advocacy in matters related to gender mainstreaming and good governance.

Furthermore, most of the programmes, which cover the whole country, focus on advocacy and in access to credit. Overall there are fewer programmes supporting rural women as compared to those focusing on urban-based women.

Finally, substantial funding of the programmes is drawn from international NGOs and bilateral development organisations. Implementers are NGOs in collaboration with relevant government departments.

Vulnerable People with Disabilities

Most programmes address issues of awareness on rights and welfare of persons with disabilities through advocacy. Capacity building especially in empowering the target beneficiaries to access credit and establish income-generating ventures is another scope of the programmes. Other areas of support are education and health services either through

specialized schools and health facilities or through home-based care systems. They cover the whole country.

Home-based health care programmes by CCBRT target beneficiaries in Dar es Salaam and Kilimanjaro regions.

Also, most programmes are funded by local and international donors, NGOs, The European Union (EU) and a number of bilateral development organizations, and implemented by NGOs.

Vulnerable Elderly

Most programmes targeting people who are 65 years old and above mainly address economic, cultural, and health related impoverishment forces.

Although only a few programmes were found at national level, they seem to focus on advocacy. Special programme on community integration and attitude change is implemented in Magu district in Mwanza region.

Local as well as international donors fund these programmes, and the main implementers are NGOs and CBOs in collaboration with the government.

Vulnerable People Living with Long Illness

Programmes covering people with long illness were found to be targeting people suffering from HIV/AIDS.

The main impoverishing forces addressed include those related to access to health services and in controlling the spread of HIV/AIDS. Cultural factors are also addressed through counseling and home-based care services.

The scope of coverage of these programmes is in all regions in Tanzania, although there are no statistics to quantify the extent of the problem and the number of beneficiaries reached.

Local as well as international donors fund the programmes. The main implementers are NGOs and CBOs in collaboration with the government, especially through Tanzania Commission for AIDS (TACAIDS).

Vulnerable Persons Addicted to Drugs and Alcoholism

Most programmes target young people and children addicted to drugs and those who are at the risk of becoming addicted.

Furthermore, most of the programmes studied offer preventive services as well as counseling support to parents. There are also cases where treatment and or rehabilitation services are provided.

While the problem is noted to be widespread in many urban settings, existing programmes are mainly confined to Dar es Salaam, though one programme is being implemented in Bunda district.

Finally, most programmes are time bound, dependent on funding from international donors. Donors using networks of NGOs for some activities do both funding and implementation.

3.4 Recommendations and Potential indicators

3.4.1 General Recommendations

The following recommendations are drawn from the observed patterns and trends of social protection and risk management programmes in general.

Policy

A comprehensive policy on vulnerability and social protection is urgently required to harmonise the implementation of programmes, increase the scale of the most effective programmes and to improve joint monitoring and evaluation of progress. This should be done within the context of the national Poverty Reduction Strategy (PRS) and TAS.

Geographical Coverage

The most significant issue is the lack of national coverage by most programmes. It is vital that the Government assesses these programmes and make efforts to prioritise the scaling-up of those that are most cost-effective, and those that have the potential to reduce the number of extremely vulnerable.

Scope

Although no statistical evidence could be obtained to validate it, it is likely that programmes that address the multiplicity of impoverishing forces are likely to be more effective in reducing vulnerability than those focusing on a single or a few impoverishing forces. However, this approach may be complex, calling for prioritising target groups. It is important to recognise that addressing cultural and attitudinal factors requires relatively longer timeframes and continuous intervention than those presently being implemented. Similarly, addressing the vulnerability of children requires a broad approach, which takes into account the economic and social positions of households, social and cultural dimensions, and governance related issues such as access to basic needs and child protection.

Access to support

For programmes focused on advocacy, efforts should be made to ensure that potential beneficiaries are aware of the type of support offered and where and how support can be accessed. For example, the Foundation for Civil Society has comprehensive information in both English and Kiswahili on the programme, but further initiatives could help to deepen

this programme's and other programme's understanding about how information can best be made accessible to potential beneficiaries in rural areas.

Financing

Given the need for financial sustainability, and the proper coordination of allocations, it is recommended that a transparent reporting mechanism be established to ensure that Government, donors, NGOs, and other CSOs are fully aware of the scope of social protection activities and their funding levels for proper planning and prioritisation. It is also important for the Government to involve itself directly in interventions and allocate funds to support coordination between programme implementers. This could increase coverage and impact.

Implementation

It is imperative that district councils work closely and in collaboration with CBOs, communities, and NGOs. This calls for strengthening mechanisms that encourage joint actions in planning and implementation of programmes.

Time Frames

Most interventions are programmes with limited timeframes (maximum 5 years). This limitation is often determined by funding availability, especially in programmes supporting youth, the elderly, and those suffering from substance abuse. Successful programmes need to be scaled up and extended with assured long time financing for sustenance.

Quantification of data

It is recommended that programmes step up efforts to update their data on beneficiaries and to collaborate in practical modalities of obtaining estimates of the magnitudes of groups in need of their support in order to enhance the assessment of the programme and impact.

3.4.2. Recommendations Related to Specific Vulnerable groups

The following recommendations are drawn from the observed trends and patterns in social protection programmes for specific social groups:

Vulnerable Children

Vulnerable children, including the growing number of orphaned children, require a much greater level of support than what is now being provided. Central and local governments should allocate more resources for their protection. Non-governmental stakeholders can make important contributions and should consider scaling up or replicating initiatives such as SATF, which offer a model of financial sustainability as compared to many other programmes.

There should be a marked shift beyond the rhetoric and workshops on or about vulnerable children and take practical action like, for instance, enforcing of policies, laws and, the respective by-laws.

Furthermore, there should be intensified efforts to provide education opportunities for older children who are not in school through consolidation of Complementary Basic Education (COBET) and a wider access to Vocational Education and Training Centers (VETA).

Also, current efforts to increase enrollment should be complemented by efforts to create a conducive learning environment at the primary school level to reduce school dropouts.

Vulnerable Women

Efforts should be made to scale up women's' empowerment programmes such as those managed by TGNP, LHRC, HAKIARDHI, and HAKIELIMU to increase their access to and control of assets. This can be realised through increasing girls and women's access to education, health services, and improving their overall well-being.

It is important to scale up citizens' advice systems, as provided by the Legal and Human Rights Center legal clinics, especially for poor women, so that they can exercise their rights and improve their access to and ownership of assets.

There is also a need to strengthen the community awareness programmes such as the Africa Women Initiatives (AWI) to national level and undertake mass dissemination of basic maternal and child health care, hygiene and measures to prevent the spread of HIV/AIDS and other STDs.

In addition, efforts should be made to increase poor women's access to credit, including a detailed study and assessment of the current barriers facing poor women's access to banks, propose changes and lobby for their implementation.

There is a need for more actions to raise awareness and push for adherence to new legislation, which protect young and poor women, for instance the Sexual Offences Act, and the Inheritance Act.

The move to encourage and facilitate greater access by girls and women to higher levels of education is another important strategic push towards women's empowerment.

Vulnerable People with Disabilities

Initiatives are needed to scale up advice and advocacy systems, such as those carried out by CHAWATA, in order to realize the rights of people with disabilities and improve their access to assets and to basic services.

There is need to carry out mass dissemination and awareness raising programmes to mainstream the rights of people with disabilities into societal development practices, for instance, ensuring provisions for disabled persons in public buildings.

There is further a need to scale up programmes that facilitate access to credit by persons with disabilities. There is a need to review the current banking practices and policies with respect to conditions for credit and lobby for changes if necessary.

There should be deliberate efforts to scale up vocational training programmes to offer people with disabilities skills in managing grants and in running income-generating activities.

Efforts need to be made to construct more facilities, such as schools, play grounds and the like, for the persons with disabilities, with the purpose of integrating them rather than isolating them from the rest of the society.

Finally, there is need to scale up community care systems such as those offered by CCBRT, to cover the whole country.

Vulnerable Elderly People

Responsible agencies should consider comprehensive mechanisms for subsidising or exempting the elderly in the community from cost sharing in health and other basic services to enable them have access to these services.

Also, there should be a deliberate move to establish a social security system that is suitable to the economic and socio-cultural context obtaining in Tanzania, which would provide stronger protection for vulnerable elderly people.

Vulnerable People Living with Long Illnesses

There is urgent need to scale up the programmes and related initiatives to support persons living with long illnesses particularly through home based care systems.

Also, programmes which build the capacity of local authorities and other institutions that can support parents, relatives and guardians caring for people living with long illnesses should be supported and strengthened.

Vulnerable People Addicted with Drugs and Alcohol

There is need to extend programmes and other initiatives to support vulnerable youth in prevention and rehabilitation in other areas of the country beyond Dar es Salaam, especially in small towns.

It is highly recommended to build up the capacity of district councils to support parents and guardians with children and young people who need treatment and rehabilitation.

There is need to scale up awareness raising activities among school age children on the consequences of drug abuse.

Deliberate strategies should be put in place to facilitate access to credit and other services for youth, both in urban and in rural areas to enable them engage in productive activities.

Current efforts to increase access to secondary schooling to increase the number of primary school leavers joining secondary school education must be maintained and strengthened.

Vulnerable Young People

It is important to facilitate training of young people and improve their access to productive assets, so as to enable them engage profitably in productive activities.

There is need to strengthen efforts which enhance participation for all age groups, and raise awareness and contribution of youth in decision making processes.

Raising awareness and social mobilisation to change attitudes towards the roles and rights of children and young people is also important.

Furthermore, there is need to develop effective financial support mechanisms to support children from poor households, especially those in rural areas, who are unable to pursue further studies such as secondary education even if selected, because they can not meet school financing needs.

3.4.3 Potential Indicators of Vulnerability

As described in Section 2.5 of the preceding chapter, the Poverty Monitoring Master Plan contains a list of five indicators of extreme vulnerability and provides sources of information for those indicators. The data sources for most of these indicators were expected to be the national surveys, such as the Household Budget Surveys (HBS), Labour Force Surveys (LFS), Demographic and Health Surveys (DHS), and the Population Census.

Some of these indicators were generated by the HBS 2000/1 and the LFS 2000/1, namely the proportion of child headed households, proportion of children in the labour force, and those children in the labour force not attending school. However, it is contentious whether these indicators best captures extreme vulnerability.

In reviewing these indicators of extreme vulnerability, the following has been recommended: proportion of households who take no more than one meal per day; average number of days adults report to have been too sick to work; proportion of adults considered chronically ill;

proportion of children who are orphaned; and proportion of orphaned children in the labour force and not going to school.

The rationale for the suggestions on new indicators of extreme vulnerability is based on the conviction that the original indicators covering extreme vulnerability in the PMMP were largely guided by a 'social groups' approach – focusing on identifying and counting the vulnerable. However, the vulnerability work in the PPA revealed that describing the numbers of specific social groups fails to capture their vulnerability. Indicators should, therefore, also look at the exposure to impoverishing forces, response options and limiting factors. As a result, some of the previous 'social group' type indicators were removed.

The proportion of households who take no more than one meal per day was included not because it identifies the vulnerable, but because it identifies those who were vulnerable and have slid into poverty because of their vulnerability. In addition, the first three proposed indicators explicitly recognize the role of ill health in poverty and vulnerability.

This section proposes a list of indicators on the basis of the social groups identified as being the most vulnerable and factors exposing them to impoverishment, taking into account the proposed PMMP indicators and rationale behind them.

The proposed indicators are presented in the following table, categorized by groups, detailing rationale and possible sources of data. This list might be considered further by a taskforce making recommendations for the poverty monitoring master plan.

Table 4.3.1: Summary and Description of Extreme Vulnerable Groups

Category of Vulnerable	Proposed Indicators	Sources of Data	Frequency of Data
Children	§ Proportion of households headed by children § Proportion of children who are biologically orphaned § Proportion of children who are socially orphaned § Proportion of orphaned children in the labour force and not going to school	Census DHS DHS LFS/HBS	Periodic surveys
Youths	§ Proportion of youth unemployed § Proportion of youth attending secondary schools § Proportion of illiteracy among the youth § Proportion of youths living in households with one or more elderly	LFS & HBS LFS/DHS Census/DHS Census/DHS	Periodic surveys
Women	§ Maternal mortality (or proxy) § Pregnant women attending clinics § Average distance from key services § Proportion of widows among women § Proportion of pregnancies among women aged below 18	Census/DHS DHS HBS & DHS Census DHS & Routine Data	Periodic surveys
Persons with disability	§ Proportion of disabled persons receiving medical care § Proportion of disabled persons dependent on poor households § Proportion of disabled persons engaged in economic activities	DHS HBS LFS	Periodic surveys
Elderly persons	§ Proportion of elderly people living in households where no one is economically active § Proportion of elderly caring for sick persons and orphans § Proportion of elderly members in households	HBS/LFS DHS Census	Periodic surveys
Persons living with long illness	§ Proportion of adults chronically ill § Average number of days adults report to have been too sick to work § Proportion of households with persons considered chronically ill	DHS DHS& LFS DHS	Periodic surveys
Persons addicted to drugs and alcohol	§ Number of cases reported in health centers	Routine data, DHS	Annual Periodic surveys
Other vulnerable categories	§ Proportion of households who take no more than one meal per day § Ratio of household savings to their monthly incomes § Proportion of rural households having access to less than 1 ha of land	HBS HBS HBS, Agriculture survey	Periodic surveys

CHAPTER 4: BENEFIT INCIDENCE

4.1 Introduction

One of the most important challenges for public administration in addressing poverty is the impact of public expenditure allocations and the differential impact among households. The chapter on benefit-incidence looks at who is benefiting from public spending. For this P&HDR, a benefit incidence study has been done in the water sector, which provides services critical for poverty reduction.

4.2 What Sort of Rural Water Supply Infrastructure Should Tanzania Invest In?

This chapter examines the scope that the Government of Tanzania and its development partners have to respond to the poverty reduction targets for rural water supply. It starts by describing the way in which current budgeting and investment decision-making processes in the sector limit a full and concerted response. The chapter then explores one of the ways in which, given more flexibility in budgeting, resources could be shifted to have a bigger impact on poverty reduction targets for rural water supply. The specific example explored is that of shifting resources from piped water supply investments to protected water supply investments where possible. The chapter presents the first attempt to establish the relative equity of investing in piped versus protected rural water supply schemes. Household Budget Survey (HBS) results for use of piped and protected water sources by rural households are compared against expenditure quintiles. Per capita investment costs to piped, protected schemes are weighed up, and the potential burden of associated maintenance costs to the public purse evaluated. Finally the paper explores the degree to which piped and protected water supply schemes really are alternative investment options for Tanzania.

4.3 Responding to Poverty Reduction Objectives

Compared to other priority sectors funds flowing to the water sector remain highly fragmented. The structure of the development budget shows very clearly the extent to which it is driven by project and programme funding. Many of the development sub-votes map onto a single initiative funded by a single donor.

This level of pre-negotiated sector financing leaves the ministry's planning directorate very little room for recasting or refocusing budgets for poverty reducing impact. For example, some 25 billion Tsh (60 per cent of the development budget) was approved for urban water supply rehabilitation in FY 2002/3. 97 per cent of this was pre-negotiated donor funding vastly skewing the balance of development expenditure from rural to urban.

In addition the current arrangement of projects and programmes has led to a rapid expansion of central ministry budgets while allocations to local government have remained close to stagnant. In the FY 2002/3 less than 15 per cent of approved expenditure flowing into the sector was disbursed by local authorities.

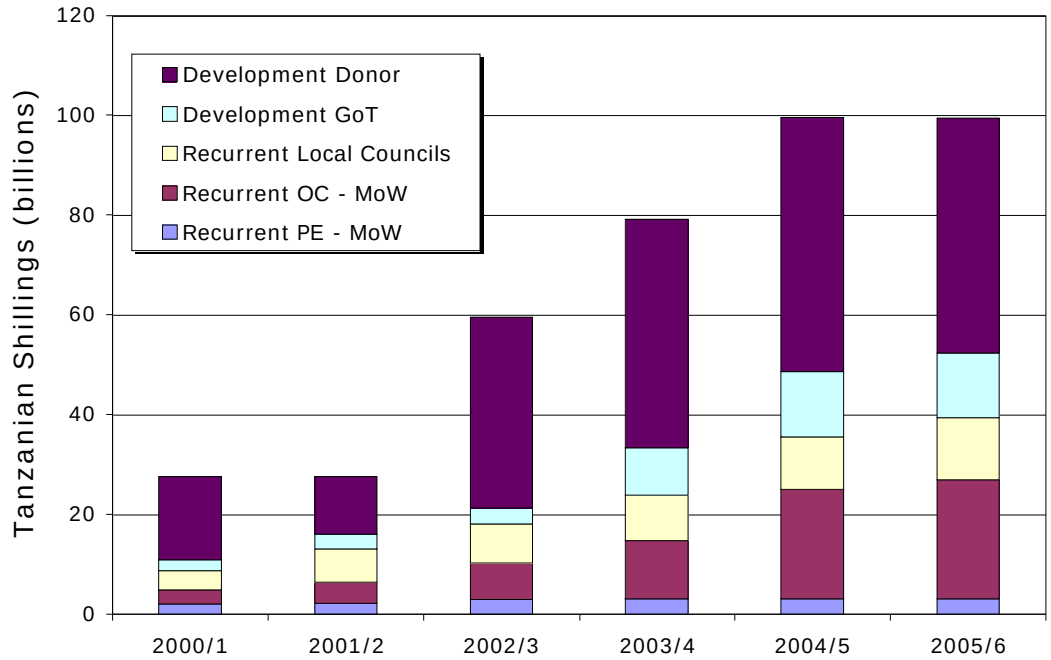
The ministry argues that the dislocation between the Ministry and the Local Authority allocations is further complicated by the local government reforms. The reforms mean that

Ministry of Water and Livestock Development (MoWLD) gets no plans but only highly consolidated reports from districts. Not being able to put forward district plans means that the only way the MoWLD can restructure its budgets to reflect PRS targets is by creating national projects such as the 'Lake Victoria to Shinyanga pipe line'.

Whatever the reason, this situation places considerable discretionary planning and spending power with the central ministry which is both contrary to sector policy and national efforts to decentralise planning and implementation to local government.

Overcoming this will require radical sector reform not just of funding modalities but also reorientation and capacity building both at local level and in the central ministry. The ministry needs to be able to facilitate local authorities to develop local plans, to consolidate these and to present the plans to the Treasury for funding. Without a concerted effort by both donors and government it will be very difficult to make significant progress towards pro-poor planning.

