

10. NATIONAL STRATEGY FOR GROWTH AND REDUCTION OF POVERTY (NSGRP)



**THE UNITED REPUBLIC OF TANZANIA**

**NATIONAL STRATEGY FOR GROWTH AND  
REDUCTION OF POVERTY (NSGRP)**

**VICE PRESIDENT'S OFFICE**

**June 2005**

**List of abbreviations**

AIDS	Acquired Immune Deficiency Syndrome
ALAT	Association of Local Authorities of Tanzania
CBO	Community Based Organization
COBET	Complementary Basic Education in Tanzania
CSO	Civil Society Organisations (this includes NGOs, CBOs and FBOs)
DHS	Demographic and Health Survey
DSA	Dissemination, Sensitisation and Advocacy
FBO	Faith Based Organization
GDP	Gross Domestic Product
HBS	Household Budget Survey
HIPC	Highly Indebted Poor Countries
HIV	Human Immuno-deficiency Virus
ICT	Information and Communication Technologies
ICBAE	Integrated Community-based Adult Education
ILFS	Integrated Labour Force Survey
IMCI	Integrated Management of Childhood Illness
IF	Integrated Framework for Trade Development
JITAP	Joint Integrated Technical Assistance Programme
LGA	Local Government Authority
LGCDG	Local Government Capital Development Grants
LGRP	Local Government Reform Programme
MAFS	Ministry of Agriculture and Food Security
MFAIC	Ministry of Foreign Affairs and International Cooperation
MDNS	Ministry of Defence and National Service
MCDGC	Ministry of Community Development, Gender and Children
MCM	Ministry of Cooperatives and Marketing
MCT	Ministry of Communications and Transport
MDA	Ministry, Department, Agency
MEM	Ministry of Energy and Minerals
MHA	Ministry of Home Affairs
MIT	Ministry of Industries and Trade
MJCA	Ministry of Justice and Constitutional Affairs
MLHS	Ministry of Lands and Human Settlement
MLYDS	Ministry of Labour, Youth Development and Sports
MNRT	Ministry of Natural Resources and Tourism
MOEC	Ministry of Education and Culture
MOF	Ministry of Finance
MOH	Ministry of Health
MOW	Ministry of Works
MSTHE	Ministry of Science, Technology and Higher Education
MTEF	Medium Term Expenditure Framework
MWLD	Ministry of Water and Livestock Development
NACSAP	National Anti-Corruption Strategy and Action Plan
NBS	National Bureau of Statistics
NDC	National Development Corporation
NDS	National Debt Strategy
NEMC	National Environment Management Council
NGO	Non-Government Organisation
NIP	National Institute of Productivity
NPES	National Poverty Eradication Strategy
NSGRP	National Strategy for Growth and Reduction of Poverty
PER	Public Expenditure Review
PFM	Participatory Forestry Management
PHAST	Participatory Hygiene and Sanitation Transformation

PHDR	Poverty and Human Development Report
PMMP	Poverty Monitoring Master Plan
PMO	Prime Minister's Office
PMS	Poverty Monitoring System
PO-PP	President's Office-Planning and Privatisation
PO-PSM	President's Office-Public Service Management
PO-RALG	President's Office-Regional Administration and Local Government
PO-SH	President's Office-State House
PPA	Participatory Poverty Assessment
PRBS	Poverty Reduction Budget Support
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PSRC	Parastatal Sector Reform Commission
SDI/DCs	Spatial Development Initiatives / Development Corridors
SMEs	Small and Medium Enterprises
SEDP	Secondary Education Development Programme
SIDO	Small Industries Development Organisation
SBAS	Strategic Budget Allocation System
TACAA	Tanzania Civil Aviation Authority
TACAIDS	Tanzania Commission for AIDS
TANROADS	Tanzania Roads Agency
TAS	Tanzania Assistance Strategy
TATEDO	Tanzania Traditional Energy Development and Environment Organization
TBS	Tanzania Bureau of Standards
TDTC	Technology Development and Transfer Centre
TFNC	Tanzania Food and Nutrition Centre
THA	Tanzania Harbours Authority
TIC	Tanzania Investment Centre
TIP	Trafficking in Persons
TMTP	Tanzania Mini-Tiger Plan 2020
TRA	Tanzania Revenue Authority
TRC	Tanzania Railways Corporation
TSED	Tanzania Socio-Economic Database
TTCL	Tanzania Telephone Company Limited
TUCTA	Trade Union Congress of Tanzania
VETA	Vocational Education Training Authority
VPO	Vice President's Office

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## CHAPTER I: BACKGROUND

### 1.1 Introduction

The National Strategy for Growth and Reduction of Poverty (NSGRP) is a second national organizing framework for putting the focus on poverty reduction high on the country's development agenda. The NSGRP is informed by the aspirations of Tanzania's Development Vision (Vision 2025) for high and shared growth, high quality livelihood, peace, stability and unity, good governance, high quality education and international competitiveness. It is committed to the Millennium Development Goals (MDGs), as internationally agreed targets for reducing poverty, hunger, diseases, illiteracy, environmental degradation and discrimination against women by 2015. It strives to widen the space for country ownership and effective participation of civil society, private sector development and fruitful local and external partnerships in development and commitment to regional and other international initiatives for social and economic development.

The NSGRP builds on the Poverty Reduction Strategy Paper (PRS(P)) (2000/01-02/03), the PRS Review, the Medium Term Plan for Growth and Poverty Reduction and the Tanzania Mini-Tiger Plan 2020 (TMTP2020) that emphasize the growth momentum to fast-track the targets of Vision 2025. The NSGRP is expected to last 5 years, i.e. from 2005/06 to 2009/10. The end point of the strategy coincides with the targets of the National Poverty Eradication Strategy (NPES - 2010); it is two thirds of the way towards the MDGs (2015) and 15 years towards the targets of Vision 2025. The longer-term perspective (5 years) is considered to be a better time frame than that of three years. It allows for a more sustained effort of resource mobilisation, implementation and evaluation of the poverty reduction impact.

The strategy requires increased commitment and resources from domestic stakeholders and development partners in the medium term. To increase the effectiveness of aid, Tanzania will pursue the principles laid down by the Tanzania Assistance Strategy (TAS) and Joint Assistance Strategy (JAS) for harmonisation alignment of aid modalities.

### 1.2 Context of the strategy

There has been improved economic performance at the macro-level in the past six years. GDP growth rate consistently rose reaching 6.2 percent in 2002. National Accounts estimates show that the growth rate dropped to 5.6 percent in 2003 due to drought that led to reduced food supplies and decreased power supply. In 2004 there has been a remarkable rise to record 6.7 per cent GDP growth rate. During the same period, inflation has been under control. The annual inflation rate was 4.4 percent in 2003 compared to 6 percent in 2000. The rate increased from 4.0 percent in July 2003 to 4.6 percent at the end of March 2004 due to drought and the sharp rise in oil prices. Foreign reserves reached 8.9 "months of imports" compared to 6.3 "months of imports" in 2000. At the end of March 2004, the

reserves could cover imports of goods and services for about 8 months, which is above the target of 6 months. The nominal exchange rate is market-determined with interventions limited to smoothing fluctuations.

Increases in investments in infrastructure such as roads, telecommunications, mining and tourism have been recorded owing to increased inflows of foreign direct investments (FDI) and domestic revenue effort. Progress has been noted in the social services and public support services. Significant improvement in performance is evident in areas such as primary education and road network. Overall, the current levels of delivery of services require further improvements in quantity and quality, which calls for sustained investments in all sectors.

These positive results reflect years of enduring structural reforms in a stable social-political environment, underpinned by implementation of the three years of the PRS(P) which focused more on priority social sectors. A number of challenges remain, including maintaining socio-political stability as the country strives for still higher economic growth, equity and improved quality of life. The target GDP growth rate for the NSGRP is estimated to be 6-8 percent per annum over the period 2005-10. However, policies will be required to ensure that the pattern of growth is pro poor and benefits at the macro-level are translated into micro-level welfare outcomes.

The PRS(P) was linked to debt relief under the enhanced High Indebted Poor Countries (HIPC) initiative. Debt relief and other resources were mainly channelled into “priority sectors” of education, health, water, agriculture, rural roads, the judiciary and land. Spending on these areas was considered to have greater impact on poverty reduction. However, the resources were not sufficient, for the “priority sectors” to achieve the envisaged goals and targets over three years. To that effect, poverty and inequality levels are still high. Hence, it will require all sectors and much more resources to bring about growth that is required to reach the targets of poverty reduction outcomes in this strategy. For this reason, the NSGRP adopts the “outcomes-approach” which counts on the contribution of all sectors towards specific outcomes on growth, improved quality of life, good governance and equity. The approach encourages inter-sector collaboration in devising more efficient ways of achieving these outcomes.

The strategy pays greater attention to further stimulating domestic saving and private investment response, infrastructure development, human resource development, increased investments in quality education, science and technology and use of Information and Communication Technologies (ICTs), a competitive knowledge-based economy and an efficient government. In addition, the strategy seeks to:

- Deepen ownership and inclusion in policy-making processes by recognising the need to institutionalise participation rather than a one-off event. Public debate on growth, equity and



governance issues will continue throughout the five years of the strategy, along with arrangements for monitoring and evaluation;

- Pay greater attention to mainstreaming cross-cutting issues - HIV and AIDS, gender, environment, employment, governance, children, youth, elderly, disabled and settlements; and
- Address discriminatory laws, customs and practices that retard socio-economic development or negatively affect vulnerable social groups.<sup>1</sup>

There has been, in the meantime, improved understanding of the characteristics of poverty such as levels and geographic pattern of poverty and inequality and vulnerability. The emerging poverty issues and strategic options have been included. These have increased pressure for results and additional financing requirement.

Embarking on a “new approach” presents formidable challenges. Foremost of these, relate to setting criteria for prioritisation as part of implementation planning. Criteria that will guide prioritisation will be informed by, among others, the on-going commitments; quick win strategies with immediate and wide or broad coverage of the poor (e.g. governance reforms, micro-credit, child nutrition, malaria and HIV and AIDS, water programmes, agricultural productivity, trade, communications and others); and those that demonstrate greater inter-dependence between/among sectors. The policy packages and indicative “groupings” for collaboration of sectors and other actors toward specific outcomes and targets (see Annex) were arrived at through sector consultations. Activities and associated budgeting will be done as part of the PER/MTEF and sector development review processes based on the desired outcomes of the NSGRP.

Mobilisation of domestic resources will be accelerated through improvement in tax administration, enhanced domestic savings and mobilisation of community and private sector resources. In addition to seeking more foreign aid, the Government will ensure that the objectives of debt sustainability, and macroeconomic stability, are attained, and business-environment conducive to private sector development and foreign investments is in place. The NSGRP emphasises accountability in the use of both domestic and foreign resources.

### **1.3 Outline**

The NSGRP has eight chapters. Chapter II presents the status of poverty and challenges ahead. Chapter III outlines the consultation process while Chapter IV spells out the framework of the strategy. Chapter V outlines the strategy in details. Implementation arrangements are discussed in Chapter VI and monitoring and evaluation in Chapter VII. Chapter VIII presents the financing arrangements for the strategy.

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<sup>1</sup>Throughout the text, these include children, persons with disabilities, youths (unemployed, youths with unreliable income and female youths), and elderly persons, people living with long illness and HIV and AIDS, women (widows, other women who are not able to support themselves). Drug addicts and alcoholics can also be included.

## CHAPTER II: POVERTY STATUS AND CHALLENGES

### 2.1 Introduction

This chapter retrospectively describes the status of poverty in Tanzania. It revisits income poverty, status of employment, non-income poverty, vulnerability and cross-cutting issues. Explicit reference is made to the rural-urban, regional and gender disparities, income inequalities and how income poverty overall is related to productive and economic service sectors. The complementarities of activities that reduce income and non-income poverty should be born in mind since, for instance, higher incomes imply ability of households or a nation to afford better social services. Aspects of non-income poverty are also presented, briefly showing the current situation, recent performance and desired outcome(s), direction of change, or the challenge(s) ahead for the NSGRP.<sup>2</sup>

### 2.2 Income Poverty

The prevalence of income poverty is still high in Tanzania. According to the Household Budget Survey of 2000/01 the proportion of the population below the national food poverty line is 18.7 percent and that below the national basic needs poverty line is 35.7 percent. Comparing these results with those of the Household Budget Survey of 1991/92 there has been a small decline in the proportion of the population below the national poverty lines. Basic needs poverty decreased from 38.6 percent to 35.7 percent and food poverty from 21.6 percent to 18.7 percent. Poverty remains overwhelmingly in rural areas where about 87 percent of the poor population live. It is highest among households who depend on agriculture. As the population is growing, the absolute number of the poor raises concern. There is also a big disparity between urban and rural poverty for both food and basic needs poverty. The HBS 2000/01 results reveal growing income inequality as measured by a rise in the Gini-coefficient from 0.34 in 1991/92 to 0.35 in 2000/01.