Figure 4.3.1. Composition of Water Sector Budget 2000-2006



Note: 2000-2 actual expenditure, 2002/3 budgeted, 2003-6 planned

4.4 Further Poverty Reduction Analysis Required

In addition to greater flexibility in budgeting and investment decision-making processes more needs to be understood about the relative merits of investing in different types or combinations of water and sanitation infrastructure. This means knowing more about the linkages between inputs to outputs and of outputs to outcomes.

For the past three years the Water Sector PER has been focused on inputs. Though there has been some discussion of the balance between rural and urban infrastructure development there has been no analysis of other sector 'biases'.

The research presented in the second part of this chapter is an attempt to understand better the relative equity of investing in two forms of rural water supply, namely, piped water supply and protected water supply. This is done by applying a simplified form of benefit incidence to the two forms of investment. In essence this compares the level of public spending that accrue to individual users of different types of water supply; piped and protected. In other words, who uses expensive piped water supply schemes and who uses cheap protected water supply schemes.

4.5 What Are Piped and Protected Water Supplies and How Are They Surveyed?

In the absence of water quality data, water sources are classified into 'better' or 'worse' for drinking (Table 1). Piped and protected water sources are commonly classified as improved sources as the risk of them being contaminated is a lower than that of unprotected sources. Percentage use of piped and protected sources is a widely accepted proxy for use of safe water. 'Piped sources' simply describes any water flowing from a tap. 'Protected sources' include wells or springs that have been protected by enclosing the source to prevent contamination by run-off water.

Table 4.5.1. Definitions of Water Sources

IMPROVED SOURCES Lower risk of contamination	UNIMPROVED SOURCES Higher risk of contamination
PIPED • to housing unit or plot • to neighbour's house • a community standpost • a privately-run water point	UNPROTECTED • unprotected wells • uncovered springs • surface sources – dams, ponds, lakes, rivers and streams
PROTECTED • Protected wells – medium and shallow wells with handpumps • covered springs	OTHER (those not possible to classify) • rainwater • tankers, • water vendors

The Household Budget Surveys (HBS) collect data on key socio-economic characteristics of household members, household living conditions, household economic activity, income and expenditure. The key water variable used for this analysis is 'main drinking water supply for household' from the 2000/1 HBS.

People recorded as getting their main drinking water source from a piped source included people who got their water from large network systems, multi-village schemes, gravity schemes and single village schemes. Even single village schemes with only one distribution point (community tap stand) would have been recorded as piped. In other words piped water does not only refer to big networks but to any water scheme with a tap.

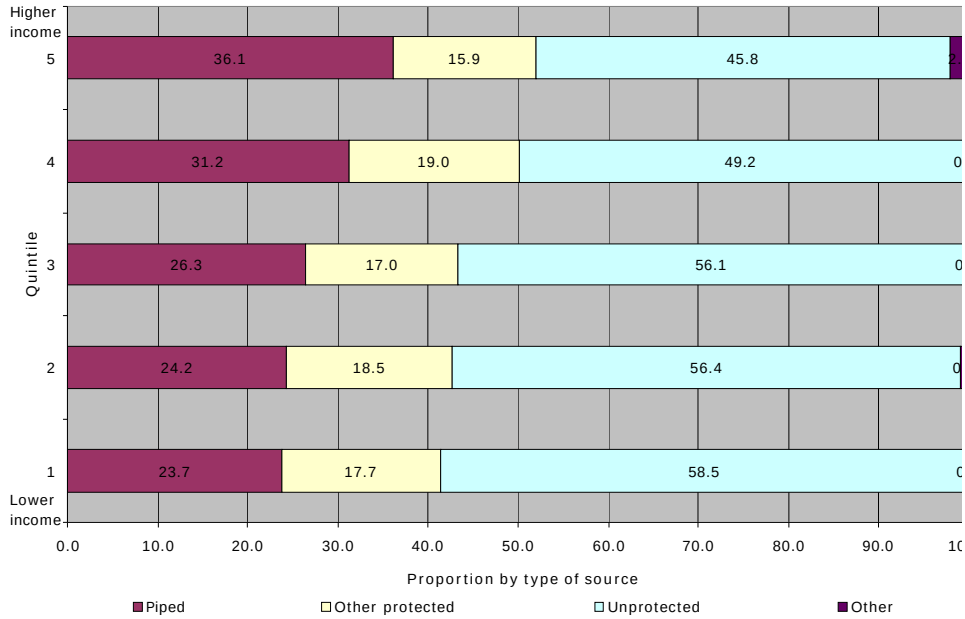
Though technically protected water sources refer to covered wells and springs it is likely that where covered spring water was delivered through a tap households would have been recorded as using piped water.

Protected wells are likely to have been recorded as the main source only where water was delivered through a hand-pump.

4.6 Use of Water Sources by Expenditure Quintiles

Around 70 per cent of the 33.5 million mainland Tanzanians live in rural areas. Overall the HBS recorded that 35.9 per cent of rural households had access to improved water sources. Of these 28.3 per cent used piped and 17.6 per cent used protected sources as their main drinking water supply. However, this use is not uniform across households with different levels of income. Figure 2 shows a clear correlation between household income and use of piped sources. In contrast, the use of protected sources is evenly spread across quintiles. From these figures it appears that investments in protected sources have been more equitably distributed that those in piped sources. Furthermore, as figures are given for households additional bias towards wealthier households is masked, as household size is larger for poorer houses.

Figure 4.6.1. Household Use of Water Source by Expenditure Quintile for Rural Tanzania



With so many households still using unprotected sources a really important investment question for the sector is to identify the cheapest and most sustainable way to reduce the number of households having to use water from unprotected sources.

4.7 Why the Differential Use?

Operation and maintenance costs of schemes have to be paid for. With the existing policy of cost recovery in rural areas water users are required to pay for both operation and maintenance. This cost recovery mechanism is managed by village water committees or water user associations at the local level. The mechanisms, and so the tariffs, vary considerably. Some mechanisms barely manage to recover operation costs while others collect over and above operation and maintenance costs (in a few cases effectively taxing water). For piped schemes particularly pump-and-engine schemes these tariffs are around 1 Tsh a litre. For protected sources such as shallow wells with hand pumps households contribute monthly flat fees ranging from 100 to 300 Tsh, equivalent to around 0.05 Tsh a litre[42].

With piped water costing around 20 times that of water from protected sources there are clear economic reasons for poorer households to have difficulty in accessing piped water. Yet, piped and protected sources don't often co-exist within the same village or sub-village. The choice for consumers is therefore rarely between piped and protected sources. Where there is

[42] Based on per capita consumption of 1 bucket (equivalent to 20 liters) per day and Tanzania Mainland mean family size of five (HBS 2000/1).

any choice the alternative is generally a 'free' unprotected traditional source such as an open well, lake, river or spring. In other words whether people use safe water is influenced as much by the planner/investor as by the consumer.

Comparing Investment Costs of Piped and Protected Water Sources.

There is no sector reporting system that captures investments by piped and protected sources. Neither do ministry budget lines separate out expenditure on piped from expenditure on protected water supply. Over the past three years the Ministry of Finance has developed the Aid-Flows Database, which captures a sizable proportion of investment in the water sector. But, again this does not separate out piped from protected water supply investments. A large part of the reason for this is that many water projects are a combination of piped and protected water supply investments. Furthermore, the way in which project 'beneficiaries' are calculated varies. As a result there is no straightforward way of calculating the relative investment costs to piped and protected water supply, let alone per capita investments.

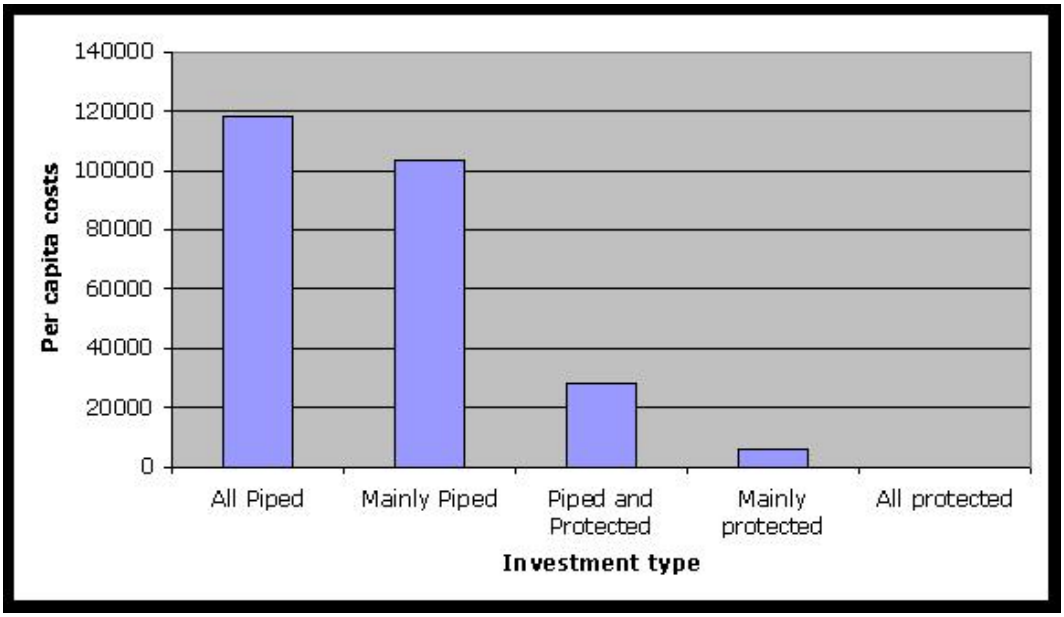
In order to get some idea of the relative investment costs evidence is drawn from two sources. The first is a crude analysis of past and present donor funded water sector investments in Tanzania; the second is drawn from WaterAid Tanzania's country experience.

As already mentioned many donor-funded investments in Tanzania have been a combination of piped and protected water supplies. In Table 2, per capita costs of donor funded investments have been calculated and then categorized according to a five point scale ranging from pure piped investments to pure protected investments (there are unfortunately no examples of pure protected water supply investments). Investments were placed on this scale on the basis of an interpretation of project descriptions given in project/programme documentation (see Appendix A for short descriptions).

Table 4.7.1. Water Supply per Capita Costs by Investment Type

	Per capita investment costs by investment type				
Name of the Project	All Piped	Mainly Piped	Piped and Protected	Mainly protected	All protected
Health through Sanitation and Water Project (HESAWA - SIDA)				6,084	
Rural Water Supply Project in Iringa, Ruvuma and Mbeya Regions, Tanzania (DANIDA)		62,690			
Hai District Water Supply Project III (GTZ/KfW)	143,636				
Rural Water Supply East Kilimanjairo Ph. I (GTZ/KFW)	48,333				
Monduli District Water supply (ADB)	217,466				
Kilosa, Mpwapwa, Morogoro Rural, Kongwa and Rufiji (ADF)	40,000				
Dodama, Manyara, Tabora, Singida, DSM (WaterAid)			18,924		
Chalinze (China)	140,952				
Rural water Supply Singida rural, Hanang, Manyoni and Igunga 2002 (JICA)		143,942			
Rural Water Supply and Sanitation Project - Mpwapwa (IDA)			36,933		
Average per capita investment by category	118,077	103,316	27,929	6,084	

Figure 4.7.1: Average per capita costs by investment category



The average investment costs clearly mask quite a range of per capita costs within the categories. It is, however, beyond the scope of this study to go into questions of value for money of investments.

What can be usefully noted from even this very crude analysis is that:

- Piped investments have per capita investment costs that are 10-20 times that of investments that were mainly for protected water supply;
- Per capita costs for mixed piped and protected systems are in the order of 4 times less that those for piped; and
- The more protected water supply is factored in at the design stage the lower the per capita investment costs of the overall programme.

4.8 Maintenance and Rehabilitation

Comparing per capita investment costs of piped and protected schemes is only half of the subsidy story. The other half is hidden in the costs of rehabilitation and rebuilding these two types of water supply. Finding data to compare the relative depreciation of piped and protected schemes is not easy. This is to a large degree because the dividing line between maintenance and rehabilitation of schemes in Tanzania is very difficult to draw.

Though the new national policy stipulates that there should be full cost recovery for both operation and maintenance of all schemes in rural areas the reality is that there is maintenance 'legacy' from previous decades. Because maintenance of systems has been poor and very patchy, it has in many schemes, piled up over the years and become need for rehabilitation.

As already mentioned the way in which sub-votes are laid out in the budget does not make it possible to separate out funds for rehabilitation of piped versus protected schemes. However, in the 2003/4 budget 3 billion Tsh were earmarked for rehabilitating water schemes by the MoWLD and 6 billion Tsh were allocated to local authorities. Though part of the development budget this 3 billion Tsh from the Ministry is a direct and effectively a recurrent subsidy to support the maintenance and rehabilitation of piped water supply schemes. This amount alone constitutes a recurrent subsidy of around 440 Tsh per capita to rural users of piped water supplies.

Estimating the proportion of local authority funds supporting the maintenance and rehabilitation of piped water supply schemes is both more difficult and more variable. If just the Other Charges (OC) component is taken this would translate into a further recurrent subsidy of around 580 Tsh per capita to users of piped water supplies. If this is added to the Ministry figure the total annual recurrent subsidy to piped users is around 1000 Tsh per capita.

It is, however, worth noting here that the funds flowing to local authorities do not 'follow' the existing infrastructure. In many sectors, notably health, this has been the case but for water, at least on the local authority recurrent budget side, there seems to be no correlation. As for the ministry funds for rehabilitation a tracking system would have to be put in place to monitor the flow.

In order to illustrate the potential maintenance burden of piped over protected water supply schemes more detailed case material from WaterAid Tanzania is drawn on.

4.9 WaterAid Tanzania experience

In WaterAid Tanzania's experience piped investments have per capita investment costs around twice that of protected water investments. This may seem low in comparison with many other donor investments. This is because WaterAid funded piped schemes are generally single village schemes based on a single borehole, a pump-and-engine and pipes only to a few community tap stands[43]. It is the pump and engine that are the main factor determining the life span of these piped schemes. For protected water supply schemes it is generally the hand pump, which determines the life span of the scheme. In both cases the need to redevelop the source (borehole) is less frequent.

[43] In contrast some of the piped donor investments are multi-village network schemes involving considerable investment in pipes as well as much larger pumps and engines.

Table 4.9.1. Comparison of Annualised per Capita Costs from WaterAid Experience[44]

	Piped	Protected
Investment	30,000 Tsh per capita	15,000 Tsh per capita
Operation costs per year	10 % of investment costs per year	Negligible
Maintenance Years 1 to 5	10 % of investment costs per year	Negligible
Maintenance Years 5 to 10	30 % of investment costs per year	5 % of investment costs per year
Maintenance over 10 years	60,000 Tsh per capita	7,500 Tsh per capita
Ratio of above to below ground investment	1:1	2:1
Depreciation of above ground investment	10 % per year	10 % per year
Depreciation of source investment	5 % per year	5 % per year
Annualised per capita cost (investment and maintenance)	8,250 Tsh	1,750 Tsh

Though the original per capita investment for piped schemes is only twice that of protected the respective maintenance costs multiply up this difference to 5 times. A large proportion of these maintenance costs can pile up as rehabilitation or redevelopment costs if maintenance is not regularly done. In other words the potential impact of piped scheme rehabilitation costs landing back at the feet of government budgets is far greater.

4. 10 Unit Subsidies

The unit subsidies that can be generated from the above figures are at best speculative. However, there are a number of insights and principles that can usefully be deduced from the data presented.

The first is that though difficult to calculate there are both development and recurrent subsidies to piped water supply systems. The subsidies to the development of piped schemes are direct and are in the region of 100,000 Tsh per capita over the schemes life-time or annualised on the basis of 10 per cent annual depreciation 10,000 Tsh per capita per year. In many piped water supply projects, communities are asked to contribute, in cash or in kind, but these contributions are rarely above 5 per cent of investment costs.

Recurrent subsidies to piped water supply schemes though not policy get picked up by public money as early rehabilitation costs accumulated by 'deferred' maintenance. This happens when cost recovery levels are below the real costs for operation and maintenance; which is very common for piped schemes. Based on existing levels of government funding this is around 1000 Tsh per capita per year. This is likely to be an under estimate as from a recent survey of non-functioning schemes[45] the estimates for repairs would absorb, at current local authority funding levels, 9 years worth of Other Charges (OC).

In contrast to piped schemes development subsidies to protected water supplies are very modest; in the range of 1000 Tsh per capita per year. Recurrent subsidies to protected water supplies are rare but even where they do occur in the form of support to rehabilitation would not be more than 750 Tsh per capita per year.

[44] These are indicative values based on interviews with WaterAid Tanzania programme engineers.
[45] Published in Ministers Budget Speech for FY 2003/4

Furthermore, given the degree of subsidy to piped water schemes, a true unit of subsidy would need to take into account the relative consumption of water by households in each quintile. However, the volume of water used is not surveyed by the HBS or any other national survey. It may, in future, be possible to develop proxies based on time or distance from source through detailed impact studies that do capture volume of water used by households. Here it is simply worth noting that a true unit subsidy (subsidy per cubic meter consumed by households) would potentially further amplify the inequitable distribution of access across quintiles already demonstrated.

4.11 Are Protected Water Sources Really an Alternative to Piped Water Sources?

Piped and protected sources don't often exist within the same village or sub-village. So, to what extent are piped and protected water supply schemes really alternatives. Table 4 compares the ratio of piped to protected water source use for different regions of Tanzania. What is quite clear from this table is that there are some regions very dependent on piped water sources. Dodoma in particular has little choice but to sink deep boreholes to get any water. The ratio of 9 users of piped water to 1 of protected water supply is an indicator that there really are few alternatives to using piped water sources. One engineer working in the area jokingly described the deep borehole pump-and-engine schemes as traditional; some of them are after all over 50 years old.