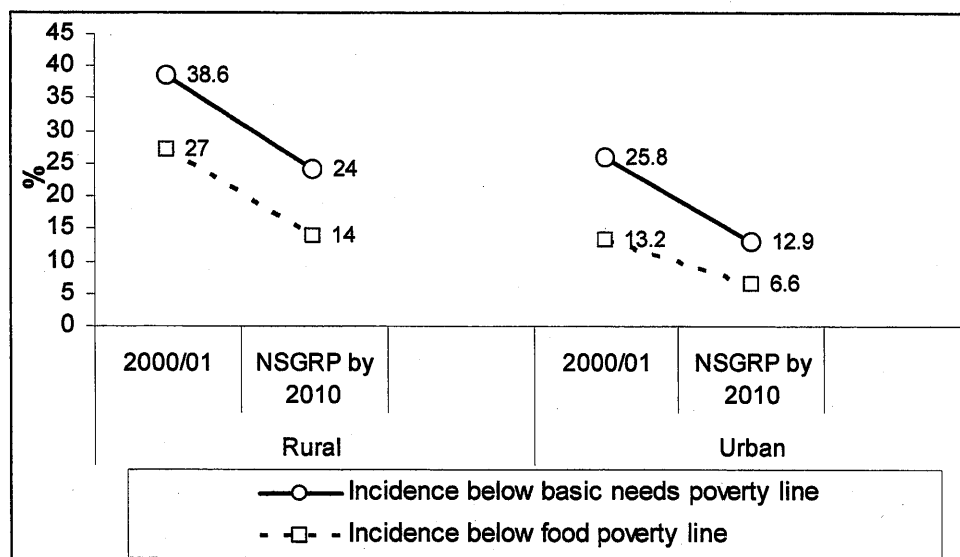
Figure 2.1 shows the NSGRP (2010) targets of reducing basic needs income and food poverty by 2010 basing on the 2000/01 HBS estimates of poverty incidence (or head count ratio) - the proportion of people living below the basic needs and the food poverty lines respectively. The targets are shown for rural and urban areas. As noted earlier, the NPES envisioned halving poverty by 2010 while MDG (1) targeted halving the proportion of people living below the national poverty line by 2015 with 1990 as base. The IDT/MDG Tanzania report (2001), for instance, estimates the 2015 target of halving the proportion of people living below the national poverty line at 24.2 percent, being half of 48.4 percent estimated from the 1991/92 HBS. Attaining the NSGRP target of 24 percent (for basic needs) by 2010 is, therefore, ambitious. It will require a high and fast growth rate of GDP, faster in rural than in urban

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<sup>2</sup>Details of the poverty status can be found in recent analyses and reports, particularly the *Poverty and Human Development Reports* (2002, 2003), the *Household Budget Survey 2000/02*, the *2002/03 Tanzania Participatory Poverty Assessments* (TzPPA), the *2002 Population and Housing Census* main report, and the *National Accounts* (2002 and 2003).

areas. The paths in Figure 2.1 are not “straight lines” due to growth-retarding factors such as HIV and AIDS, external market conditions and other domestic shocks.

**Figure 2.1: Trends and targets of income poverty reduction: headcount\* (%) by 2010**



Note\*Headcount is percentage of population that is below the basic needs poverty line or food poverty line.

The modest decline in poverty is associated with the low annual average per capita real growth of only 0.6 percent during the 1990s. According to the National Accounts, growth was faster in manufacturing, construction, mining and quarrying, as well as in wholesale, retail and hotels, than in agriculture. However, though vital, most of these activities are urban-oriented. Henceforth, it is important to devise strategies that will enable these sectors to widen livelihood opportunities to the poor. To that effect, initiatives to support rural-oriented sectors will be emphasised to empower the rural populations to increase their productive capabilities.

### 2.2.1 Geographic disparities

Indicators of income poverty, human capabilities, survival and nutrition and the Human Development Index (HDI), clearly shows growing rural-urban divide. There are also disparities across and within regions and districts in poverty status. Disparities are explained by the pattern in the distribution of population, endowment in natural resources, climatic conditions, as well as in the distribution of infrastructure, such as transport, schools and health facilities. The challenge is to identify potentials in the poorer districts and regions for possible new investments and, through the budget allocations, improve provision of infrastructure and social services in the most disadvantaged areas.

### 2.2.2 Perspective of agriculture and other productive and service sectors

Income poverty is closely related to growth in the productive and services sectors. Sector-based constraints precipitate income-poverty to the extent that they limit growth in the sector(s) and hence adversely affect the provision of services that reduce non-income poverty. The challenge is how to make sectors, individually and collectively, contribute more to poverty reduction.

Agriculture is the lead sector, accounting for 45 percent of GDP and about 60 percent of export earnings in the past three years. It is the source of food and raw materials for industries. It also provides livelihoods to 82 percent of the population. Recently, the sector has registered average annual growth rates of 4.8 percent compared the average growth of 3.1 percent during 1998 to 2000. The constraints to rural growth are largely related to those in the agricultural sector, broadly defined to include livestock and bee-keeping. The constraints include low productivity of land, labour and production inputs; underdeveloped irrigation potential; limited capital and access to financial services; inadequate agricultural technical support services; poor rural infrastructure hindering effective rural-urban linkages; infestations and outbreaks of crop; animal pests and diseases; erosion of natural resource base and environmental degradation. Others include gender relations, weak producers' organizations, poor coordination and limited technological capacity, depressed prices for primary commodities in global markets and insecurity with respect to property rights to land and its use as collateral for credit. Some nuisance taxes and levies have been reduced but further steps are needed to reduce administrative fiats that often constrain marketing of agricultural output.

Diversification into non-farm activities in rural areas has not been very helpful since these activities are small in scale, often taken up as coping strategies. In general, they are scattered and less amenable to organisation than in urban areas. They face constraints that are similar to, though often worse, than those faced by SMEs in urban areas. Efforts are required to impart organisational and entrepreneurial skills to rural inhabitants to turn non-farm activities into viable sources of livelihoods.

The industrial sector grew by 8.6 percent in 2003 compared to 8 percent in 2002 (Economic Survey 2004); but the increase has not been uniform across industrial establishments. The constraints include domestic supply-constraints, low technological capacity and intense competition from imports. Low backward and forward linkages to agricultural production through agro-processing and value-addition to other primary products diminish the direct contribution of the sector to the reduction of income poverty through creation of employment opportunities.

The natural resource sectors contributed an average of about 5.7 percent of GDP, with fisheries showing the highest growth rate and substantial increases in export earnings. This does not include contributions of natural resources in providing energy and water as well as tourism. However, the present use of natural resources is unsustainable (e.g. wanton tree-felling for charcoal production, bad farming methods that precipitate soil erosion, bad fishing methods). This precipitates poverty by eroding sources of livelihoods and destroying environment. The challenge is to implement policy and enforce mechanism for sustainable exploitation of the resources. There has not been adequate encouragement of community participation in identifying, planning and implementing steps to protect natural resources and environment or effective enforcement of existing regulations and by-laws.

Mining is one of the fastest growing economic sectors in Tanzania. In 2003, it grew by 17 percent compared to 15 percent in 2002. This growth was propelled by heavy investments in mineral exploration and production. Artisanal and small-scale mining is increasingly becoming dynamic as it provides alternative economic opportunities to the rural communities. There is need to balance the livelihood requirement of artisanal miners with the economic objectives of the large-scale operators. Currently, backward and forward linkages are not strong enough for local value-addition and employment creation. Serious poverty concerns have been raised regarding the impacts on environment, tensions over land rights and labour relations in areas where mining activities are being undertaken. The challenge ahead is to ensure that investments benefit the wider economy by giving particular attention to disadvantaged regions.

Tourism has developed rapidly since the mid-eighties. It is now an economically significant sector (12 percent GDP) that has grown at an average of 6.7 percent over the last four years. Tanzania is ranked as the 5<sup>th</sup> top tourism income earner in Africa with annual receipts of US\$739 million (WTO, 2001).<sup>3</sup> However, apart from the indirect impact of increased revenue to government, growth in tourism has not led to direct reduction of income poverty. Barriers that hinder communities to access and benefit from natural resources (e.g. wildlife) need to be addressed.

### **2.2.3 Urban poverty, formal and informal sectors**

Urban poverty is evident in households with low and unreliable incomes, the unemployed, urban vulnerable groups and those in the informal sector. Urban poverty has brought to the spotlight stress on urban public facilities and services. Urban poor live in congested, mainly un-surveyed areas, overcrowded residences and on streets (especially street children). These areas lack safe and reliable water and have poor waste management and lighting. Trade liberalisation has prompted an influx into to urban areas of a vast number of petty traders mainly youth aged 20-29. The PHDR (2002) estimates 92 percent of these have primary level education but no formal skills training. They lack capital and business premises. In many municipal areas the informal sector includes also men and women engaged in sand mining, quarrying and lime making to support the growing construction industry.

The rise in unplanned settlements and crime remain a challenge to urban planning. These strain the government capacity to provide adequate security and social services. Settlements development, land surveying, propagation of simple construction technologies for affordable housing, urban waste or environmental management and slum upgrading stand out as other key challenges. Regularisation and titling of land is expected to facilitate residents' use of their land and property thereon (dead capital) as collateral with which they may obtain credit from banks and building societies for socio-economic investment.

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<sup>3</sup> World Tourism Organisation (2001), *Tourism Market Trends, Africa*, WTO, Madrid

The Small and Medium Scale Enterprises (SMEs) are found in a wide range of productive sectors and services including commercial activities, both formal and informal. They are carried out mainly by the private sector. Though most SMEs are found in urban areas, smaller-scale non-farm activities in rural areas require policy attention. They lack adequate finance and technical and managerial skills, infrastructure, market information and business contacts with external markets. Small businesses also face unfriendly and variable administrative impediments to business licensing. A credible, enabling policy environment is needed to enable the informal businesses to formalise their enterprises. This requires a change in mindset of the bureaucracy toward private sector development.

In pursuing these concerns, special emphasis should be directed at addressing inequalities between rural and urban areas (e.g. in terms of micro-credit institutions and access to other economic services) and gender imbalances (in terms of access to assets such as land and credit).

#### **2.2.4 Infrastructure, science and technology**

In recognition of the need to improve the economic prospects of the productive sectors and social services, there is need to improve provision of physical infrastructure. Levels and quality of transport, communications and energy services are generally poor and thus constraining growth. Rural areas lack road network and rural telecommunications, which in turn limit creation of new opportunities for markets, employment, and trade (domestic and foreign). The situation in rural areas also constrains actions towards social outcomes (e.g. delivery of and quick access to medical attention, schools, courts and markets) or trade). Rail, marine, air and road transport networks need to be expanded and maintained to international standards. Whereas the central government assumes the responsibility for such bulk investments in infrastructure, community-based initiatives need to be encouraged for smaller-scale labour-based road initiatives, to alleviate acute communication problems in rural areas. In addition to community-based initiatives, public-private partnership in the provision of infrastructure will be promoted.

Efforts need to be stepped up in support of increased access and application of Information and Communication Technologies (ICTs) as a critical “soft” infrastructure that accelerates productivity in the productive and service sectors, in government, business, teaching and SMEs development. Problems of access to ICTs include low literacy rates, low incomes and limited number of service providers. The recent rise in the use of ICTs including mobile telephone is still dominantly urban-oriented and needs to be directed to rural areas as well.

Energy is critical for the attainment of the NSGRP and MDG targets. It is important for productive activities in industry, agriculture, transport and water supply and in the provision of social services such as education and social services. However, effective energy supply falls short of the required levels and quality (considering environmental effects of certain sources, such as firewood). Unreliable and high cost power has also discouraged private investments. In rural areas there are no alternative

energy sources that would reduce the burden on women and children and health hazards (e.g. from smoke) or the unsustainable exploitation of forestry resources. Constraints include lack of adequate investments in the energy sector and of affordable alternative energy technologies.

Higher education, Science and Technology are vital for innovative technological advances that increase returns and productivity in all sectors. The challenge is to increase financing and expanding higher education and research, paying due attention to quality in order to develop a labour force that is creative and globally competitive. In order to make a dent on poverty reduction through higher education, science and technology, it requires provision of quality education from early childhood to higher levels and research activities that are tailored to the local environment. Linkages between higher education, S&T and R&D institutions and local communities in agriculture, industry, SMEs, trade and social development etc. have been weak and need to be strengthened.