Table 4.11.1 Regional Breakdown of Coverage and Rehabilitation Costs

	Household Main Drinking Water Source			
Region	% piped	% protected	ratio of piped to protected	estimated rehabilitation costs (Tsh millions)
Mtwara	10	34	0.3	3716
Kagera	8	21	0.4	3146
Tanga	16	25	0.6	1548
Coast	10	13	0.8	1935
Mara	13	17	0.8	1114
Morogoro	27	35	0.8	1748
Mwanza	20	25	0.8	3567
Singida	31	28	1.1	1168
Shinyanga	22	15	1.5	2542
Tabora	9	4	2.3	3392
Arusha/Manyara	35	13	2.7	3506
Lindi	8	3	2.7	757
Rukwa	36	12	3.0	755
Mbeya	50	16	3.1	1523
Kigoma	41	13	3.2	387
Ruvuma	36	10	3.6	2392
Kilimanjaro	60	15	4.0	6
Iringa	44	7	6.3	2725
Dodoma	54	6	9.0	845

In order to further address the question of whether investing in protected water supply really is an alternative to piped water supply a graph of the percentage of households with improved water supplies has been plotted against estimated rehabilitation costs for piped schemes from each region. The estimates for scheme rehabilitation costs come from a recent study of non-

functioning schemes done by the ministry. Each point on the graph is a region and beside each label is the percentage of households in the region using piped and protected water sources respectively.

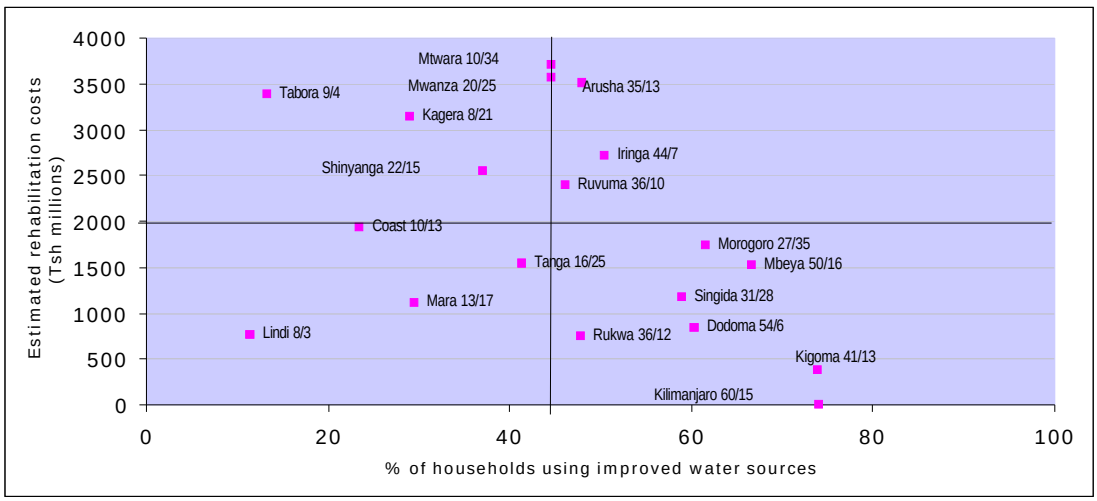
The graph has been divided into four quarters. Administrative regions such as Lindi and Mara in the bottom-left quarter are regions with very little infrastructure. They have low coverage of both piped and protected water supplies and their rehabilitation requirement is low simply because there are very few piped schemes to rehabilitate.

Regions lying in the top-left quarter are characterized by collapsed piped systems. Tabora and Kagera have very low coverage but large amounts of infrastructure to repair.

Regions in the top-right quarter have aging but partially functioning piped infrastructure in need of repair.

Finally regions in the bottom-right quarter have considerable amounts of infrastructure and manage to repair it. Many of the regions in this quarter have access to piped water through gravity schemes rather than pump and engine schemes. Gravity schemes are cheaper to maintain. There are two exceptions. First, Dodoma where, as already mentioned, pump-and-engine schemes are virtually the only available sources of water. Second, Morogoro where there has been a significant drive to protect traditional water sources with the assistance from the Netherlands.

Figure 4.11.1. Estimated Regional Rehabilitation Costs against Regional Coverage (piped + protected)



In order for each region to meet millennium development goals regions need to move from their current position half way towards 100 per cent coverage. Lindi, for example, needs go from its current 11 per cent improved coverage to 56 per cent improved coverage. While Kilimanjaro has only to go from its current 75 per cent to 88 per cent coverage.

Based on the analysis of subsidies to water supply and given the limited resources available to halve the number of people without access to improved water supply by 2015 the following strategies are recommended for each of the quarters.

Regions falling in the bottom-left quarter of the graph should invest heavily in protecting traditional sources. Clearly many of the households in these regions are using traditional sources; the aim should be to improve them.

Regions in the top-left quarter should abandon the collapsed piped schemes and invest heavily in developing traditional sources as well as looking for opportunities to develop shallow wells.

Those in the top-right quarter should rehabilitate any gravity schemes while developing traditional sources in places that the gravity schemes do not currently cover.

Finally those falling in the bottom-right quarter should find ways to sustain existing piped schemes and look to gap fill by developing protected water supplies for more isolated communities.

When thinking about these strategies it is important to bear in mind that even where there is very low coverage of piped and protected water sources people are getting water from somewhere. What underlies the above recommended strategies is that protecting these traditional sources is often the simplest and cheapest option for improving water quality and this should be prioritised.

4.12 Conclusions

Given that the use of piped investments is not equitably distributed, among expenditure quintiles, additional investment and replacement costs constitute a considerable subsidy to rural households in the wealthier quintiles.

Not only is this inequitable but these subsidies to piped water supply schemes are quite literally at the expense of protecting traditional supplies or of developing low cost protected supplies. Based on the crude estimates presented in this chapter every additional person served by a piped scheme is at the expense of serving ten people with a protected water source.

Future national water sector investment strategy should acknowledge that the higher the degree of protected water supply incorporated into mixed water supply investments the lower the per capita costs and the more equitable those investments will be. More weight should also be attached to the notion that protected water sources carry less of a ‘latent’ national burden than do piped water supply schemes.

For poor people, the type of analysis presented here, will be of no benefit if current *ad hoc* planning and budgeting processes in the sector are not challenged. There needs to be a move away from negotiating the financing of the sector outside the formal planning process. At the same time more space needs to be created within the formal planning process to encourage the sector to respond to the poverty reduction targets. Could a larger allocation of funds to the

water sector, against district plans, help the water sector lead external support into a new phase of pro-poor planning?

CHAPTER 5: GOVERNANCE ASPECTS KEY TO POVERTY REDUCTION VULNERABILITY CONTAINMENT

5.1 Introduction

In recent years, a great deal of attention has been directed towards poverty. Several areas, which facilitate or constraint poverty reduction efforts have been identified. Governance is one among areas that have significant impact on poverty reduction (Burki S.J. and Guillermo Persy, 1998; Kaufman D. et al, 1999; Narayan D. et al, 2000). That is why some aspects of governance have been identified as being among the priority areas in the PRS. The status chapter has already assessed the current status of the governance indicators. As explained in the second PRS progress report, the indicators are new and would need further refinement. In this light a separate detailed study was done.

Various reforms have been undertaken in order to achieve democratic, transparent, accountable, efficient and effective system of governance that facilitates the reduction of poverty. The reforms include public sector reform, legal sector reform, financial sector management reforms, and local government reforms. In order to accommodate these reforms, several institutions have either been established or restructured for the purpose of enhancing good governance, for example, the Human Rights and Good Governance Commission, the Ethics Secretariat, The Prevention of Corruption Bureau (PCB), the Good Governance Coordination Unit (GGCU).

These reforms are taking place within the changing broader political context as a result of the adoption of multi-party competitive politics. Accompanied with the multi-party competitive politics is the growth of independent media that plays an important role in disseminating information to the public. Through private-owned media, various misdeeds by the government and its officials have been exposed. This has added a certain degree of transparency and accountability. In addition, the increasing growth of civil society organizations in the country has created another potential centre for policy scrutiny and information dissemination.

The objectives of this chapter are to identify aspects of governance that have influence over poverty reduction and vulnerability. The focus will be on three major areas of governance, namely accountability and transparency through the management of public resources and the conduct of public offices, enforcement of law and the progress made towards democracy and participation. In doing so, this chapter relies mainly on documentary analysis and review of various documents and literature. To complement desk review, interviews with selected experts were conducted to clarify and/or fill in gaps that were found to emanate from documentary analysis and review of documents.

5.2 Management of Public Resources and Conduct of Public Offices

This section examines the relationship between some important aspects of governance as they relate to poverty reduction and vulnerability containment. The linkage seems to be largely determined by the extent of transparency and accountability in the management of public resources and the conduct of public offices; strategic allocation of funds to pro-poor sectors;

the extent of accessibility and quality of public services to the poor; the extent of peoples' empowerment in managing public resources; availability of information to the public on the conduct of public offices; the extent to which the management and implementation of pro-poor policies is affected by the existence of corrupt practices and behavior.

In demonstrating this linkage this section examines the progress made so far in the management of public resources including financial affairs; tax assessment and collection; and resource management and how all this has affected the lives of the poor. It looks into the way in which accountability and integrity of public offices influenced poverty and on how incidence of corruption influences the implementation of government policies and proper resource allocation intended to alleviate poverty and vulnerability as a whole.

Budget Process

As an instrument of translating government policies into actions, the budget process is one of the important processes that is used by the government to reduce poverty. A great deal of improvement has been achieved in the budget process through the adoption of the Medium Term Expenditure Framework (MTEF) and Public Expenditure Review (PER). These instruments are used to make a follow up on whether resource management and allocation reflect the identified priorities for poverty reduction. Transparency in the flow of funds has been enhanced by the adoption of the Integrated Financial Management System (IFMS) in various ministries. Also, the extent of transparency has been enhanced due to the publications of budget releases to local authorities in newspapers.

Since the budget allocations and expenditure are supposed to be guided by the PRSP, public involvement in the preparation, formulation and monitoring of the PRS becomes crucial. Various studies have indicated that there is limited public involvement in budget preparation (Mukandala, 2003)

Budget Expenditure for Priority Sectors and Poverty Reduction

As a result of increased funds allocation to the priority sectors, some significant improvement in the provision of social services have been recorded in recent years. The PRSP target for primary school enrolment set for 2003 was reached in 2001 (see Chapter 2). However, the achievement in school enrolment requires a caveat; unfavourable conditions especially for girls, children from poor families and children from rural areas continue to exist.

The same pattern is being observed in the health sector. While the distance to health centres has been reduced, thereby making it easier for poor people to access them (HBS, 2000/01) reports have shown that many of these centres have the problem of lack of drugs and other medical facilities (REPOA and ESRF, 2001). The Afrobarometer survey showed half of the respondents reported going without adequate medical treatment for their families. In addition, findings from TzPPA have indicated that many poor people have resorted to the use of traditional healers largely due to additional costs associated with corruption among the health centres officials. Thus, increased expenditure on health might be benefiting the non-poor more than the poor.

The effective provision of social services is also jeopardized by the leakage of funds intended for particular service units. For instance, a study by PriceWaterhouseCoopers has indicated

that the leakage of non-wage funds in primary education is about 57 per cent (Reinikka and Svensson, 2003). Given the fact that most local government authorities, schools and other service units do not publish or post budgets and accounts information for the wider public to see and monitor, the potential for misallocation and misappropriation of funds becomes very high. Experience from Uganda can be applied here in Tanzania in order to deal with this problem. An extensive information campaign in publications of monthly intergovernmental transfers of public funds in the main newspapers, broadcasting that information on the radio, and requiring schools to post such information for all people to see helped to significantly minimize the amount of leakage (ESRF and REPOA 2001).

Furthermore, there is also a problem of spatial allocation of resources that does not seem to take into consideration of regional variation of poverty. Dar es Salaam, Arusha and Kagera record the highest shares of development expenditure allocations among the regions.

While various reforms have been undertaken to improve the degree of transparency and accountability at the macro-level, the effect of these changes have yet to be translated into the improvement of financial management at the local level. At the core of the problem is the inadequacy of the social services to the poor people as a result of delays, re-prioritization, misallocation of public funds, poor flow of information and lack of accountability on the part of public officials.

According to the Pro-Poor Expenditure Tracking study in 2001, there was poor flow of financial information from the central government to local authorities with regards to the expenditure as per the approved budget. The findings show that the councils do decide to re-prioritise some of the funding contrary to the exchequer issue notification. This gives room for misappropriation of funds. For instance, in 1999/2000 the percentage for medical supplies for Kigoma and Babati were 0 per cent and 10 per cent respectively, far less compared to the approved national estimates of 35 per cent (ESRF and REPOA, 2001).

Public Procurement

Public procurement is the process through which the government ministries and departments secure best quality of goods, works and services at competitive prices. An inefficient public procurement system may lead to sub-standard services and goods, delayed services, misappropriation of public funds and in turn increased transaction costs. It can also expose the poor to further risks associated with sub-standard services e.g. poorly constructed roads, schools and bridges.

For many years public procurement has faced serious weaknesses, which in turn might have increased poverty and vulnerability. Various studies have indicated that public procurement is one of the most corrupt areas of government operations (Warioba Report, 1996; ESRF/FACEIT, 2002). Serious delays, corrupt practices and inefficiency were reported to be rampant in the construction sector especially in tenders for construction of roads. In recognition of the existence of this problem, the Public Procurement Act of 2001 has attempted to address some of the inherent bottlenecks in the past Ordinance. The Act provides for transparent procedures and practices guiding public procurement. Some of the provisions in the Act include: making it mandatory tender advertisement to be written with no intention of favouring certain tenderers; clearly established pre-qualification criteria in order

to enhance transparency and accountability; establishment of appeals machinery against malpractice in tendering; sanctions against those found to be involved in malpractice and establishment of a technical audit unit in the office of the Auditor General. For more efficiency of the Act, it would need to apply also to procurement in parastatals organizations that do not receive government subsidy or subvention; in military equipment and supplies and in local government authorities.

Tax Assessment and Collection

In order to be able to adequately finance its expenditure to alleviate poverty, the government needs to raise revenue from various sources. While there have been significant improvements in tax collection over the past 7 years or so, the current total revenue to GDP ratio still stands at 12 per cent compared to 16 per cent average of sub-Saharan countries. Indeed, it is estimated that the revenue potential for Tanzanian economy might be 6 to 9 percentage higher than what is currently achieved (World Bank (2002).

There are various factors that have contributed to the lack of increase of collected revenue. According to PER (2002), these factors include substantial reductions in external taxes, for example, exemption of all donor funded imports from taxation. Other factors are, elimination of nuisance taxes, large tax incentives for new investments, the continued downsizing of the parastatal sector, and sluggish private sector growth (URT 2002). In general, however, revenue from income taxes, which is collected from withholding taxes from wages and salaries, has been increasing more than projected. Indeed, the Pay-As-You-Earn (PAYE) taxes have been the major source of revenue increase for the financial year 2003 (URT 2003).

Employees tend to be more taxed than other categories of taxpayers. Whereas employees are being directly taxed through PAYE, the self-employed and small businesses have turned out to be among the leading tax evaders by either under-declaring or not reporting their true income to TRA. In a survey conducted by the Department of Political Science of the University of Dar es Salaam in the year 2000, about 59 per cent of the respondents were of the view that the tax system in the country is never or rarely equitable.

The tax system in Tanzania is inefficient, negatively affecting efforts towards poverty reduction. This is largely due to the fact that there is heavy excess burden in raising revenue from various sources e.g. cost of collecting revenue sometimes tends to be more than the revenue collected (Mtatifikolo and Osoro 2002).

In addition, there is a corruption problem in tax collection. Asked to mention the corrupt institution in the country, customs agents were ranked number three by 52 per cent of the respondents in the Afro-barometer study (A. Chaligha, *et. al*. 2002).

In the area of promoting foreign investments, a series of tax measures have been taken in order to encourage foreign investments for the purpose of increasing employment and promoting economic growth and in turn poverty reduction. Yet, the sectors that continue to enjoy tax holidays such as mining are capital intensive. Indeed, as pointed out in Chapter Two of this report, the unemployment rate is still high. Also, according to the UNECA Governance Survey, about 67 per cent of the respondents reported that they do not have easy

access to gainful employment. This suggests that the current policy of exemption would need revision to contribute significantly to poverty reduction.

Another area of tax system that seems to directly affect the poor majority in the rural areas has been the multiplicity of levies and taxes at the local level. This trend is also accompanied with bad timing of tax collection as well as use of coercive means of collecting tax. The PPA findings point out that multiple taxes are a problem to most of the sites visited and is a large financial burden to tax payers. Due to the limited financial resources, some villagers have been forced either to hide from tax collectors or sell their assets like bicycle, radios or even land in order to pay or bribe tax officials (Chaligha 2003)).

The government has been taking some measures to improve the situation by streamlining the tax system especially at the local level. In the 2003 Budget Speech the government announced the abolition of development levy. Following this government directive, various councils are now in the process of improving their tax systems in order to make them more pro-poor. For instance, the Kinondoni district in Dar es Salaam has minimized the number of taxes from 66 to 12. However, some local authorities have been reluctant to implement a new harmonized tax system largely because it seriously reduces their local tax revenues. Hence, more efforts are needed to enhance the tax base in an equitable and efficient manner. In addition, there is a need to harmonize local and central government taxes so as to avoid conflicts between the two taxation systems, for example, it is the Minister for Regional Administration and Local Government who endorses by-laws in local governments while it is the Minister for Finance who endorses changes in central government taxes (PRBS document).

Resource Management

The discussion around resource management limits itself to peoples' perceptions of the way the government is managing public resources, focusing more specifically on the balance between free-market forces of the present liberalized economy.

Since the adoption of liberal market policies in mid-1980s, Tanzania has made significant improvements in macro economic and structural reforms including fiscal and monetary reforms and exchange rate policy. These reforms have been accompanied by public sector reforms and privatisation of parastatal enterprises. By December 2000, 333 public parastatals were privatised out of 395. The process of privatising the remaining parastatals is still in progress.

At the core of the ongoing macro-level reforms is the redefinition of the new role of the state versus private sector in managing the economy. The state now tries to restrict itself to core functions of maintaining law and order, delivery of public goods and services, support the delivery of basic social services, create an enabling environment for the private sector and play the regulatory and coordinating role. For instance, in order to enhance the government's regulatory capacity in the privatisation of public utilities, legislation was passed in April 2001 to establish the Energy and Water Utilities Regulatory Authority (EWURA), which aimed at regulating power, water, and petroleum and natural gas services. The legislation also established another agency called Surface and Marine Transport Regulatory Authority

(SUMATRA) in order to regulate railway transport, harbours, ports, marine and road transport services. The effectiveness of these regulatory agencies is yet to be determined.