### **2.3 Employment status**

An area of policy concern is that of high rates of unemployment and underemployment. Measurement of unemployment in Tanzania is not a simple one. There are few economic opportunities in rural areas, reflected rather as underemployment than unemployment. Unemployment stands at 2.3 million (1.3 million women and 1.0 million men) equivalent to 12.9 percent of the labour force. Employment-to-population ratio (the proportion of the target population that is employed) is 76 percent nationally. The ratio is lower in urban areas (58 percent) than in rural areas (81 percent). Unemployment is worse among the youth, including the educated youth. Employment opportunities for people with disabilities are limited and special support for them in the work place is frequently lacking.

According to the Integrated Labour Force Survey (2001/02), the total labour force (age 15 years and above) has increased from 11.2 million in 1990/91 to 17.8 million in 2001. This implies that 650,000 new people have been entering the labour market every year. Wage and salary employment has been expanding at much lower rate, estimated at 40,000 persons per annum. So the majority of the new entrants into the labour market enter through self-employment largely in agriculture and the informal sector. The ILFS shows that the female contribution is higher at 50.6 percent but predominates in agriculture and petty trading, with significant disparities in other types of employment, which tend to be male domains (e.g. construction and transport). The HBS also found that women with the same qualifications as men earned less and this disparity increased with educational level.

It is encouraging to note that households have been diversifying their economic activities. Although income from agriculture is dominant, some 40 percent of rural household income originates from farm and off-farm employment. Opportunities for expanding and diversifying rural incomes from natural resources are not realised in part due to bureaucratic and legal hurdles. The proportion of rural households who derive incomes from more than three sources is 65 percent. The trend is already towards increasing employment in non-farm activities in the rural areas. However, this is happening

too slowly and without coordination and support. This trend can be reinforced through more deliberate policy interventions. On- and off-farm earnings need support from both a strong agricultural sector and other rural sectors including forestry, wildlife, fisheries and tourism.

On average, labour productivity and incomes are lower in the rural areas than in urban areas. Those who are self-employed in agriculture and other sectors are not always productively engaged to full capacity. According to the ILFS, the rate of underemployment was 11.2 percent in 2000/01, up from 4.3 percent in 1990/91. Under-employment occurs in all areas; but over the last decade, the situation has become worse in rural than in urban areas. This has contributed to the unsustainable exploitation of natural resources e.g. in mining, forestry and fishing. The under-employed people work on own or family farms/*shambas*. Nevertheless, they are ready to work if more work was available during the off-season. Work undertaken by women to sustain households is not considered in the calculation of unemployment and under-employment. Efforts to enhance employment opportunities and training have to recognise the contribution of and the burden currently borne disproportionately by women.

Formal salary/wage employment constitutes a small proportion of total employment in Tanzania. Because of the public sector reform the share of formal employment in the public sector has declined. There has also been a drop in government and parastatal employment, from 5.2 to 2.5 per cent of adults. On the other hand, there has been a rise in employment in private sector and self-employment, which are now the main activities of 40 percent of adults in Dar es Salaam and 31 percent in other urban areas.

Labour participation rate of the economically active population in 2000/01 was 68 percent in the urban areas. The national average is 80 percent. In rural areas, labour participation rates vary considerably from 77 percent in April-June to 88 percent in January-March (ILFS 2000/01). These variations reflect seasonality and indicate the employment potentials if existing opportunities are fully utilized and new ones are created. There is need for understanding the dynamics of the local labour market as one of the transmission mechanisms, for creating opportunities for people to participate in the growth process. Efforts to promote private sector development are in line with this endeavour of employment creation.

In spite of international conventions and programmes, child labour, as distinguished from children's work in the household, is prevalent and worst in rural areas. The Child Labour Survey 2000/01 found that children in labour were 1.2 million. The worst forms of child labour are in four major sectors/areas: commercial agriculture; mining and quarrying; domestic service, and commercial sex. A related problem is trafficking in persons (TIP). Trafficking is most often internal, girls being trafficked for domestic labour and forced prostitution. While some victims are trafficked outside the country, others are brought into the country. For the victims, mostly girls and women, the root cause is poverty. The perpetrators exploit the weak economic position of the victims, porous borders, weak



legal enforcement and corruption. Financial constraints reduce the capacity of authorities to prevent TIP and protect and rehabilitate the victims. Strategies to reduce poverty should address the core causes of TIP, supported by effective monitoring and prosecution of TIP “rings”. TIP across the borders is often related to trade in contraband, including drugs and arms, which contribute to increased crime.

## **2.4 Non-income poverty**

### **2.4.1 Education and illiteracy**

Most indicators in education have registered improvement in the three years of PRS(P) as a result of implementing the Primary Education Development Programme (PEDP). Gross Enrolment Rate reached 105.3 percent and 106.3 percent in 2003 and 2004 respectively, compared to only 77.6 percent in 1990. Net Enrolment Rate (NER) attained in 2003 and 2004 is 88.5 percent and 90.5 percent respectively, compared to 58.8 percent in 1990. However, the pace of transition to secondary schools is low, despite the growth of private secondary schools. There are also large gender disparities in enrolment at secondary and tertiary levels. The vulnerability of girls to cultural belief and customs, early pregnancies and sexual abuse remain challenges to enrolment and completion of schooling.

Illiteracy remains high. About 28.6 percent of Tanzanians cannot read and write in any language. There is more illiteracy among women (36 percent) than men (20.4 percent). The PRS target of eliminating illiteracy by 2010 remains challenging particularly for rural women.

### **2.4.2 Health services**

The strategy aims at reducing infant mortality, child mortality, malaria related mortality and maternal mortality. Many poor people, children and women in particular, die without ever accessing a health facility.<sup>4</sup> Equitable and sustained access to care, support and treatment are essential to improve the well-being and life expectancy of people living with HIV and AIDS, but issues pertaining to finances, infrastructure, human, and logistical weaknesses need to be resolved first, so as not to further weaken an already constrained health system.

Trends in health service outputs during the 1990s show a mixed picture. There have been some successes in immunization coverage of children, in TB treatment and in the accessibility to contraceptive. There exists a huge burden of disease across all age groups. Interventions are required to check the decline in the proportion of births attended by trained medical personnel, the continued poor nutritional status of under fives, and the fact that almost 90 percent of all child deaths are due to preventable causes - malaria, pneumonia, diarrhoea, malnutrition and complications of low birth weight; and HIV and AIDS.

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<sup>4</sup> Eight out of ten children die at home and six of them without any contact with formal health services.

The proportion of births that were attended by trained personnel and those that took place in health facilities declined. At the same time, urban-rural disparities increased. This has implications on both infant and maternal mortality - both have not changed. Consequently, the poverty reduction targets and MDGs are far from being achieved. Contraceptive prevalence increased and child vaccination rates show a small net increase. There have been steady improvements in vaccination rates since 2000, with an impressive coverage of 90 percent by 2002, thus surpassing PRS targets. Improvements in TB treatment completion rates are also encouraging. Rural areas and the poor remain disadvantaged both in terms of outcomes and service uptake. The availability of drugs has increased, but some continuing deficiencies and particularly the cost of drugs still make them unavailable to some people at the time of illness. Immunization levels have increased but there are still large disparities, which require a more targeted approach in the delivery of preventive and curative health services. It is thus important to ensure that health services are accessible to the poor population and the quality of services is improved. Also important is the need to strengthen the routine data collection system to generate indicators for measuring health service delivery and keeping records and data using ICTs for easy processing and dissemination.

Key obstacles in provision of and access to health services include long distances to health facilities, inadequate and unaffordable transport systems, poor quality of care, weak exemption and waiver system to the sick who unable to access health care at a fee, shortage of skilled providers and poor governance and accountability mechanisms.

#### **2.4.3 Survival and nutrition**

Survival indicators of poverty are not encouraging. No substantial progress was made in the reduction of infant and under-five mortality and maternal mortality. There are indications of slight increases in recent years, probably related to HIV and AIDS pandemic. HIV and AIDS pandemic have a wider implication for other indicators such as life expectancy. It is also important to note that high rate of infant and child mortality is due to continuing high prevalence of malaria

As for nutrition, Tanzania has identified four nutritional disorders as being of public health concern: (i) protein energy malnutrition (PEM) (ii) nutritional anaemia (iii) iodine deficiency disorders (IDD) and (iv) Vitamin A deficiency (VAD). Other nutritional disorders include obesity, chronic diet related non-communicable diseases, and deficiencies of some vitamins and minerals.

The challenges include: increasing food intake by raising feeding frequency and consumption of high energy dense foods, increasing consumption of fruits and vegetables, which are rich in vitamin A and iron, combating diseases notably malaria and measles, diarrhoea, HIV and intestinal parasites. Other challenges include: addressing the unequal distribution of resources and services, the inadequate household food security, inadequate caring capacity of the vulnerable groups and inadequacies in

quality and quantity of the provision of basic services including health, education, shelter, water and sanitation. In addition, there is a need to address the social and cultural factors related to gender.

Whereas considerable development has been made in the management and control of nutrition problems, there has been much less progress with regard to improvement of nutritional status of children, especially the under-fives. With 44 percent of children being moderate to severely stunted, chronic malnutrition remains a widespread problem, indicating problems on the general health status of children. There are also significant disparities in the levels of under nutrition between rural and urban areas on one hand, and between children from poorer and richer households on the other. The children from rural households are more malnourished than their urban counterparts. Child's care arrangements are needed to ensure more frequent feeding of young children. In light of the recorded success of IMCI strategies for reducing child mortality, it might be useful to roll out the IMCI throughout the country, including community-IMCI and reducing women's workload especially during pregnancy. Equally important is the promotion of processing and utilization of nutrient rich foods particularly in the rural areas. A good sound nutritional status is now more urgent and critical in the advent of increased prevalence of HIV and AIDS.

#### **2.4.4 HIV and AIDS**

An increase in HIV and AIDS prevalence, over the last decade has further aggravated the health status by eroding the HDI and future prospects of Tanzanians. It has undermined the foundations for development and attainment of the Millennium Development Goals and national targets. It is important to build a deeper understanding of the pandemic through awareness campaigns so as to contain further spread and minimize its impact. Indeed, prevention campaigns have succeeded in raising people's awareness, but this has not translated into required behavioural changes. Though there is increasing awareness about HIV and AIDS, minimizing the risk of transmission requires that the poor status of young men and women be addressed and elevated through making it easier for them to access useful advice and services on how best to protect themselves against HIV and AIDS. Prevention of mother-to-child transmission of HIV is also an important strategy for reducing infant and under-five mortality.

#### **2.4.5 Water and environmental health**

Focus has been on increasing access to clean and safe domestic water especially for the rural population, to reach 55 percent of the rural population by 2003. Improved rural water supply coverage has increased to 53 percent in June 2003 up from 49 percent in 2000 and 50 percent in 2002. About 47 percent of rural households are still using unprotected sources of drinking water. Long distances to sources of drinking water in rural area entail heavy workload on women and children. A majority of rural households have latrines, but they lack proper hygienic use and maintenance.

Urban water supply coverage increased from 68 percent in December 2000 to 73 percent in June 2002. However, increasing costs of domestic water is of growing concern for the very poor, especially in unplanned urban settlements. Poor sanitation is evident in urban areas, where around 90 percent of the households have to resort to on-site solutions. Flooding, due to inadequate drainage, exacerbates the problem even further. Sanitation facilities at public institutions are often inadequate and do not meet standards set by government. Coverage of sewerage services increased from 10 percent in 2000 to 17 percent in 2003 in urban areas, but pollution control and solid waste management systems are not adequately developed to protect public health, well-being and the environment.

There is a close link between water supply and waterborne diseases such as cholera, water-based diseases such as bilharzias, malaria and water-washed diseases such as scabies and trachoma in areas with poor sanitation facilities. One of the challenges is to expand water and sanitation services in rural and urban areas. Other challenges are, to reduction of the incidence of diseases on the one hand, and education to the stakeholders on how to avoid situations that predispose them to water-related /water-borne diseases on the other hand. Community-awareness campaigns and participation in water and sanitation programmes and regulations to enforce environmental and health safeguards in industry and extractive activities such as mining, logging and fisheries will limit water and air pollution and related diseases.

## 2.5 Vulnerability

A number of qualitative surveys have been carried out in recent years, covering income poverty, non-income poverty and vulnerability. Specifically the Participatory Poverty Assessments (PPA) and Policy and Service Satisfaction Survey (PSSS) provide insights on people's perceptions of poverty and effects of public policies and institutional changes and governance on their livelihoods. The Participatory Poverty Assessment (TzPPA) (2002/03), for instance, has brought up more qualitative information on various dimensions of vulnerability and more understanding of vulnerable social groups (footnote 1), impoverishing forces and protection and risk management (Table 2.1).

Forces that leads to impoverishment are grouped into six categories, namely economic, environmental, governance, socio-cultural, health and life cycle factors. Respondents frequently referred to wrong policies and effects on environment, bad governance and the macro economy.