With regards to the management of land allocation, land legislation has been amended to allow for enhanced transparency in land transactions. Indeed, the Ministry of Lands and Settlements has issued land regulations in English and Kiswahili informing both the public and investors on the use of land as collateral for commercial transactions. The government is also undertaking the regularization of tenure in informal settlements in order to enhance the property rights of low-income households.

Despite a rather impressive picture at the macro-level, the majority of Tanzanians especially in the rural areas are still living in poverty (HBS, 2000/01). The Afrobarometer study indicated some degree of dissatisfaction with the management of the economy. It is therefore possible that good economic performance has not had a significant impact on the poor. The forthcoming survey on Policy and Service Satisfaction should be able to explain more of the dissatisfaction felt by the people.

While the policy of privatisation as a whole is being supported by a majority of the respondents, the respondents' support for the government's decision to privatise certain specific sectors seems to be comparatively low (REDET, 2003). These sectors include natural resources, education and health sector. Furthermore, there is the question of transparency in the process of privatisation of public enterprises. There have been some conflicts between employees and management with regards to the secretive nature of negotiations and selling of these parastatals. Even parliament seems to be left in the dark about some aspects of the divestiture of some public enterprises (Mhina 2003).

Accountability and Integrity in Public Offices

Various reforms have been undertaken for the purpose of enhancing transparency, accountability and integrity in the public service. The Civil Service Reforms of the 1990s marked the beginning of serious efforts in restructuring public sector in order to make it more effective in service delivery. Also, with the launching of the Public Service Reform Program (PSRP) in June 2000, further steps have been carried out in order to enhance pay packages for civil servants by rationalizing salaries grades and consolidating allowances into salaries. For instance, the civil service job grade structure was streamlined from 196 to 45 grades, and number of allowances reduced from 36 to 7 (Valentine, 2001).

In addition, a code of ethics and conduct for the public service was issued for the first time since independence in 1999. The code aims to "enhance ethical performance among public servants and deliver quality service to the people efficiently, effectively and with the highest standard of courtesy and integrity". Moreover, with the adoption of meritocracy principles and procedures, available posts in the public service are advertised and recruitment has tended to be more transparent than before. Hand in hand with all this is the ongoing Local Government Reform Program that also intends to promote accountability and integrity at the local level. Codes of conduct for councillors have been issued in order to enhance integrity, accountability and transparency (URT, 2001)

All these reforms notwithstanding, efforts to promote accountability and integrity in public offices depend largely on the clients/citizens' readiness to monitor performance and raise complaints. The demand side of the accountability equation is still relatively weak for a number of reasons. First of all, the reforms have put greater emphasis on bureaucratic accountability than on public accountability. There have been only a few attempts to increase public awareness on existing laws, rules and regulations governing behaviour of public officials. Their coverage remained ad-hoc, sporadic and inadequate. Lack of information on codes of ethics and conduct within the civil service is another obstacle to improved public service delivery. In recognition of this problem, various service providers have been required to prepare a client's service charter that will clearly state core values, objectives and clients' rights.

Corruption and Poverty Reduction and Vulnerability Containment

At the macro level, various efforts have been taken by the government to combat corruption. The establishment of the Prevention of Corruption Bureau, the Human Rights and Good Governance Commission and the Ethics Inspectorate Unit of the Civil Service Department are seen as an important step in curbing corruption in the country. In 2002, various ministries established sectoral plans to fight corruption. Various district authorities have held workshops on anti-corruption measures and efforts. A significant role has been given to the media through the anti-corruption strategy and action plan. Plans are underway to commission various media institutions to wage an extensive public campaign on anti-corruption. The Finance Act (2001) and the Public Procurement Act (2001) are also aimed at enhancing transparency, accountability and rule of law. Many of these institutional arrangements are only beginning to operate and therefore it will take sometime to see the results.

At the local level, incidences of corruption are frequent. 80 per cent of the respondents in the ESRF/FACEIT survey said that they have encountered corruption directly or indirectly[46]. In a study done by the Department of Political Science of the University of Dar es Salaam, corruption was ranked second (next to poverty) as the most serious national problem (UNECA, 2002). Table 5.2.1 below presents findings of peoples' opinion when asked the question that, "do any of the following officials in your area expect or demand bribes for services rendered?"

Table 5.2.1: Officials Who Expect or Demand Bribes for Services Rendered

Officials	Yes % (n)	No % (n)
Police	69 (999)	31 (441)
Judges	63 (901)	37(539)
Public Prosecutors	58 (831)	42 (609)
Tax Officials	48 (699)	52 (741)
Elected Legislators/ Councillors	21 (297)	79 (1143)

As Table 5.2.1 above shows, it is the legal and enforcement area, which is supposed to protect citizens and maintain law and order that is leading for incidences of corruption.

In the ESRF/FACEIT Annual Report on the 'State of Corruption in Tanzania', the incidences of experience with corruption are highest with health services followed by police, business licensing, the judiciary, tax authorities, education and public utilities. The findings, however,

[46] This survey included 1000 respondents sampled from five regions of Tanzania.

show some regional variation. Whereas instances of corrupt practices by the police were ranked number one in Arusha and Kilimanjaro, in Mwanza and Tanga, the health sector were ranked first. In Dar es Salaam, it is corruption in business licensing that is ranked as number one (ESRF/FACEIT, 2002). Findings from PPA study have also narrated devastating stories on instances of corruption at the local level.

In the fight against corruption it is the 'demand side' that is missing in the equation. The public needs to be informed of laws, rules and regulations geared toward anti-corruption. They also need to be knowledgeable of the existing institutions involved in the anti-corruption crusade e.g. PCB, the Ethics Secretariat etc. and how to access them.

5.3 Enforcement of Rule of Law

Among the critical links between governance and poverty reduction is the availability of a legal system that facilitates rather than constraints poor people's access to timely justice. The rule of law, which is one of the cardinal attributes of democratic governance, has a profound impact on creating an enabling environment for the poor to realize their rights. Several conditions have to be in place for the rule of law to play a facilitative role. Some of the conditions include: the independence of the judiciary; leadership respect of the rule of law; absence of corruption; availability of legal information and education; availability of adequate office facilities, equipment and stationeries for the law enforcement agencies; availability of legal aid schemes for the poor; availability of courts decisions and verdicts to the public and accessibility of the courts to the poor.

The constitution of the United Republic of Tanzania of 1977 article 13 provides for rule of law. The article states: "all persons are equal before the law and are entitled, without any discrimination, to protection and equality before the law (URT, 1977). However, there are several constraints that limit the application of rule of law in Tanzania and which have a profound effect on the poor. This section attempts to review such constraints.

The Judiciary and Rule of Law

The Courts of Law and the judiciary in general have a special position in any democratic society. Under the doctrine of separation of powers, the judiciary is supposed to interpret and administer laws that are made by the legislature. The duty of the executive branch is to enforce the laws. In order for the judiciary to carry out its functions fairly and impartially, it has not only to be independent of the other two branches of government, but also of political pressures. The 13th constitutional amendment of 2000 provides for separation of powers among the three organs of the state and independence of the judiciary.

In terms of the structure of the court system and the human resource management system including the security of tenure of judges, one can argue that the judiciary in Tanzania demonstrates a relatively high degree of independence. Compared to the single party era, evidence of incidences of direct state interference in the judiciary particularly at the higher levels of the judiciary have decreased.

However, in most cases of dealing with the independence of the judiciary the focus is on the upper echelon of the judiciary. The middle and lower courts are given limited attention,

despite the fact that the lower judiciary handles most of the work and may well be more prone to political pressure than Judges.

While the independence of the judiciary is an important fact in realizing the rule of law, the integrity and credibility of the judiciary system is another critical factor. As has been explained in the previous sections, one of the areas where corruption is highest is the judiciary. The situation is more severe in the lower courts. Reports show that lower courts, particularly primary courts, are the most heavily affected by corruption (see TzPPA, 2002, and ECA, 2002). Court clerks and magistrates are involved in corrupt practices**.** Corruption is so ingrained that most people believe that in these courts cases cannot be decided fairly without influencing the presiding magistrate. In this belief, people offer bribes even when they are not asked to. Corruption has a severe impact on the poor; it forces poor people to pay for services, which are otherwise offered free of charge or pay more than the required amount.

Corruption and inefficiency in the judiciary is partly explained by the environment in which the judiciary officers are working. The magistrates in the lower judiciary work under difficult conditions and, like other public employees, their salaries are poor, they live in poor housing and with no transport facilities. Working space is a problem from high court to primary courts.

Lack of stationery and other office facilities is another serious problem affecting the judiciary. Inadequate funding has also made the judiciary unable to make most courts` and tribunals` decisions and verdicts available to the public. This tends to limit the degree of transparency and accountability of the legal system. All these undermine the credibility and integrity of the judiciary. Thus, inadequate resources (financial and human), poor motivation, incompetent magistrates (ethically and professionally) and corruption have hampered the integrity and credibility of the judiciary in Tanzania despites its relative degree of both independence and impartiality.

Another problem is access to justice. Access to justice entails that justice should be affordable and those who cannot afford it be enabled to access it through legal aid and assistance. Access to justice can be viewed in terms of duration taken to access the court, percentage of cases disposed, alternative dispute resolution systems, inequalities in the system of justice, accessibility of the legal aid system and duration taken to wait for justice.

Examination of existing data from monthly case reports and case flow management reports show that the duration of cases varies from case to case and from registry to registry in the case of the high court. The average time for the Dar es Salaam registry is 3 years (which is the most crowded). Compared with the Dar es Salaam registry the other registries take lesser time. Criminal cases and civil appeals that go to the high court take less time than trials excluding murder cases. Murder trials are lengthy and the duration has increased recently largely because of inadequate resources to hold trials. Even before the problem of funds became acute, murder trials used to take an average of two to three years from time of apprehending the accused to the delivery of judgment. Having a court case in Tanzania is not an individual problem it is a social problem. Relatives and friends will spend a lot of time and resources to influence the police officers, prosecutors, court clerks dealing with the case and

presiding magistrates to decide in favour of their relatives. The longer the duration of the case process, the more resources (time and money) will be used.

Legal aid in Tanzania is weak, inefficient, and inadequate. In principle, all persons charged with a criminal offence may be provided with an advocate paid for by the state under the legal scheme. However, in practice only those charged with capital offence can access it. The majority of people charged and tried for all other offences, regardless of their technical difficulties have to hire their own legal counsels. Institutions that offer legal aid such as the Tanganyika Law Society and Tanzania Women Lawyers Association (TAWLA) are inadequate for the many applicants most of whom are refused due to shortage of lawyers. Most of these applicants are poor people who cannot afford to hire advocates. In a situation where most people and especially the poor do not know their rights, accessibility to legal aid is the key not only to understanding their rights, but also to demanding and defending them.

Respect for the rule of law by national leadership is of utmost importance for the rule of law to be fully practiced. It also requires knowledge on the part of citizens with regards to their legal rights and obligations. Effective enforcement of the rule of law depends also on the way justice is being administered in the country. It requires the existence of an efficient, fair and transparent system of administration of justice. In the study conducted by UNECA (2002), only 46 per cent of respondents from the expert groups were of the opinion that the Tanzanian leadership in most cases respects due process and rule of law against 54 per cent of respondents who said that only sometimes does the leadership respect due process and rule of law[47].

All these problems adversely affect the administration of justice in Tanzania and have direct or indirect impact on poverty reduction. An inefficient and corrupt judiciary system has a tendency of increasing transaction costs, which in most cases fall heavily on the poor. Transaction costs are increased either through bribes that directly drain resources from the poor or wasting time (unnecessary time that is used in pursuit of justice) caused by unnecessary delays in investigation, prosecution, etc. Relatives and friends have to attend cases and in so doing lose a lot of otherwise productive time.

Several efforts have been taken by the government to address these problems; the most recent ones being the Legal Sector Reform Programme 1999, the Medium Term Strategy and Action Plan 2000-2005 (LSRP) and Quick Start Project.

The legal sector reform aims at addressing deficiencies so as to create a legal system where timely justice will be dispensed to all in a timely manner. It aims for a legal system that is characterized by: speedy dispensation of justice; affordability and access to justice for all social groups; integrity and professionalism of legal officers; enhanced independence of the judiciary; and a legal and regulatory framework and jurisprudence of high standards that are responsive to society at both national and international levels (LSRP, 1999). To what extent these objectives will be realized, is left to be assessed by indicators that will be identified

[47] About 85 experts from the judiciary, media, civil society organizations, business organizations, Members of the Parliament, academic institutions, and government officials from various department and regions.

later. It is important to recognize some concerns about the slowness in implementing the Legal Sector Reform Programme[48]. There is a need to speed up the implementation process.

The Police and Rule of Law

The police force is one of the agencies that enforces the rule of law. The police force, like the judiciary, has been ranked among the most corrupt institutions in the country. The Afro-Barometer reports that 54 per cent of the respondents are of the view that corruption is very common in the police, compared to only 7 per cent who said it is very rare.

Corruption in the police force is in most cases attributed to poor working and living conditions; inadequate pay; cumbersome and long bureaucratic rules and procedures; ignorance of most citizens about not only their legal rights but legal processes involved in demanding their rights (Mtweve, 2003).

The current system, where police officers perform both investigative and prosecutive functions, creates an environment for the manipulation of evidence in favour of an individual who is giving bribes. Poor service delivery by the police has led to the decline of citizen's confidence in law enforcement agencies. 62 per cent of respondents in UNECA governance assessment (2002) have little confidence in the ability of law enforcement organs to protect them from theft and crime.

Like the judiciary the Tanzanian police force is experiencing inadequate funding for stationeries and office facilities such as statement sheets and case files. Additionally, poor salary and remuneration packages have led to a decline in police morale and the development of unethical and unprofessional behaviour such as corruption and underperformance. While the Police Service Regulation 1995 established various allowances for police officers, 60 per cent of them remain unimplemented due to lack of funds. Another problem is the inadequate number of police officers. The ratio of police women/men to citizens is 1:1,200.

Maintenance of law and order is among the most important aspects of governance. Most people interviewed in TzPPA see crime as an area of concern. Government efforts to establish police posts in various areas need be acknowledged. This enables citizens to reduce travel costs and time when faced with issues that need police care. However, each police post is affiliated to a police station and investigations are only conducted by the police station. In this respect, the police post acts only as an emergency centre. Moreover, most of these posts are situated in urban areas, leaving the rural population with little or no access to the service.

Other Law Enforcement Arrangements

Due to increased problems of insecurity in Tanzania, citizens, particularly those who live in rural communities, have resorted to forming local security groups to protect themselves. It is important to recognize positive moves by the government to accommodate various self-help security groups into the security system of the country. However, no law has been put in place to compensate them in case of injury on duty or other liabilities. To be able to be compensated, they need to join *Mgambo*, the people's militia.

[48] Joint Donor Statement on Governance, CG Meeting, December 2002.

A problem associated with some of these self-help security groups is that they tend to take law into their own hands. Sometimes they refuse to hand over captured individuals to normal police and courts of law for trial. This is partly a result of the limited trust local security groups have in the police and the judiciary. In certain situations, it is claimed that individuals handed over to the police easily corrupt their way to freedom (TzPPA, 2003). Sometimes self-help security groups abuse their traditional mandate of protection or sometimes they tend to be violent because of a lack of a code of conduct and supervisory organ for their activities. In fact, sometimes self-interests are used in the name of protection leading to serious abuse of human rights in the name of community protection (TzPPA, 2003). For example, in Nkoma village Bariadi district, *sungusungu* (a local security group) ordered all unmarried women in the village to search for people to marry them within five days otherwise they would be expelled from the village (Majira, 2003). This order was made in the name of protecting the village from criminals coming from other villages. However, the same rule was not applied to unmarried men. This was a serious abuse of human rights.

Conclusions

With regards to the Tanzanian enforcement of the rule of law, the judiciary has been inefficient and corrupt. There is a need to ensure that efficiency, transparency and accountability in law enforcement institutions is increased. This can be achieved by availing them with adequate human and material resources (input indicators). Transparency in the judiciary system can be measured by the extent to which courts' decisions and verdicts are publicly available and are accessible while accountability can be measured in terms of accessibility of the court and tribunal systems to the poor and the average time taken by courts to dispense justice.

The PRSP progress report 2001/02 suggests two major indicators for measuring the performance of the judiciary with regards to poverty reduction (see also Chapter 2).

- The first is the clearing rate of cases measured as the ratio of defended cases over filed cases; and
- The second is congestion rate defined as the ratio of caseload (pending cases plus filed cases) over defended cases.

While congestion rate is an important measure, it is too complicated for ordinary people to understand. The rate of pending cases will make more sense to the majority of the people than the congestion rate. The rate of pending cases is measured as a ratio of pending cases over filed cases. A set of additional indicators specific for law enforcement will be presented in section 5.5.

5.4 Progress towards Democracy and Participation

Democracy and participation are important aspects of governance, which are crucial in the implementation of PRS and other programmes geared at promoting the interests of the poor, disempowered and vulnerable sections of the society. For example, democracy and participation are crucial for ensuring a pro-poor budget making process and thereby ensuring that resources at all levels are used for the benefit of the poor and vulnerable, not only the rich and powerful. This section assesses whether progress towards democracy and participation in Tanzania has improved the lives of the poor people. In this respect, the

governance component of the Local Government Reform Program (LGRP) and Civil Society Organizations (CSOs), including the Media are reviewed in relation to poverty reduction. The rationale being that both the LGRP and CSOs are important propellers of progress towards democracy and participation.

Governance Component of Local Government Reforms

The rationale for local government reforms embodies the following features in local government: autonomy in managing its own affairs; transparency and accountability; democratically elected political leaders; strong and effective institutions; legitimacy derived from the services it provides to the people; participation of people in planning and executing development programmes and partnership with civic groups; and responsiveness to local demands and conditions.

Thus, the over-arching goal of the current local government reforms is to create a system of good governance based on political and financial accountability, democratic procedures and public participation. More specifically, the local government reforms comprise of five main dimensions namely: financial; administrative; central-local relations; service function; and democratic dimensions.

Since the inception of the Local Government Reform Program, several achievements have been registered:

- changes in the legal and institutional framework affecting regional and local administration;
- establishment of '*mitaa'* (neighborhood) committees in the urban councils has brought urban councils closer to the people;
- code of conduct for staff and councilors was adopted; and
- education programs were offered to raise public awareness about the reform.

Despite these achievements, implementation has been slow and the program has not reached to the ward and village levels. The latter is a serious omission given the fact that it is at these levels where the majority of poor people reside. Local councils and the general public are not adequately involved. Finally, local authorities' capacities, revenue and authority are still generally limited.

Policy Implications

Section 145 (1) of the Constitution of the United Republic of Tanzania provides for the establishment of local government authorities in each region, district, urban area and village. However, in its subsection (2), the same section provides for the national assembly to enact legislation providing for establishment of local authorities and structures, composition, sources of revenue and procedures for the operation of the local government authorities. By implication, local government authorities exist on the basis of good mercy of central government, as it has power to enact laws establishing and dissolving them. Other factors limiting local governments' autonomy are:

- local by-laws need central approval;
- local government cannot take disciplinary measures against centrally appointed staff at local level (DMOs, DEOs and DEDs); and
- for law enforcement local authorities depend on Central Government forces.

In general, more autonomy should be given to the local authorities, in order to take up more responsibilities to collect their own revenue and expend them according to their own priorities. Division of responsibilities between central and local government should be clearly

defined. It should be the duty of the central government to groom the development of a popular democratic and autonomous local government. The principal role of central government should be that of a facilitator, limited to the development and management of a policy and regulatory framework and to monitor accountability by the local government, to both the people and central government.

Civil Society Sector

Recently, civil society organizations have experienced a tremendous growth. For instance, whereas in 1990 there were only 163 registered NGOs in the country, but by the year 2000 these had grown to over 2,700.

It is generally assumed that a vibrant civil society is an important ingredient in the democratization process and could contribute to issues of good governance, which include accountability, transparency and the rule of law. A strong civil society could influence policy and engage in advocacy work in the interests of the poor. Advocacy work would not only help reduce poverty, but it would also help reduce vulnerability.

Recently, key developments have also taken place to indicate the involvement of CSOs in policy processes crucial to poverty reduction and vulnerability containment. These include the establishment of the NGO Policy Forum, the involvement of various CSOs in the Consultative Group Meetings, Public Expenditure Reviews and Working Groups of the PRS; and the participation of other CSOs in key Sectoral Committees such as those in education, health and water. There is no doubt that these new developments have expanded the capacity of the civil society in Tanzania to deal with issues of poverty reduction and vulnerability at the national level.

Although a good number of NGOs have developed sufficient capacity to influence government at the national level, the picture at grassroots and the local level is not very encouraging. The NGO sector in Tanzania is still largely urban-based and, the linkage between NGOs and the majority of the poor remains rather weak (Mukandala, 2003). It would seem here that to contribute effectively to poverty reduction and vulnerability containment, civil society has to shift its attention now to the grassroots.

The Media

Like civil society, the growth of the media in Tanzania has to be placed within the context of change from the single party era to multipartysm. With the adoption of a market economy in the nineties, Tanzania has experienced a tremendous increase both in print and electronic media in recent years. The increase has changed remarkably the nature and character of information transmitted by the media, compared to the situation in previous years.

Like the civil societies, the media (which is sometimes taken as part of the civil society) has an important role to play in enhancing progress towards democracy and participation. With respect to democratisation, the media can act as a citizens' watchdog against misuse of public office and authority. In this respect the media can enforce government transparency and accountability, and guard against human rights violation. In the same instance, the media can be used as an effective tool against corruption in public offices. No wonder that President Mkapa referred to the media as the most effective opposition in Tanzania!

Being a product of recent developments, the media in Tanzania are lacking in experience and professionalism. The fact that the media sector was historically very small also meant that the profession of journalism was undeveloped. For example, training in journalism remained limited and below the university level. This has only recently changed. With this status of the journalism profession, the quality of media performance in the country is compromised. An often-heard criticism is that the media lacks investigative journalism, a reflection of the state of the journalist profession.

As far as the independence of the media is concerned, one can use several criteria to measure the degree and extent to which the media is free. One such criterion is the absence of constraining laws or government directives to that effect. Another criterion is the amount of investigative and critical stories reported in the media. These two and other relevant factors outlined below may define the kind of environment the media in Tanzania operates.

The Annual Report of the State of Corruption in Tanzania notes: “the media has been captured by the rich and powerful, in politics and business who do not want their affairs to be critically observed, scrutinized and reported by the media (ESRF and FACEIT, 2002). They are instead shaping the coverage of the media through private payments to media executives or individual journalists”. Such circumstances cannot give sufficient room for the media to contribute fully to democratisation and participation to enhance poverty reduction and reduce vulnerability.

5.5 Measurable Outcome Indicators

The following tables present indicators for measuring progress in the areas of governance as discussed in the previous sections. The indicators are of two types: long and short-term indicators. The long-term indicators show end results. They do not indicate progress but the state that is eventually aimed at. The short-term indicators are designed to monitor progress.

Table 5.5.1: Indicators: Management of Public Resources and Conduct of Public Offices

Outcome	Long Term Indicators	Short-Term Indicators
A: Budget and Expenditure Transparent financial management system intended to enhance efficient allocations and expenditures for reducing poverty. Adequate funding to the priority sectors. Enhanced accountability of public funds.	1.The extent to which the poor are empowered to access and review the budgetary process and expenditures. 2.The extent to which there is an efficient flow of information on budgeted priorities between local government entities and the national level on the use of public funds particularly at the local level. 3.The extent to which the priority sectors are targeted and funded by national and local budgets.	1. Percentage of the poor or mass-based organizations participating in budget formulation at each level of government. 2. Percentage of expenditure of the national budget identified as pro-poor. 3. Percentage of national budgets that are published and available at the regional, district, ward/village and service facility level. 4. The number of national/council budgets available in village libraries and documentation centres. 5. Audit/review of expenditure indicating that the budget was in fact spent on the poor e.g. Pro-poor expenditure tracking up to villages and service facilities. 6. Number of clean audit certificates. 7. Time taken to submit financial statements to auditors. 8. Outstanding audit queries at end of the year. 9. The extent to which at the national level, the level of expenditure that is targeted to pro-poor purposes is predictable every year (e.g. looking at deviations between budgeted allocations and actual spending). 10. Deviations between approved expenditure and actual expenditure reaching final beneficiary. 11. The number of public interest groups engaged in analysing the budget with regards to its poverty focus e.g. Gender Task Force.
B: Anti-Corruption and Poverty Reduction The extent to which the poor access public services without being subjected to corrupt practices. The extent to which efficiency in public service provision has improved due to limited level of corruption in various public offices.	1.The extent to which laws for combating corruption are effective. 2.The extent to which various ministries and departments show improvement in their fight against corruption. 3.The extent to which the poor are empowered with information on laws, rules and regulations to combat corruption.	1. Results of client surveys on perceptions of effectiveness of laws (e.g. service provider surveys, firm survey). 2. Results of public perceptions of corruption in various public institutions (e.g. service provider surveys, firm surveys, PPAs). 3. The existence of institutional mechanisms for combating corruption at all levels. 4. Results of client surveys on the level of information available to the public regarding institutions, rules and regulations to combat corruption. Information availability in terms of simplicity, proximity, and accessibility. 5. Results of surveys regarding the frequency of requests by public officials for additional payments from citizens for service rendered. 6. Number of appeals against tender awards (measuring corruption in public procurement). 7. Trends of annual cash losses reported by Control and Auditor General

		8. Number of new cases reported and/or investigated by PCB annually. 9. Number of complaints adequately addressed.

Table 5.5.2: Outcome Indicators for the Law Enforcement Agencies

Outcome	Long Term Indicators	Short Term Indicators
	The Judiciary	
Timely Access to Justice for all Increase in public confidence in the judiciary	1. Increased ability of the poor and disadvantaged groups to access the court and get justice. 2. Accessibility of legal counsellors to the poor. 3. Professional and ethical Judiciary.	1. Reduction in average duration citizens take to access the court. 2. Reduction in the average time of court process for various categories of cases. 3. Accessibility of legal aid to the poor and disadvantaged. 4. Decline on corruption cases and public complaints against judiciary officers. 5. Number of public Awareness programmes carried out. 6. Reduction in caseload

Table 5.5.3: Indicators for Measuring Progress towards Democracy and Participation

Outcome	Long Term Indicators	Short Term Indicators
	Local Government	
Improved participation of CSOs in local planning and implementation.	1. Grass-roots ownership of the reforms achieved. 2. Local Government Autonomy – able to hire and fire, to finance all activities, less control and interference from central government. 3. Independent Local Government – one that is free from centre-local dependency.	1. Timely implementation of LGRP: keeping implementation timetable by moving at the required pace. 2. Partnerships with grass-roots civic groups involved in community development activities – district councils to maintain a register of CBOs operating in district and show how they participate in planning and execution of development programs at village, ward and district levels. The ward and village levels should equally maintain such registers. 3. Planning Timetable – District councils to have planning timetables running from village to ward and district levels to indicate who are involved (representation), when/dates (transparency), and who is responsible (accountability). 4. Local government officials at the district, ward, and village levels to have list of local demands: when and where received, and what solution/action taken. 5. Autonomy – tax collection (extent) vis a vis central government grants and other responsibilities, change tax law to reflect this.
	Civil Society	
Presence of a society that is highly conscious of its rights and capable of fighting for them. Improved CSO capacity to influence pro-poor policies.	1. Presence of CSOs with sufficient capacity and power to promote pro-poor policies, regulations and laws: the extent to which CS is capable of performing this role. 2. Networking CS- presence of working pro-poor networks of CSOs at all levels. 3. Well Represented CS - Presence of working mechanisms for the representation of CSOs at all levels. 4. Independent CS - Presence of a CS independent from government control and financial dependency. This entails the presence of laws that allow for autonomous functioning of CSOs and the extent to which they can finance themselves. 5. Accountability of CSOs - Presence of a working mechanism for effective membership and general public accountability of CSOs 6. CS Pro-poor Programmes - Presence of successful pro-poor programmes with full involvement of CSOs at all levels. 7. State-CS Mutual Relationship	1. Capacity building – Undertake capacity building and empowering activities, e.g. civic education and leadership training for CSOs leadership to influence development programs, policies and by-laws, in favor of the poor. 2. Networking – Creation of networks for CSOs in the district, at all levels from the district level all the way down to the village level. 3. Representation – Establish mechanism for CSOs to be represented at VCDs, WDCs and District Councils 4. Independence – Establish environment for creating autonomy/political space for CSOs to function independently of state organs 5. Anti-poverty Advocacy - Establish advocacy activities against poverty and vulnerability, and involve people in them. Establish civic education programs to conscientise people against poverty and vulnerability.

Outcome	Long Term Indicators	Short Term Indicators
	- Presence of a CSOs enjoying mutual relationship with government. Donor-State-CS Relationship - Presence of a CSOs that enjoy sustainable dialogue with government and donors on equal basis.	
	Media	
Improved media role in pro-poor related issues.	1. High quality journalism - Presence of high quality journalism and effective media 2. Independent media - Non-monopoly tendencies in media ownership and presence of non-monopoly laws and critical media. 3. Pro-poor media - The extent to which the media speaks for the poor.	1. Capacity building – Training of "bare-foot" journalists to report local news from rural areas. 2. Media Independence – Create environment for journalists and local societies to enjoy freedom of speech by making government information easily accessible. Influence the enactment of media laws against monopoly of media ownership. 3. Media which speaks for the poor – Civic education for journalists to synthesize them to speak for the poor. 4. Easy Accessibility to Information – Reduce government red-tape and unnecessary confidentiality of information

CHAPTER 6: AGRICULTURE

6.1 Introduction

The agricultural sector plays an important role in the Tanzanian economy and holds the potential to significantly advance national objectives of growth and poverty reduction. Its importance and contribution to the national economy was discussed in Chapter 2.

The current agricultural policies include liberalization of all agricultural markets and removal of state monopolies, withdrawal of government from production projects, abandoning the objective of national food self sufficiency in favour of food security at the national and household levels, and reliance on the private sector for agriculture production. Other policy objectives are, decentralization of agricultural extension and transfer of administrative and implementation responsibility to district councils and government's continued responsibility for regulation (URT/WB, 2000). These policies are broadly entrenched as a guide to government activity in the agriculture sector, but they are not as yet being fully implemented and further action or cessation of action is required before the beneficial impact will be fully realised by farmers at the micro-level.

This Chapter analyses the impact of market liberalization policy on both commercial and smallholder sub-sectors. It analyses access to productive resources including markets, inputs and finance/credit; impact of taxes and levies on small and large-scale farmers; and the impact of agriculture service delivery on smallholder and large-scale farmers. The chapter also explores the role of government (both central and local) in assisting smallholders during the transition to a diversified and working market economy. Much of the analysis in this chapter is based on studies looking at the performance of the agricultural sector and rural livelihoods under adjustments.

6.2 Agriculture Sector Development: Policy Context

Since 1997, a set of agricultural development policies and strategies have been developed to guide the sector in dealing with challenges of modernization, commercialisation, productivity and sustainable use of natural resources. The policies are on:

- Modernization and commercialisation of the agriculture sector;
- Privatisation, with the reduction of the government's role to support research, policy development, regulation and supervision;
- Liberalization of all agricultural markets;
- Transformation of subsistence farming into commercial farming; and
- Provision of financial services to households, smallholder farmers and small and micro enterprises.

As a result of this policy setting, the private sector is expanding rapidly in response to the favourable economic and policy environment. The liberalization of markets, decontrol of foreign exchange markets, removal of trade restrictions and monopoly marketing has had profound influences on the performance of the agricultural sector and quality of agricultural

products as detailed in subsequent sections. Generally, at least at the level of intent, the policy framework complements the agriculture sector development and supports the achievement of poverty reduction goals.

6.3 Reforms in the Agriculture Sector

6.3.1 Sector Policies

The main policy components, during mid to late 1980s and early 1990s, were to liberalize the marketing and pricing of food grains, initiate liberalization of the marketing and pricing structures of major export crops, remove the monopoly export powers of crop marketing boards, and to restructure several agriculture sector parastatals.

From 1993 to 1997, agricultural sector policy continued its evolution towards market orientation with reduced intervention by the state. The stated policies that guided government activity can be summarized as follows:

- Reversing price distortions and recuperating losses due to inefficient (state-run) processing and marketing industries;
- Using the market rate of exchange for agricultural exports;
- Revitalizing export-processing industries through divestiture and encouragement of private sector participation; and
- Continued reduction of state participation and control in produce marketing and input supply.

Other, more generalized policy intentions stated during this period were to: (i) improve the Government's ability to design and implement market based incentives for agricultural production, processing and inputs supply; (ii) improve the functioning of markets for all factors of production, and (iii) induce technological change by improving the efficiency of input supply markets and by increasing the effectiveness of Government's agricultural extension and research services.

6.3.2 Market Liberalization

Despite policy orientation towards a fully liberalized marketing system, there are still significant actions, which constitute anti-market intervention. Two main areas in which currently applied policies should be reviewed are; (a) the operation of crop boards; (b) the practice of intervening in food exports.

Some of the operations of crop boards do not appear to provide identifiable benefits to either producers or to businesses engaged in marketing and processing. Market forces are well able to signal quality considerations, and there is no need for a board to issue export permits. Similarly, there is no apparent reason for crop boards to license or register growers as this merely acts as a barrier to entry into the industry.

Intervention in food crop exports distorts markets against the interests of domestic producers, and although it may marginally improve local food supplies, it does so at a significant cost to

the farmers. Import/export restrictions prevent markets based on regional proximity from forming, leading to overall increase in transaction/transport costs.

6.4 Implication of Reforms

6.4.1 Access to Markets and Cross-Border Trade

Markets for Food Crops
The deregulation of markets and prices of food crops was a gradual process. As a result of participation of the private sector, food crop trade increased quickly. There are currently price fluctuations depending on overall production levels and accessibility to markets. Market forces determine prices. With the exception of trading operations of the Strategic Grain Reserve (SGR), trade in food crops is currently entirely private.

Farmers Response to Market Reforms (Food Crops)
Overall, in as far as food crops are concerned, there has been only a partial evolution of markets. Farmers still face uncertain and in some cases disadvantaged access to purchasers of farm produce. Due to limited access to markets, surplus produce is often being sold at the farm gate. The LADDER[49] field research carried out in Kilosa and Morogoro Rural districts revealed that, in most of the field sites, the nearest market centre was between 3 and 6 km away from the village centre (Ellis and Mdoe, 2002). However, the majority of these markets are very small, attracting few traders. Larger markets where prices were reported to be significantly better were often 10km or further away. As a result, most farmers claimed to sell their crops at the farm gate. These findings are backed up by quantitative survey results showing 65 per cent of surplus produce being sold at the farm gate, while 32 per cent of respondents sold produce at the village market where prices were said to be better than at the farm gate. So, despite liberalization, farmers continue to be price takers as they lack transport to take produce out of villages and are thus reliant on the few traders who visit them.

Markets for Export Crops
The various export crops are characterized by different (and changing) arrangements, and generalizations on the impact of liberalization need to be qualified. In many cases liberalization has led to a drastic fall in the role of cooperatives in input and output markets. Input supply and crop purchase were taken over by private actors, although a number of large and/or politically influential cooperative unions continued to function, albeit in competition with private actors and with reduced access to bank finance.[50]

A study by Rweyemamu (2001) on the cashew sector in Tanzania concluded that liberalization measures to date have led to strong private sector activity in cashew purchase and export. Liberalization appears to be one of the key factors responsible for the revival of the cashew industry. Nominal producer prices increased and as a result, production of the crop also increased. However, although the private sector is responsible for buying the vast majority of nuts from farmers, the partially liberalized industry still suffers from significant weaknesses that impair the production and marketing system. The output market is only

[49] The Livelihood and Diversification Directions Explored by Research (LADDER) project carried out field research in 8 villages in Kilosa and Morogoro urban districts from May to August 2001.
[50] Namely the Coffee Unions in Kilimanjaro and Kagera, and Cotton Unions in Shinyanga and Mwanza.

partially competitive raising concern that farmers may be receiving disadvantageous prices for nuts. Market failures are caused by a combination of factors including high information costs/lack of market information (for both farmers and traders) and scarcity of capital at the lower levels of the marketing chain. The consequences of these shortcomings include both sub-optimal cashew production (efficiency impacts) and an inequitable share of benefits from cashew production (equity impacts).