**Table 2.1: Major categories of impoverishing factors from Tanzania PPA (2002/03)**

Category	Description
Environment	Weather extremes (e.g. flooding, drought), stresses from gradual degrading of forest, soils, fisheries and pastures; health effects and loss of confidence in future well-being
Macroeconomic conditions	National economic decisions such as privatisation, elimination of subsidies on inputs, cost sharing in health, reduced spending on agricultural services, employment, rural livelihoods, costs and access to social services.
Governance	Coercion, extortion, all forms of corruption, unsatisfactory taxation (multiple taxation, coercive tax collection methods); political exclusion

Ill-health	Malnutrition, injury, diseases, HIV/AIDS, other physical and psychological disabilities
Lifecycle-linked conditions	Ill-health, risks and social marginalisation resulting from one's age, with the old, youths and children being particularly vulnerable to special problems
Cultural beliefs and practices	Impoverishment resulting from cultural norms / traditional belief, diminishing their freedom of choice and action – e.g. those discriminating women and children

Source: adapted from United Republic of Tanzania, 2004, *Vulnerability and Resilience to Poverty 2002/03 Tanzania Participatory Poverty Assessment: Main Report* Dar es Salaam

The sentiments expressed in the recent PPA on policy changes, like public sector reform, trade liberalisation, and privatisation correspond to those expressed in earlier PPAs, particularly the 1995 PPA and the rural survey by REPOA (1998). There are concerns about the pace, manner and circumstance in which privatisation and trade liberalisation has been carried out e.g. loss of jobs, loss of markets or sales as a result of cheap imports, specific sector reform measures such as cost-sharing in health or education. The majority of people in rural areas also pointed to problems in agricultural marketing. But there are also others who see opportunities in trade liberalisation and other market reforms. Nevertheless, bureaucratic barriers still stand out as main impediments to entrepreneurship, particularly of the SMEs. Licensing procedures, complicated tax system, corruption and harassment of small businesses are emerging from the PPAs and, in fact, from the consultation process, as issues that inhibit realization of the benefits of market and sector policy reforms. They also undermine efforts to formalize the informal sector and those of attracting domestic and foreign investment. Bureaucracy and corruption, crime and absence of peace and tranquillity scare away large domestic and foreign investments.

It is in this context, why governance and accountability form a key pillar of this strategy. The government will keep on explaining clearly to the public the effects of the on-going reforms and other policies. To the extent possible, inclusive or participatory policy processes will be institutionalised to create space for the voices of all people with aim to avoid distortions in policy intentions and implementation.

## 2.6 Cross-cutting issues

Cross-cutting issues relate to the factors that cut across sectors and social groups (often) negatively impacting on income and non-income poverty. Such factors include imbalances in gender relations, environmental issues and HIV and AIDS. Neglect of young people and children has implications for current and future development of children. Gender biases in favour of males, for instance, in terms of land (property) ownership or girls' access to higher education add to the pains of poverty by reducing current and prospective earnings of the females. In this regard, eradicating these biases is a critical challenge. Environmental concerns arise not only in the productive sectors but also in the provision and utilisation of economic services (e.g. energy) and human settlements. Poor communities and households usually do not carry out "environmental impact assessments". As a result, poverty

increases as environment and natural resources get destroyed. Interventions are required to halt such trends over land and water-based resources. Likewise, HIV and AIDS erode productivity, and reduce the number and effectiveness manpower. They also increase dependence in addition to that posed by the natural population growth rate, the orphans, the elderly and retirees, people with disabilities and the unemployed.

Bad governance costs productive time and resources (time lost in pursuing denied or delayed justice) as shown, for instance, through the Participatory Poverty Assessments (PPAs). Although generally data on the cross-cutting issues are scanty, links to poverty are clear, they magnify causes or manifestations of poverty. To that effect, affected stakeholders and advocacy agents (for environment, mother and child, the elderly, and people living with disabilities, the youth) are becoming more assertive in the quest for change in attitude and policy towards these issues so as to get them properly addressed in the strategies to reduce income and non-income poverty.

## CHAPTER III: CONSULTATION PROCESS AND ISSUES

### 3.1 Introduction

The consultation process for the PRS Review started during the Poverty Policy Week of October 2003 (PPW 2003), and ended with the PPW of November 2004 (PPW 2004). The process sought to deepen participation in and ownership of the strategy by actors at different levels of Government, the citizenry – poor and non-poor, the civil society, communities and development partners. Deepening participation and consensus building on the way forward has been necessary to ensure sustainability of and enhance confidence in the strategy that can make a difference. The issues emerged during the consultation process; evidence on poverty, and inequality in the country consolidated the focus of the strategy on growth, equity, improved governance and social well-being.

This chapter highlights the main issues that emerged from the consultation process and which influenced the design of the strategy. Lessons from the previous processes are also presented, to demonstrate that the consultations for the NSGRP reflect cumulative learning. The issues are presented at two levels of consultations—internal (within government) and nationwide (all stakeholders’) consultations.

### 3.2 Cumulative experience in participatory approaches

Reflecting on the participatory experience from the preparations of PRS (P), the TAS and indeed the NPES, the consultations for the NSGRP sought to make wider coverage of the actors and poverty issues. The three *PRS Progress Reports* also presented issues for consideration for the second generation PRS. That is the NSGRP. During the three years of the PRS (P) key internal consultations between Government, Development Partners and CSOs continued through the PER review process and cross-sectoral meetings. Subsequently, the government engaged stakeholders in mapping out the one-year long PRS review process, particularly in developing and agreeing on the PRS review guide, identifying different levels of stakeholders for broader consultations at sub-national levels and modalities and timeframe for the consultations. The guide spelled out the objectives, principles and focus of the review.

The PRS Review aimed at improving a number of specific weaknesses (see, for instance, Box 3.1) to make the consultations for the NSGRP more elaborate and inclusive than the previous cases of national policy processes.

#### Box 3.1: Weaknesses associated with consultations for PRS(P), 2000

- Participatory structures were formed on an ad-hoc basis
- Collaboration with stakeholders was less frequent and joint decision-making on relevant aspects of pro-poor policy was limited.