A study by Kakwemeire and Mbiha (1999) on cotton marketing in Kahama district found that pricing of seed cotton is not fully liberalized. An indicative price is set jointly between cotton buyers and board officials. An implication of this price setting procedure is that farmers who are not cooperative society members are not represented and one could not rule out the possibility of collusion between buyers with regard to price setting. Another setback is that farmers make their production decisions before knowing the possible price at which they are likely going to sell their produce. The study also found that, the various requirements and fees which cotton buyers are subjected to, are effectively increasing the marketing transaction costs which in turn contribute to depressing the prices offered to farmers.

In the coffee sector, domestic trade and processing has largely been liberalized, although regulatory requirements are still quite demanding at all levels of the marketing chain. Temu (1999) in a study on coffee marketing after liberalization found that the industry in Tanzania, has responded much more successfully since liberalization. The market has become much more competitive and significant developments have taken place. Producer prices are higher than before and marketing margins have decreased mainly due to better processing technology and competition among traders. There has been improvement in both physical and human capital in the sector. However, the study argues that there is still untapped potential for further decrease in marketing costs through better co-ordination in assembling coffee from farmers.

In Tobacco, marketing has shifted from the cooperative/board monopoly to a more competitive system incorporating big international players and their agents. Overall, liberalization of tobacco marketing led to an initial surge in production as the new market entrants competed with each other. When the rapidly escalating local taxes on tobacco farmers and traders were factored in, margins on tobacco cultivation eroded rapidly.

Farmers Response to Market Reforms (Export Crops)
The results of various studies indicate clearly that smallholder export crop production is potentially a profitable enterprise. However, it is evident that most of the farmers have not captured the full potential benefits of their production regimes despite operating under a liberalized market scenario. Many problems have been noted from the different studies, which indicated gross inefficiency in the production-marketing systems. These problems increase costs, reduce revenues in the input/output markets, and prevent the realization of potential income gains by export crop growers.

Cross-border Trade (Policy Orientation)
Policy statements indicate that cross-border trade will be legalized, facilitated and encouraged. However, there are still interventions in food crop exports, which distort markets against the interests of domestic producers, and although they may marginally improve local

food supplies, they do so at a significant cost which is usually borne by the farmer. Farmers are unable to realize better prices offered in times of low production to compensate for the lower prices received during periods of high production. Export restrictions also prevent markets based on proximity from forming, leading to overall increases in transaction costs.

Informal Cross-border Trade

Studies on cross-border trade between Tanzania and her neighbours have found that informal trade was significant and involved exchange of large volumes of commodities. Of all the staples traded between Tanzania and her neighbours, maize was the major traded commodity in physical terms and was second to beans in value terms. Over 18 thousand metric tones of maize valued at US$ 3 million is informally exported annually from Tanzania to neighbouring countries (MAC, 2000). Given that most of Tanzania's neighbours (for example Zambia, Kenya, Malawi and Zaire) are food deficient, it is likely that the attractive commodity prices in those countries provide incentives for informal traders.

The gains from cross-border trade include its contribution to food stability by improving supply through importation and increased production. However, high tariffs, together with non-tariff barriers such as long and cumbersome documentation procedures, instability of the foreign exchange rate, and harassment of traders by agents of police are some of the factors constraining cross-border trade. Others are unstable agricultural commodity prices, high transaction costs and lack of working capital. Thus, apart from production patterns, past and current policies pursued by the government have implications on the magnitude of cross-border trade.

6.4.2 Access to and Affordability of Inputs

Patterns of Demand of Inputs Following Liberalization

The main agricultural inputs employed in crop production are chemical fertilizers, agricultural chemicals (pesticides and herbicides) and improved seeds. Up until 1988/89, the government was the principal importer and supplier of most of the inputs through parastatal agencies and co-operative unions. With liberalization, responsibility of input supply is now with the private sector, leaving the government with the role of providing a favourable environment and necessary regulatory framework.

It is important to note that even prior to liberalization, only a few Tanzanian farmers were using inputs. Nevertheless, important changes have occurred in the pattern of importation, demand and consumption of inputs within the country as a result of liberalization.

Involvement of the private sector in the importation and distribution of inputs has improved the total fertilizer distribution- at least at the wholesale level. Unfortunately the increasing trend in fertilizer importation and distribution, between mid-1980s and the early 1990s, was reversed by the elimination of fertilizer subsidy. In 1992/93, fertilizer distribution dropped drastically and continued to drop thereafter.

In a free market economy, the question being posed is whether input use has declined because relative price changes have made its use unprofitable, or whether the institutional

arrangements for providing inputs on credit have collapsed. The increase in prices of inputs set against the value of outputs shows that the overall terms of trade have turned against agriculture in general. This deterioration in terms of trade is especially true for food crops. However, there are several factors that restrict the use of inputs (particularly fertilizer), which do not directly reflect profitability. First, it appears that the collapse of the cooperatives as suppliers of inputs on credit, and the absence of any alternative credit mechanism, simply prevents farmers from buying inputs even if they could be profitably used. The physical availability of inputs might also pose a constraint in some areas. An important consideration in input supply is the fact that the country is physically large while the transport infrastructure remains poor.

In Tanzania, many cross-section studies have shown that the use of fertilizers is influenced by output price, access to markets, fertilizer price and credit availability (Turuka, 1995, Hawassi, 1998; Ponte, 1999, Leon, 2002, Turuka and Kilasara, 2003). With regard to fertilizer prices, elimination of subsidy following reforms meant much higher farm-gate prices for fertilizers.

Problems of access to credit by smallholder farmers following financial sector reforms have also contributed to low or non-use of agricultural inputs. Based on a recent study carried out in Songea by Turuka and Kilasara in 2003, lack of the credit facility ranks high among the major reasons given by farmers for not using fertilizers and improved seeds (Table 6.4.1).

Table 6.4.1: Reasons (per cent) for Not Using Fertilizers and Improved Seeds in Songea District

Reason	Fertilizer	Improved seed
Not easily available	12	23
Price too high	27	38
Lack of finance	48	25
Not needed	13	18
Susceptible to pests/diseases	NA	5
Other	7	1

NA = Not applicable
Source: Turuka and Kilasara (2003)

Input use following marketing reforms in Tanzania is highly skewed in terms of crops, regions, and the scale of production. A URT/World Bank study of 1994 indicated that maize and tobacco consumed a large share of the fertilizers distributed in Tanzania. There is also evidence from Morogoro by Ponte (1999), Mdoe (2000) and ASPS (2002) that farmers are increasingly using purchased inputs (improved seeds, fertilizers and pesticides) for the production of high value crops such as tomatoes and cabbages. The study by URT/World Bank further showed that most of the fertilizers are used in the Southern Highlands of Tanzania (Ruvuma, Iringa and Mbeya). Fertilizers use information from the 1994/95 Expanded Survey of Agriculture show that the highest percentage of farmers that used inorganic fertilizer are in Iringa, Mbeya, Ruvuma, Kilimanjaro, Rukwa and Tabora. Coincidentally, the Southern Highland produces the largest share of maize and tobacco and Tabora also produces a large share of tobacco. By 1996/97 Tabora region accounted for about 50 per cent of the total fertiliser distributed in Tanzania and much of it being used on tobacco largely due to availability of fertilizer credit. The interregional pattern for pesticides and herbicides use is similar to that of fertilizer where they are used mostly in Iringa, Kilimanjaro, Arusha, Mbeya, Ruvuma and Tabora. While some of these regions (Iringa, Mbeya, Ruvuma and Tabora) produce the largest share of maize and tobacco, some of them

(Iringa, Kilimanjaro, Arusha) have the largest concentration of large-scale farms (tea estates in Iringa, wheat farms in Arusha and Kilimanjaro, and coffee farms in Kilimanjaro and Arusha).

Apart from regional differences, market reforms have also been associated with the declining access to agricultural inputs and declining output prices in remote areas. This is largely due to low participation of the private sector in the supply of agricultural inputs and purchase of crops from remote rural areas. Remoteness is determined by infrastructure, transport and pure distance. It is worth noting the impact that remoteness has on the cost of purchased inputs (largely through increased transportation costs). Inflated input costs and depressed output prices may make use of purchased inputs uneconomical in remote areas and remain attractive only in more accessible areas.

Thus, although market liberalization was expected to improve the supply of inputs to the local levels (villages), this has not been the case. Input market liberalization seems to have been limited at the wholesale and urban/peri-urban (sub-town) levels and to a lesser extent at the retail and village levels.

Access to Finance/Credit

The overall impact of financial sector liberalization has been the virtual collapse of financial services in rural areas, especially credit for input supply. As interest rates rose and subsidized credit disappeared, most Cooperative Unions, which were in a poor financial state, became ineligible for loans and so were unable to provide finance for small and medium scale farmers. The new private banks have not replaced the cooperative system since under the liberalized system; profitability and risk militate against lending to the agricultural sector.

The most recent study on supply, demand and utilization of financial services in Tanzania, establishes that the main financial product needed in rural areas is credit (ESRF, 2003). Currently, the existing set of financial intermediaries fails to cater for the needs of rural communities. By and large, only a few donor funded, project related schemes attempt to deliver credit in rural areas. According to some lending schemes, high costs of operations in rural areas, justifies their confinement in urban areas.[51] It is also argued that the group-lending model like the one followed by the Promotion of Rural Initiatives and Development Enterprises (PRIDE) – Tanzania, which demands frequent meetings of the borrowers cannot be easily applied to rural areas where the population is more scattered.

Differentiated Access to Finance/Credit

It is evident from an ESRF study that the majority of smallholder farmers and traders cannot afford to adequately finance their agricultural production and marketing activities on a cash basis particularly at the start of the season. Prices of farm inputs have gone up (especially after the removal of subsidies) such that to expect smallholder farmers to finance farm operations from their own savings is unrealistic. The problem is worse in the more remote regions offering few opportunities for non-farm income generation and where possibilities for employment and trade are limited.

[51] These include PRIDE-Tanzania, SEDA and FAIDA

Smallholder farmers and traders do not have adequate collateral cover to be able to secure loans from formal financial institutions (all of which are located in urban areas). In most cases, they use their own funds as far as possible or depend on finding credit from informal sources. Sometimes, small quantities of credit may be available from larger farmers and traders. Large-scale and/or commercial farmers and traders on the other hand are capable of securing loans and this gives them a significant competitive advantage.

At the moment there is no explicit government strategy for the provision of rural financial services. Although there are a few donor funded project related schemes and NGOs attempting to deliver credit to smallholder farmers through group lending, it is clear that the existing set of financial institutions in Tanzania still has failed to meet the demand for credit in rural areas to finance agricultural production.

Attempts to extend micro finance services to remote rural clients in Tanzania have been largely unsuccessful. This is largely due to problems associated with extending centrally managed and governed systems for providing financial services to sparse populations in remote areas. If the micro finance industry is serious about alleviating rural poverty it has to make significant progress in looking at alternative systems that work in remote rural areas. This will involve searching for cost-effective ways to extend centrally managed systems into more remote areas, alternative approaches to strengthening the governance and management of community-based organizations, and new approaches to the provision of financial services that build on the informal systems already existent in those communities.

6.5 Agricultural Extension Service Delivery

The general purpose of agricultural service delivery is to improve the productivity of agricultural systems, to raise incomes of farm families and improve the quality of life of rural farm households. The government has decentralized public agricultural extension services to local government authorities. NGOs, farmer organizations, and private companies provide complementary services. Donors on the other hand provide significant funding to support decentralization. As a result, many people involved in the sector at grassroots level have assumed new roles, responsibilities, and partnerships.

6.5.1 Decentralization of Agricultural Extension Services

Before the decentralization of Agricultural Extension System in 1998, regions and districts had crop/livestock extension systems whereby there were dual-purpose extension officers and Subject Matter Specialists (SMSs) at district and regional levels. At the village level, contact farmers and farmer groups were formed in order to streamline the dissemination of extension messages. Under this set-up, it was easier to communicate problems up the ladder and get solutions down the ladder promptly. Training of extension staff and farmers was co-ordinated. With differentiation of ministries and decentralization of workers, the set-up of Regional Extension Officers (REO's) and District Extension Officers (DEO's) is no longer there. Local authorities now receive farmers' problems through agricultural and livestock advisors. Matters to do with crops go via local governments to the MAFS. Likewise, matters to do with livestock and marketing problems go to the Ministry of Water and Livestock Development and the Ministry of Co-operatives and Marketing respectively. Agriculture and

livestock departments have been transferred from the Central government to the President's Office, Regional Administration and Local Government (PO-RALG).

6.5.2 Impact of Decentralization

In the previous set-up, experts in the regions used to co-ordinate extension programmes for each district, the situation now is different since each district has to deliver extension services in its own way. Most councils lack facilities for provision of agriculture/livestock extension services (e.g. transport and working gear). Extension staff still depend on old facilities such as cars, motorcycles, bicycles and gumboots that were provided by the National Agricultural and Livestock Extension Project (NALEP). Most of these facilities are not in working condition, worn out and need replacement. Furthermore, district councils do not allocate enough funds in their budget to carry out extension services. In some districts, extension staffs are assigned to perform other duties not related to their profession (example revenue collection from crop/livestock cess and even collecting development levies). This has adverse effects when it comes to delivering extension services because farmers tend to hide information fearing that such information could be used for tax collection.

It has been observed that there is a weak link between the Regional Secretariat and the District Councils because there is no established forum for the exchange of technical information. Districts do not conduct bi-monthly training sessions, which bring the frontline extension staff and District Subject Matter Specialists together, and therefore the link, which used to exist between district and frontline extension staff no longer functions. It is now difficult to receive feedback from villages promptly.

In most of the District Councils, agriculture and livestock sectors were not among top priority sectors. Many councils ranked the social sectors (Education, Works/Roads and Health) as their top priority sectors. Although more than 80 per cent of revenues collected came from Agriculture and Livestock cess, not even a small percentage of the resources were ploughed back to improve extension services. When compared with other sectors such as education, health and water, agriculture and livestock receive small amounts of funds for Other Charges (OCs) from the central government.

6.5.3 Differentiated Access to Agricultural Services

Analysis from both quantitative and qualitative information from the LADDER field research revealed that visits by agricultural extension officers were extremely rare in all locations. Also, agriculture extension and input supply from NGOs was shown to be practically non-existent (Table 2). However, these figures may be grossly underestimated because NGOs frequently work through government agricultural workers and farmers may be unaware of this. A much larger percentage of farmers reported services from private providers than from government and NGOs.

Table 6.5.1: Agriculture Service Delivery in Selected Villages of Kilosa and Morogoro Rural Districts

Agricultural Support Services*	Service Provider	Income Tercile			Average of Total Sample (n=314)
		(%) of Poorest	(%) of Middle	(%) of Richest	
Agriculture Extension	Government	12	12	13	12
	Private	29	34	39	34
	NGOs	1	1	0	1
Improved Seeds	Government	4	5	7	7
	Private	16	23	21	21
	NGOs	2	1	0	1
Fertilizers and Pesticides**	Government	5	5	10	7
	Private	8	7	10	8
	NGOs	1	0	0	0
All Services	Government	6	7	11	8
	Private	15	18	21	18
	NGOs	1	0	0	1
Share by wealth group of all input services received***		28 %	30 %	42 %	100 per cent

* Each respondent replied whether he/she had received each of the four agriculture services.
** For simplicity, responses for fertilizer and pesticides were aggregated.
*** All the respondents who received physical inputs (fertilizers, seeds or pesticides) were totalled. From these frequencies, the share by wealth group of all input services received was calculated

Source: LADDER Project Survey conducted in 10 villages May – August 2001.

The LADDER study revealed that there appeared to be no correlation between wealth and the level of extension support provided by the government, though a relationship did exist between wealth and up-take of agricultural inputs from government sources. This suggests that the real picture of government agricultural support may be more complicated than is commonly presented. In the case of agricultural extension, the problem is that very few farmers receive any government support regardless of wealth. However, government backed input supply schemes appeared to be more accessible to richer rather than poor farmers. This highlights the need for better poverty targeting in in-put supply schemes if the poorer farmers in communities are to be facilitated in their attempts to move out of poverty through improved agriculture. More of the richer farmers made use of private providers of extension services and inputs. Nevertheless, almost 30 per cent of the poorer farmers reported use of private providers.

6.6 Agriculture Taxation and Levies

There is evidence to show that tax policy is one of the main factors that determine private sector behaviour.

6.6.1 Specific Agricultural Taxes and Fees

Taxes on Export Crops
A wide array of levies, fees, and cess were imposed on all export commodities. These varied between crops as well as between districts. The taxes were designated as central or local taxes and collected by central or local government authorities. Depending on the kind of crop and

the district, the tax burden on farmers was quite significant. According to the 1998 MACs report on the impact of taxes and levies on the agricultural sector, the share of local and central tax from producer prices was higher than 10 per cent and in the case of coffee and tobacco, was as high as 22 per cent.

Taxes on Food Crops
District produce cess was the only tax levied on marketed food crops. Prior to 1999, district produce cess was also collected from transporters or traders. The use of roadblocks in collecting the cess, however, proved to be less effective and encouraged evasion of the cess. The rates used varied from one region to another or within a region, depending on the type of crop and priority given to a particular crop.

It was noted that food crops were not heavily taxed compared to cash crops. For those districts, which levied the cess using percentage of selling price, the value ranged from 5 per cent to 10 per cent of farmers' price. Most of the food crops such as maize, sorghum and rice produced and marketed by smallholder farmers had very small gross margins and a cess of 10 per cent on producer price was high.

Taxes on Livestock
A large number of taxes, levies and fees were charged on livestock, most of them at district and town/municipal/city level[52]. The type and level of taxes, levies and fees and the stringency of application varied largely from one district to another. In most districts, there was a livestock cess and an educational levy per head of cattle. Furthermore, there were market fees, movement fees, grazing fees, stock route fees, holding ground fees and consolidation fees. In case of slaughter, slaughterhouse fees, meat inspection fees and hide and skin fees had to be paid.

On July 1, 1999, changes were introduced in the tax system that affected the livestock sub-sector. These included cessation of stamp duty charges on livestock sold at markets under municipal authorities, collection and retention of slaughter and meat inspection fee by Local Government Authorities, and charging of produce/livestock cess at the source only and "user charge" fee levied at the destination market.

Generally, the total tax burden was about 47 per cent, which is, indeed, very high and therefore considered to be a disincentive for the growth of livestock industry. There were variations in types and rates of taxes, and most were paid more than once per animal. Sales prices differed in each market per day per animal, and fixed rates were usually used instead of ad valorem rates. Multiplicity of taxes was prevalent.

Business licenses
Traders and processors in the export crop sectors need a number of licenses. The fees for most of these licenses can be considered as a tax, because they do not represent the costs of a specific service. Traders and processors have also to obtain buying, processing and export licenses from the Crop Boards (all normally with validity of one year). Furthermore, an export permit is needed for each export consignment.

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[52] See ASMP study, impact of taxes and levies on the agricultural sector, 1998, pp.74-79.

6.6.2 Differentiated Impact of Taxation

Central Government Taxation
Direct taxation by central government has very little impact on the majority of small-scale farmers in Tanzania. This is because most do not have sufficiently high incomes to require payment of income tax. To the extent that small-scale farmers purchase items from commercial sources, and use imported items, which are subject to import duties, there is an impact on the levels of disposable income. The situation is not the same for larger scale farms, which are organized as formal businesses. These are subject to normal income tax, which is set at a level of 35 per cent of net profit. However, because commercial farms are also liable for dividend withholding tax (15 per cent - 20 per cent), capital gains tax, and the various employment taxes, total tax burden payable to central government rises to relatively high levels.

Local Government Taxation
Various forms of local government taxation were levied on all types of agricultural production. Small-scale farmers producing food crops, which were not marketed through formal channels, were the most lightly taxed. They were usually only liable for the development levy (in certain districts). However, the threat of taxation once they engaged in sales through formal channels could well have had the effect of reducing the amounts of produce traded. This in turn limited marketing options for these farmers and had the effect of reducing incentives for expansion of production.

Once produce was sold through the formal system, farmers were immediately liable for payment of district, education and (sometimes) village levies. These payments could have been more than 10 per cent of the gross value of the produce being sold. At this level, these taxes could consume up to half of the gross margin for a commodity. The effect is thus a powerful incentive to under-report, use alternative methods of sale, or in extreme cases, to completely abandon production. The fact that these taxes were charged as a cess means that the percentage burden on the taxpayer rose dramatically in years of relatively low production (due to drought for example). In such a circumstance, farmers could have been paying more than their entire gross margins in a year when total income had declined due to circumstances beyond control.

Large-scale farmers faced similar burdens of district taxation as those faced by small-scale producers of marketed produce. However, their actual percentage of taxation burden was higher because collection/enforcement was relatively easier for tax collection officials when dealing with commercial entities. Thus, there was again a disincentive for large-scale production for the market.

Livestock Producers also faced a substantial tax burden at local government level. The effect of the ownership taxes were relatively benign and neutral in the effect that the rate per animal was the same regardless of herd size. The effect was similar for transit taxes. However, the taxes, which were levied on the formal sale of animals, were a distinct disincentive to commercial activity, and thus limited the market options available to livestock producers.

Taxation by Government and Quasi Government Agencies

The burden of taxation by Government and Quasi Government Agencies fell on farmers and livestock producers who market their produce through formal channels. The greatest burden fell on the producers of "traditional export crops". As for the district taxes, these provided a powerful disincentive to production. Farmers did not perceive that they received good value in the form of services for the tax revenue they paid. In many cases, these costs were sufficient to dissuade farmers from participating in production of a crop because of the additional financial risk. Since these taxes were usually levied at a flat rate on the value of the produce, they took no account of the costs of production, and thus contributed to the possibility of negative gross margins being achieved.

6.6.3 Equity of Agricultural Taxation

The attempts of Local Government Authorities (LGA) to increase tax collection had meant that the heaviest burden fell on those farmers who produced for the market, regardless of their levels of income or ability to pay. While it is true that some cash crop producers are wealthier than those producing subsistence food crops, this is by no means intrinsic to the activity. In effect, a very small percentage of farmers paid the bulk of agricultural taxation simply because they chose to grow crops which were deemed to be "cash crops" or "export crops".
The net effect of taxation was that it reduced market opportunities, reduced commercial agriculture at all scales of operation, and therefore, reduced growth in incomes and productivity. This had further effects of reducing food security, maintaining poverty, and re-enforcing the vulnerability of rural people.

6.6.4 The 2003/2004 Budget Implications on Rural Taxation

The 2003/2004 budget proposed the abolition of nuisance taxes collected by local government authorities. The directive by the Government that levies on the agricultural produce should not exceed 5 per cent of farm gate price must be complied with and the produce should not be taxed more than once (for instance if produce cess has been levied on beans at source, they should not be taxed at the destination). No other levies should be imposed on the same commodity when it enters the market place as the seller of the commodity had already paid the business license to operate at the market. The implementation of the proposed changes together with their impact is yet to be examined by any study so far.

6.7 Conclusion

The overall objective of the study was to analyse the positive and negative impacts of market liberalization policy on both commercial and smallholder sub sectors and identify the role of the government in assisting smallholders during the transition to a diversified market economy. The task of identifying the net effect of reforms on the agricultural sector is not easy. In addition to data limitations and discrepancies, it is necessary to separate the influences of macro-economic and sectoral policies, which are not necessarily compatible. There are also influences of weather, world prices, and other exogenous events. Finally, the data might permit a comparison of the situation before and after reforms were implemented, while the real issue is what would have happened in the absence of those policies.

Generally however, reforms in the sector opened up markets for both inputs and outputs, by formally allowing private traders to invest in marketing and processing, together with private provision of extension services. However, there haven't been efficient operations within the liberalized markets. Many problems have been noted from the different studies, which indicated gross inefficiency in the production-marketing systems. Results of various studies indicate clearly that most of the farmers have not captured the full potential benefits of their production regimes despite operating under a liberalized market scenario.

The existing set of financial intermediaries fails to cater for the needs of rural communities. They focus largely on urban and peri-urban areas where existing micro and small enterprises offer the opportunity for profitable small investments and quick returning working capital loans, for example in petty trading. By and large, only a few donor-funded, project related schemes attempt to deliver credit in rural areas.

Market reforms have also been associated with declining access to agricultural inputs and declining output prices in remote areas. The level of participation of the private sector in the supply of agricultural inputs and purchase of crops from remote rural areas is still low. Remoteness can be as much a question of "infrastructure" and "transportation" as of pure distance. It is worth noting that the impact of remoteness on the cost of purchased inputs (largely through increased transportation costs) is inflated input costs and depressed output prices which may make use of purchased inputs, such as improved seed, inorganic fertilizer and crop protection chemicals, uneconomic in remote areas, though it may remain attractive in more accessible areas.

Generally, the current policy framework complements agricultural sector development and reconciles with poverty reduction initiatives (at least at the level of intent). However, agriculture development is not only a matter of policy. Good policies are necessary but not a sufficient condition for sector development. A critical constraint for guided implementation of policies has been the lack of comprehensive strategic action plans. Timely formulation of strategic plans of action for policy implementation is an important bridge to cross before smallholder farmers can capture the full potential benefits of the different policies and strategies.

The government has already prepared the Agricultural Sector Development Strategy (ASDS), so as to create an enabling and conducive environment for improving profitability of the sector as the basis for improving farm incomes and rural poverty reduction in the medium and long term. This document deals with the broad actions or interventions to be taken to address priority issues, and most of the concerns raised in this chapter have been taken on board. The detailed activities and implementation timetable are contained in the Agricultural Sector Development Programme (ASDP), which is a 3-year rolling programme to be revised and updated annually. What waits to be seen is how well the programme will be implemented to ensure that farmers, who are now operating under a liberalized market scenario, capture the full potential benefits of their production regimes.

CHAPTER 7: CONCLUDING REMARKS

7.1 Summary of Key Issues

Income Poverty

Much of the analysis on income poverty is based on the data from the 2000/01 Household Budget Survey (HBS), being the most recent source. The analysis presented in this Poverty and Human Development Report (P&HDR) shows an economy with deficient macro micro linkages, coupled with unevenness of the benefits of growth geographically and by sector. The findings continue to stress the need for strong policy focus on rural poverty reduction, and strengthening mechanisms through which macro gains translate into improved well-being of the poor.

Agriculture, contributing approximately 50 per cent of the annual GDP continues to be constrained by inputs and structural problems. In the normal years with sufficient rainfall, 92 per cent of the food requirements are met, in years with limited rains this percentage drops substantially. Transport problems, furthermore, constrain distribution from surplus areas to food deficit areas. In recent years, the performance of traditional exports has not been good. Revenues have dropped due to production and price declines. There have also been allegations that the quality of exports has gone down. A more detailed analysis will be made following the upcoming agricultural survey in 2004.

Maintenance of rural roads, especially those under the responsibility of Local Authorities, does not show significant progress. The general focus on routine maintenance, at the expense of upgrading is believed to have accounted for the poor rural roads situation. Poor infrastructure and roads are considered to be major obstacles for the poor in rural areas to access markets and to obtain affordable agricultural inputs.

The high rate of youth unemployment in the urban areas continues to be a barrier for urban poverty alleviation. Lack of access to land and marginalisation in rural areas, drive many young people to urban areas, where they either get occupied in the informal sector or join the army on urban unemployed youth.

Non-Income Poverty

Education

On non-income poverty, significant strides have been made in primary education, especially in school enrolment due to the introduction of the Primary Education Development Programme (PEDP). However, there are growing concerns in the areas of quality, retention, and gender inequality, in performance and enrolment at secondary and tertiary levels. The PRS may have focused on quantitative (infrastructural) gains at the expense of qualitative gains, the drop out rates are high, PLSE pass rates have remained low, especially for girls and enrolment for girls beyond form four has remained low.

Health, Survival and Nutrition
Overall the health sector shows a mixed picture, with successes for vertical programmes like child immunisation and TB treatment on one hand and little change in most of the health indicators over the 1990s on the other hand. Infant and child mortality rates showed stagnation in the decline since the mid 1980s. There are some indications however, that the integrated management of childhood diseases (IMCD) is successful in improving survival probabilities of young children. In this light the infant and under-five mortality rates may well move in the direction of the PRS targets set for the year 2003.

Most of the health indicators show marked differences between the richest 20 per cent of the population and the poorest 20 per cent as well as between urban and rural areas. In general poor socio-economic conditions are associated with a poor health status and poor access to health services. Cost of health services proved to be a limiting factor for its use.

The impact of HIV/AIDS has been increasing as the rate of infection continues to rise. HIV/AIDS is not only a health issue; it affects the well-being of individuals, families and communities and has its impact on economic growth. The HIV/AIDS survey, conducted during the second half of 2003, will provide population based HIV/AIDS prevalence estimates, with the possibility to link knowledge with behaviour and behaviour with prevalence.

To reach PRS targets concerning child nutrition, a clear break with trends observed in the 1990s needs to be accomplished. Nutritional status of pregnant women, to avoid low birth weights, current breastfeeding practices as well as feeding practices during early childhood need to be addressed in order to improve child nutrition and child health.

Water and Sanitation
Though there has been an increase in the use of piped water in rural areas, results from the water sector show that poor households are more likely to use water from unsafe sources than the non-poor households.

Governance
Trends in the governance indicators show a mixed picture. There has not been a systematic increase in proportion of districts with a clean audit reports. These results may not be surprising given the focus of governance reforms on macro-level processes. The P&HDR further shows that the processing of corruption cases has been slow, a situation that may discourage further reporting of such cases.

Local Government Reforms seem to have stopped at district level, leaving out communities and wards where the majority of the population lives, limiting popular participations. Furthermore, downward government accountability is still weak.
The Civil society sector (CSO) has shown a tremendous increase over the 1990s. A lively civil society is important for the democratisation process and could contribute to good governance, including accountability, transparency and rule of law.

7.2 Recommendations

The lack of recent national data has been one of the major limitations for a thorough poverty analysis for this time round. Agriculture, health sector, extreme vulnerability, governance and poverty environmental linkages are some of the poverty areas that suffer unavailability of data. The monitoring system should continue to use the various national survey systems as outlined in the National Poverty Monitoring System, but should also make use of other sources such as the National Sentinel Surveillance Sites. The Agricultural Survey, and the HIV/AIDS survey, both to be conducted in last quarter of 2003, will provide data, which will allow more up to date analysis. Furthermore, the poverty mapping study, which will be possible after census results are out, will also provide a good input for the future reports on the geographical diversity of poverty. Routine data systems need to be improved to enable annual assessment of the poverty indicators. The Health Management Information System might be improved by increasing the quality of data by reducing the quantity of information collected.

Concerns regarding limited linkages between growth and poverty reduction and increased inequality need to be addressed. The PRS review should consider in detail the issues relating to the distribution of benefits from growth. Several studies show an increasing gap between the poor and the non-poor. Allocating more resources to agriculture can be one option for addressing pro-poor growth, since the majority of the poor depend on the sector. This also may imply that more resources are allocated to rural roads that have so far received limited attention. However, equity as a crosscutting issue should go beyond growth to cover other areas such as public expenditures.

Though the quantitative aspects in primary education have been well addressed, more work needs to be done to improve retention, quality, performance and gender equity. Deliberate efforts should be made to improve retention of those that enrol. Participants during the Poverty Policy Week (PPW) suggested that school committees should be used to monitor school dropouts since these committees are close to the pupils and their parents. Also efforts to absorb the over-age must be intensified by strengthening the COBET/MEMKWA system. Participants of the PPW also called for a more balanced approach to budget allocations to reflect the need for both quantity (such as infrastructure) and quality (such as a review/revision of national curriculum to improve its relevance[53] and improvements in teacher quality). In addition to improving enrolment of girls at post primary levels, the poor performance of girls compared to boys need to be addressed quickly. These may call for more capacity expansion for girls' schools and facilities as well as change in the school environments and mindsets of citizens. In this regard, it is important to intensify efforts to disaggregate information by gender.

During the Poverty Policy Week, issues of access to basic health services were raised. Results from studies have shown that increased cost of the service has excluded the poor. The exemption policy in place has not been effective. This issue has to be looked at carefully and be addressed quickly in order not to compromise the basic principles of government policy.

In addition to ongoing efforts to reduce adult transmission of HIV, attention should be made to reduce the mother to child transmission. Participants of the PPW raised the issue that current health facilities are not adequately equipped and stocked with essential drugs to cater

[53] Including the desire to improve information on HIV/AIDS provided to school aged children.

for HIV/AIDS patients, leading to more people resorting to home-based care. An institutional framework should be developed to link these facilities with community and home-based care. Also, with rapidly increasing impact of HIV/AIDS for vulnerable groups (young women, the aged, young children, and orphans) an institutional framework for supporting vulnerable groups through mechanisms such as social protection schemes need to be put in place. Possible financial arrangements for social protection schemes need to be explored.

The report has shown that although governance has been recognised as an important component of poverty reduction, it has not adequately been incorporated into the PRS due to limited availability of data and appropriate indicators to monitor its progress. In view of this, there is need to identify key areas of governance that affect the poor, such as corruption that impedes people's access to basic services, and provide a detailed framework for monitoring and intensifying data collection efforts.

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APPENDICES

Income Poverty and Governance

Table 2.1.2: Changes in the Values of Traditional Exports in the World Market (%)

Year	Coffee	Cotton	Tea	Tobacco	Cashew nuts
1997	-12.4	4.0	41.2	8.9	-6.8
1998	-8.8	-63.5	-4.4	3.3	17.8
1999	-29.6	-40.2	-19.2	-21.6	-6.0
2000	9.3	33.3	32.9	-11.5	-16.4
2001	-31.8	-11.3	-11.3	-7.0	-32.9
2002	-38.3	-15.0	2.1	55.5	-17.7

Source: Economic survey, 2003

Table 2.1.4: Distribution of Current Employed Persons by the Main Sector of Employment

Geographic area	Sector of main employment (%)						Total
	Public Sector		Private sector				
	Govt	Parastatal	Agriculture	Informal	Other private	Housework	
Rural	1	0.5	90	3.4	2	3.1	100
Urban	6	2.4	37	33	16	5.6	100
Total	2	0.4	81	9	4	3.6	100

Source: ILFS, 2002

Table A2.1.2: Participation Rate (International Definition)

	1991/92	2000/01
Dar es Salaam	N/a	75.4
(Other) Urban	78.9	81.3
Total Urban	78.9	79.4
Rural	86.5	91.0
Total	84.9	88.3

Source: ILFS, 2002, recalculated for PHDR 2003 using age 15+

Table A2.1.3: Unemployment Rate for Population Aged 15+ (International Definition)

	1991/92	2000/01
Dar es Salaam	N/a	26.3
(Other) Urban	10.3	10.4
Total Urban	10.3	15.2
Rural	2.0	2.4
Total	3.4	5.0

Source: ILFS, 2002, recalculated for PHDR 2003 using age 15+

Table A2.1.4: Number of Corruption Cases

Region	Reported			Reported to Have Been Settled			Lodged in the Law Courts		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
HQ	92	66	46	48	20	84	1	3	8
Dar	132	146	172	11	19	100	11	10	23
Mbeya	29	146	151	44	91	84	5	1	8
Mwanza	125	70	50	2	26	53	3	2	7
Kagera	147	47	51	9	-	30	3	3	16
Tanga	32	32	115	3	-	2	-	1	4
Arusha	75	68	59	-	-	16	-	2	4
Shinyanga	68	34	38	7	4	16	5	7	14
Morogoro	65	19	47	2	7	40	1	8	12
Tabora	60	102	100	18	47	46	1	-	5
Dodoma	113	88	70	10	18	25	-	-	4
Kigoma	19	29	29	7	1	25	1	3	5
Rukwa							1	2	2
Lindi	16	59	-	24	29	35	1	1	3
Singida	44	36	54	23	5	31	-	-	1
Mara	37	62	85	8	3	42	-	4	6
Iringa	113	88	70	-	2	16	-	2	2
Pwani	21	20	20	-	4	6	-	1	1
Ruvuma	47	59	80	17	12	31	-	2	1
K'njaro	58	91	39	20	12	19	-	2	2
Mtwara							-	-	5
Total	1293	1262	1276	253	300	701	33	54	133

Source: PCB, 2003

Education PRS Indicators

A. Targets and Baselines

Other Dimensions of Existing Indicators

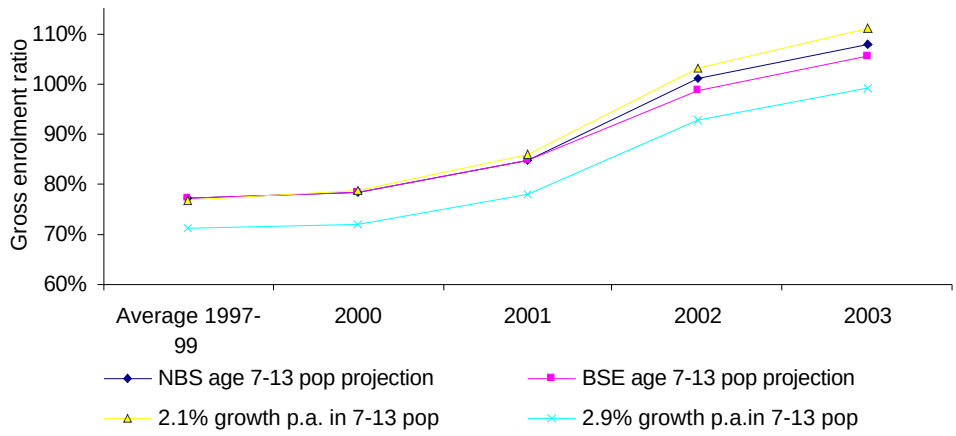
(1) The gross enrolment ratio (GER) is the total number of children enrolled in primary education as a proportion of the population aged 7-13; the net enrolment ratio (NER) is the number of children aged 7-13 enrolled, as a proportion of the same age group. Neither of these ratios are perfect measures of access to schooling. The NER can underestimate the proportion of children who actually receive 7 years of schooling because of late entrants; many children in Tanzania complete primary schooling long after the official age of 13 and are therefore only included in the NER for part or, in exceptional cases, none of their time in school. On the other hand, the GER can overestimate access because it includes all repeaters. It is therefore useful to complement these indicators with standard 1 intake rates - the total number of new entrants as a proportion of the population age 7- and cohort survival rates (or completion rates).