- The PRS process was exceptionally compressed (six months duration); too tight timeframe for consultation limited the participation of stakeholders.
- CSO involvement and their impact on the outcome of the processes have been very limited.
- Inadequate background and understanding of PRS (P) limited stakeholders participation
- Inadequate resources to implement PRS consultations
- Problem of synchronization where TAS was supposed to provide PRS framework but was not completed before the PRS (P).
- The composition of participants in the workshop did not represent adequately all sections of the society: women, youth, people with disabilities, elderly, people living with HIV/AIDS, orphans were not adequately represented in PRS (P) process.
- Participation of the poor in the PRS was not institutionalised within the LGRP
- Trade unions were not involved in the PRS participatory process.
- Inadequate analysis of “Voices of the Poor” through the zonal workshops.
- Inadequate mechanism in dealing with cross-cutting issues such as environment, HIV/AIDS, Gender, Employment.
- Lack of PRS communication strategies.
- Inadequate capacity in key Government institutions (PRS technical committee, PRS steering committee, PRS inter-ministerial committee).
- CSO lacked access to key documents and adequate mechanism to provide feedback.
- Inadequate capacity of several CSOs to engage in policy dialogue.

Within the human rights context and to ensuring meaningful participation of the poor, the consultation process emphasised the need to: redress the structures of discrimination that generate and sustain poverty; expand civil and political rights; caution against retrogression and non-fulfilment of minimum core obligations; and strengthen institutions through which policy-makers can be held accountable for their actions. Hence, the consultation process sought to reflect the following attributes:

- *Rights*: ensuring atmosphere of freedom of opinion, information, media, and association and campaigning; stakeholders given an opportunity to participate fully in the entire PRS cycle.
- *Structures*: collecting views from the grass root level to the national level; implementation of the strategy through decentralisation structures, hence the central role of local government.
- *Legitimacy*: Parliament to be fully involved in the consultations and approval of the strategy; CSOs and other stakeholders to organise and ensure that their concerns are included;
- *Capacity*: Need for increased capacity building for stakeholders at all levels so that they effectively contribute in the PRS cycle – i.e. imparting analytic capabilities and information for the stakeholders to identify needs and priorities, monitor and critically scrutinise performance of those entrusted with responsibilities to lead.



### 3.3 Overview of the process

The consultations aimed to address weaknesses and to get the public informed. There were frank deliberations on the constraints to growth and about governance concerns. The outreach was wider and time was longer than in the previous consultation processes. Nevertheless some stakeholders still felt time was not sufficient. It was agreed that public debate needed to be formalised and continue over the entire period of the strategy.

For the purpose of highlighting key issues two levels of consultations may be identified:

- (i) Nationwide consultations, mainly at sub-national level and involvement of the Members of Parliament.
- (ii) Internal consultations i.e. within government and between government and other stakeholders, including development partners at the national level. Deliberations were carried out through the PER review meetings, cross-sector meetings and government-donor and government-civil society consultations and the Poverty Policy Week.

The first round of *nationwide consultations* was planned early in December 2003 with the meeting of the lead-stakeholders. It was followed by series of training of trainers' workshops for the facilitators who were then deployed in the country. The Association of Local Authorities of Tanzania (ALAT) played a significant lead role. District level consultations were conducted through workshops in which representatives from district council secretariat, faith based organizations and the aged, children, youth, women, persons with disabilities, persons living with HIV and AIDS, widows, orphans, CBOs, and CSOs, private sector, trade unions and informal sector were all invited and participated; village level consultations were undertaken through the Village Assembly. Consolidated views were forwarded to the regional headquarters and compiled to form the regional report. Communication was achieved through: workshops, seminars, radio programmes, TV broadcasts, fliers, interviews and music were applied. A special questionnaire was prepared and circulated throughout the country. About 500,000 questionnaires were distributed throughout the country and on the Internet.<sup>5</sup> Members of Parliament were involved through Parliamentary committees and through special seminars.

Reports of the first-round consultations were consolidated into the first draft that was sent back to lead-stakeholders for scrutiny and comments. The draft was also widely circulated through Internet and its summary translated into Swahili.

In the meantime *internal government* consultations continued to show the importance of the shift from "priority sector approach" to the "outcome-oriented approach". Notably, the inter-ministerial

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<sup>5</sup>The questionnaire asked for answers to three questions: (i) the observed significant changes in relation to poverty in the last 3 years; (ii) the main bottlenecks to poverty reduction; and (iii), recommendations on what factors must be incorporated in the future PRS. Apart from those received from within the country, feedback was received from, among others, Tanzanians living in United State of America, the United Kingdom, Australia, and Scandinavian countries.

consultative workshop convened in August 2004 provided an opportunity for sector ministries to identify key areas of inter-sector linkages and establish modalities for fostering them in the implementation of poverty reduction. The meeting reviewed the outcomes, operational strategies and interventions. Possible coordination mechanisms for implementation, monitoring and evaluation were also considered. The meeting served also as medium for consensus building and for furthering national ownership.

Further deliberations on the second draft were made during the National Workshop in September 2004. The National Workshop brought together representatives of government and non-government actors including the CSOs. The workshop further ingrained the consensus around the strategy. Critical contributions from the different lead-stakeholders noted the need for the strategy (document) to be more inclusive, particularly in articulating more distinctly the special needs of the vulnerable groups, such as people with disabilities in service delivery. Issues of governance frequently came up and it became clear that implementation of the strategy would critically depend on the quality of governance. The comments were used to improve the draft that was then presented at the Poverty Policy Week in November 2004.

The policy week climaxed the consultation process. It focused mainly on implementation arrangements, monitoring and financing as suggested in the draft. The main objective of the PPW was to build further consensus, foster ownership, increase awareness and deepen understanding of the NSGRP. Outputs of the Poverty Monitoring System in Tanzania were also made public. Further comments from the PPW on specific issues that still needed attention - in the second draft - were addressed to develop the final draft of the NGRP.

### **3.4 Issues from nationwide stakeholders' consultations**

The poverty concerns raised from these consultations were on average similar. They focused on the following: the constraints related to agriculture, markets, remoteness, education, health, and corruption, low or inadequate pay, lack of jobs, unfavourable working conditions and relations, lack of facilities or provisions for people living with disabilities, inadequate benefits for the retirees and vulnerable groups, land issues for pastoralists, HIV and AIDS. Concerns were also raised on the lack of credit facilities for agriculture and small businesses and lack of water. In rural areas the problem related to long distances and time to the nearest source of safe water, schools, markets or police station. The management of water schemes that were set up with donor or government support and the burden to women and children, who usually fetch water for household use, were further raised as areas for concern. In urban areas, the problems related to irregular supplies and billing of water and stress on existing public services particularly in unplanned, congested parts of towns and cities where most of the poor live were raised.

Presentations of the main causes and manifestations of poverty as well as governance concerns were similar to those raised in the Participatory Poverty Assessments. Indeed, the questionnaire that was distributed to all stakeholders regardless of their education, region, employment status, gender or