B. *Estimates and Trends*

Uptake of Primary Schooling

(2) BSE estimates of gross and net enrolment ratios (Table 2.2.3) in text are based on outdated NBS school age population estimates, projected from the 1988 census, ranging from 2.1 per cent annual growth over the 1990s rising to 2.9 per cent in recent years. The exception is 2002, where MoEC's BSE publication (inexplicably) uses an annual growth rate of 5.3 per cent. The 2002 census results will put paid to this uncertainty; at the present time results are only available for the overall population, which displayed an intercensual annual growth rate of 2.9 per cent. To get an idea of how different estimates of the underlying school age population affect enrolment ratios, Figure A2.2.1 shows trends in the GER under four scenarios: 2.1 per cent & 2.9 per cent intercensual growth rate and the NBS and MoEC projections (the same as the NBS projections except for 2002 and 2003) which lie between these extremes. By 2003, the difference between the highest (111 per cent) and lowest (99 per cent) projection is 12 per cent points.

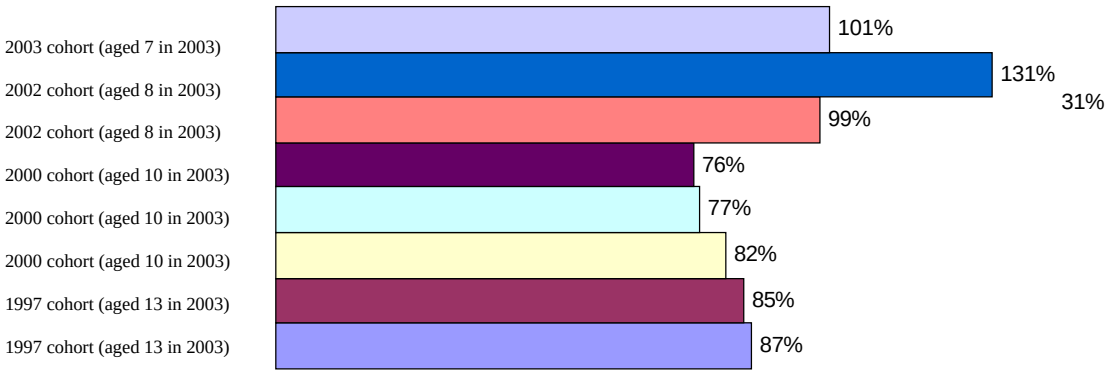
Figure A2.2.1: Gross Enrolment Ratios Under Different School Age Population Growth Rates



(3) A useful way of demonstrating changes in the coverage of the education system is to look at entry patterns of successive cohorts of children. For instance, calculations from BSE data show that from the cohort of children who were officially eligible to enter school in 1996[54], 14 per cent entered at the age of 7, 22 per cent entered the following year at the age of 8, and 20 per cent entered a further year later at the age of 9. Continuing this analysis for few more years reveals that in total, 87 per cent of the 1996 cohort eventually entered school, over a period of more than 6 years. This exercise was repeated for the 1997 cohort onwards and the results are shown in Figure A2.2.2. Analysis of this type obviously requires reliable reporting of the age of new entrants, the type of data that is often unreliable in countries without effective vital registration systems. Having said this, the results of this exercise look reasonably plausible, with the exception of 2002.

[54] All children aged 7 in 1996.

Figure A2.2.2: percentage of Cohort Ever Entered Primary School by 2003



Source: BSE 1996-2003.
Note: [1] Cohort is defined by the year in which the child was aged 7; [2] Data on total Standard 1 enrolment by age is available, but the age breakdown of repeaters is not (about 3 per cent of enrolment). This is needed to work out the age breakdown of new entrants. We used the assumption that the age breakdown of repeaters is proportional to the age breakdown of standard 1 enrolment above age 8. [2] This analysis ignores private enrolment, though this accounts for less than 0.5 per cent of total enrolment.

The calculations show that between 82 per cent and 87 per cent of children from the 1996-1998 cohorts entered primary schooling at some time during the past 8 years. These results are supported by the results of the Household Budget Survey (HBS), carried out in 2000-01, which estimated that 85 per cent of 15-19 year olds had ever attended school. Of course, the HBS results cover earlier cohorts of children (1989 to 1993) than those presented above, but given the stagnation of enrolment ratios over the 1990s it is not surprising that the estimates are very similar.

PEDP is targeting both 100 per cent entry of children from current cohorts as well as children from past cohorts, back to 1999, who missed out on schooling. The plan gives clear priority to the enrolment of younger children, with children from the 1999 cohort (aged 11 in 2003) scheduled to enter in 2004. While the figures in Figure A2.2.2 for 2001-2003 look rather high, and are impossibly high for 2002, it seems clear that PEDP has been very successful in increasing entry rates beyond levels observed in the 1990s. The extremely high figure for 2002 may be partly explained by age misreporting by older children. Children from the 1999 and 2000 cohorts (aged 10 and 11 in 2003) may not have been prepared to wait until their scheduled year of entry laid down in PEDP, and simply entered anyway.

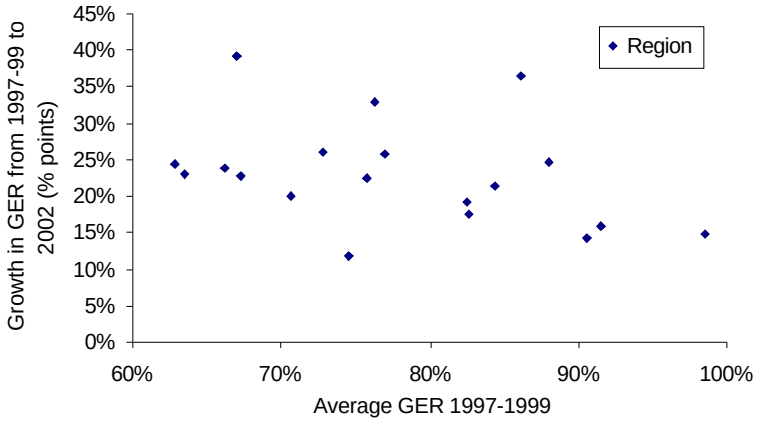
These estimates rely on the NBS population projections of children aged 7. If the actual inter-censual age 7 population growth rate turns out to be higher than expected, then the statistics presented above will need to be revised downwards.

Equity in the Uptake of Schooling

(4) Simply looking at trends in the highest and lowest regional GER groups does not reveal anything about changes in GERs experienced in individual regions. Have some regional GERs fallen, while at the same time others have recorded exceptional growth? Or have all regional GERs grown at the same rate (meaning that the six regions recorded as the three

lowest and three highest in 1997 are in the same positions in 2002). To see a fuller picture, Figure A2.2.3 plots average GER 1997-99 for each region against the change in GER in each region up to 2002.

Figure A2.2.3: Scatter Plot of GER in late 1990s against Growth in GER by Region



Source: BSE for enrolment data and NBS for population estimates

Evidently, all regional GERs have increased in recent years, but not at the same rate. The most striking feature of Figure A2.2.3 is that, with one exception, all of the regions which started the 21st century with enrolment ratios of less than 80 per cent experienced increases of more than 20 per cent points. By 2002, the lowest GER was 86 per cent. There are of course a few regions, which experienced exceptionally high and low growth. Kigoma, Kagera, Mwanza and Pwani recorded increases in their GERs of between 30 and 40 per cent points,[55] while Dodoma's GER increased by only 12 per cent points.

Secondary Schooling

(5) The PRS statistic is defined as students selected for Form 1 expressed as a percentage of PSLE candidates. This indicator yields higher estimates than those in table 2.2.5 in the main text (based on a calculation of students enrolled in Form 1 divided by students enrolled in Standard 7 in the previous year), for a number of reasons. Firstly, the number of students actually enrolled in Form 1 in the past 5 years is consistently lower than the number selected to Form 1 by between 1 per cent (2001) and 8 per cent (2003). The comparatively higher parental costs of secondary schooling may partly explain this. It seems more logical to include the students who actually reach secondary schools rather than those who were selected. Secondly, there is a question over whether the number of candidates sitting the PSLE, accurately represents the number of primary school leavers. The number of students enrolled in Standard 7 in the past 5 years is between 6 and 10 per cent higher than the number of PSLE candidates.[56] The reasons for this difference need to be explored more fully before deciding upon the most appropriate denominator for the transition rate. If the difference

[55] Kigoma and Kagera share the coordinates (67%, 39%).
[56] There is almost no repetition in standard 7.

mainly represents within year ‘dropout’ in Standard 7 then probably using the PSLE candidates is the best approach. This would also mean revising the cohort survival rate indicator downwards to reflect the additional students who dropout before completing primary school.

Specific Recommendations on Indicators and the Monitoring System

(6) **Recalculate enrolment ratios and intake rates** when intercensual estimates of the school age population (and age 7 populations) are available from the 2002 census data. If the school age population has grown at the same rate as the overall population between censuses (2.9 % p.a.), then the current BSE enrolment ratios are overstated by as much as 6 %.

(7) At the next opportunity, **modify the BSE questionnaire** so that it becomes possible to tabulate new entrants into standard 1 by age. The simplest change would be to include a question on the age of Primary School repeaters by standard. Also, the current BSE publications do not contain data on the number of Secondary School repeaters by form; without this information it is possible that calculations of the transition rate may be overestimated.

(8) Clarify the definition of the Standard 7 to Form 1 transition rate and ensure that it is consistent with the definition of the Standard 7 cohort survival rate.

Water and Sanitation

Table 2.4.2: Comparison of Improved Water Supply Coverage Results

	HBS 2000 Households	Routine 2000 (MoWLD) Population
Urban	88 %	70 %
Rural	46 %	50 %
Lindi (rural)	11 %	34 %
Kilimanjaro (rural)	74 %	48 %

Source: HBS 2000/01, 2002 and MoWLD 2001

Appendix Extreme Vulnerability

Table A2.5.1: The Proportion of Households That Take No More Than One Meal per Day by Region (HBS, 2000/01)

REGION	EV-1
DODOMA	0.3
ARUSHA	1.2
KILIMANJARO	8.7
TANGA	0.0
MOROGORO	0.6
PWANI	0.4
DAR ES SALAAM	0.4
LINDI	0.4
MTWARA	0.8
RUVUMA	0.2
IRINGA	0.5
MBEYA	0.7
SINGIDA	1.0
TABORA	0.3
RUKWA	4.1
KIGOMA	3.3
SHINYANGA	0.1
KAGERA	0.5
MWANZA	0.1
MARA	2.0
Total	1.1

REGION	EV -1
Dodoma	0.3
Arusha	1.2
Kilimanjaro	8.7
Tanga	0.0
Morogoro	0.6
Pwani	0.4
Dar es Salaam	0.4
Lindi	0.4
Mtwara	0.8
Ruvuma	0.2
Iringa	0.5
Mbeya	0.7
Singida	1.0
Tabora	0.3
Rukwa	4.1
Kigoma	3.3
Shinyanga	0.1
Kagera	0.5
Mwanza	0.1
Mara	2.0
Total	1.1

Benefit Inciden

Expenditure on Rural Water Supply and Sanitation (including studies) 1990-2003

Name of the Project	Project Area, Population Coverage and Outputs	Donor Contribution	L/G	GoT Contribution	Project cost	cost per beneficia
Health through Sanitation and Water Projec (HESAWA)	17 Districts in 3 regions (5 in Kagera, 8 in Mwanza and 4 in Mara). The project covered 1062 villages out of 1698 villages in the Lake Victoria zone. The project brought water supply and sanitation services to 3,248,000 rural inhabitants in the project area. This coverage is equivalent to 61% of the total population. This impact was brought through major project interventions including of 3756 water wells constructed, 40 pumped schemes that created 915 domestic water points constructed or rehabilitated, 1162 traditional water source improved, 944 institutional latrines constructed, 36,858 improved household latrines constructed and 651 rainwater harvesting tanks constructed in the project area.	The Govern-mer of Sweden through SIDA. Contribute TSh. 19,000n convertible to currencies over the project period.	G	TSh.470m	19,470,000,000	6,084
Rural Water Supply Project in Iringa Ruvuma and Mbeya Regions Tanzania	15 Districts in Iringa, Ruvuma and Mbeya regions. The project covered 380 villages in the Southern highlands area. Phase I of the Project 1979-1983 prepared Water Master Plans in the 3 regions with technological proposals to supply water to all 1500 villages in these 3 regions. Phase II and III 1984-1996 strived to implement Water Master Plans in the project area by construction of schemes and Phase IV 1996-2000 strived to strengthen community based management for sustainability of schemes. The project brought water supply service to about 902,000 people in the project area, the coverage which is equivalent to 26% of the population. Project intervention include construction of 45 major group gravity schemes to 247 villages, 28 single gravity schemes, and 105 hand pumps. The project constructed 16 staff houses and 3 rest houses in Iringa, Mbeya, Ruvuma and Dar es Salaam.	The Govern-mer of Denmarl through DANIDA provided 560 million Danish Kroner (exchang rate 1996 was 100 TSh. Per one Danish Kroner) = TSh.56,000m		TSh.421m	56,421,000,000	62,690
Hai District Water Supply Project III	KfW - The project area is the whole Hai District with 259,958 inhabitants (2002 population census). The project started in 1993. Phase I constructed Uroki-Boman'gombe new water supply scheme, Phase II constructed Losaa-KIA water supply scheme. These 2 large gravity schemes are now supplying clean and safe drinking water to 110,000 inhabitants in the project area. The project phase III that comprise of construction of 4 water supply schemes (magadini/makiwaru, Lawate/Fuka, Masama and Rundugai) intended to supply water to 94,000 inhabitants by 2010 is now in final stages. Phase IV will involve feasibility study and implementation of 4 water supply systems in the remaining part of the d	GTZ/KfW 15.8m Euro		1170000000?	15,800,000,000	143,636
Rural Water Supply East Kilimanjair Ph. I (Investment)	KfW - The project area is 13 Villages in Moshi Rural District and 57 Villages in Rombo District in Kilimanjaro region. The project brought water supply service to 317,000 inhabitants in the project area out of more than 500,000 People. Main project interventions include rehabilitation of the trunk main that increased the water flow from 50% to 89% of the designed flow, development of a new water source with 165 cubic meters per hour, installation of 3100 water meters and establishment of the Kiliwater Company Ltd to run the water supply service in the project area	GTZ 4m Euro, Kf 10.5m Euro			14,500,000,000	48,333
Rural Water Supply East Kilimanjair Ph. I (BM-Study)	KfW -				0	
Monduli Distric Water supply	AfDB. Still in preparatory stages, Preliminary feasibility study report in place. Will cover 18 villages with 72,462 inhabitants. Proposed to commence 2003/2004 for two years		L/G		15,758,000,000	217,466
Kilosa, Mpwapwa Morogoro Rural Kongwa and Rufij	The project started in 2002/2003 study and design. Implementation to start in 2003/2004 the costs was developed within the funding ceiling from AfD. Costs include consultancy costs. A mixture of pumped and gravity schemes. Water Supply for 19 small towns in 6 district.s. This initial phase will target 6 to 8 pre-selected towns in the districts of Kilosa, Mpwapwa, Morogoro Rural, Kongwa and Rufiji, totalling 130 to 150,000 inhabitan	6 Million Euro			6,000,000,000	40,000
Domestic Water Supply	DGIS (Dutch)				2,770,049,955	
Shinyanga Rura Water Supply Programme	DGIS (Dutch)				847,944,847	
World Visior Australia WATSAN 1	Asutralia				707,173,000	
PLAN - WATSAN 2	Asutralia				1,080,373,000	
World Visior Australia WATSAN 2	Asutralia				531,920,000	
WaterAid	WaterAid - Dodama, Manyara, Tabora, Singida, DSM				5,677,062,110	18,924
Mtwara Rura District - Concern	DFID/Concern				554,900,105	
ECD: Improvin Access to Basic Services- Capacity Development	UNICEF				111,931,358	
Chalinze	China. Started in 2001 and is due to be accomplished by September 2003. The p covers 21 villages with 105,000 inhabitants who will be beneficiaries. A pumped s				14,800,000,000	140,952
Rural water Supp Singida rural, Hanang, Manyoni and Igunga 2002	JICA -Mixture of shallow wells and piped schemes reaching 20,302 people.				2,922,318,527	143,942
Rural Water Supp and Sanitation Project Mpwapwa ce	IDA. Started in 2002 by covering 30 villages in 3 districts. Project on going but int will be replicated to 9 districts during 2003/2004. Study and design for the 9 distric soon. The project develops water supply systems by employing various technolog options due to geographical possibilities. Will cover about 250 villages with 750,0 inhabitants				27,700,000,000	36,933

Table A 4.1.1: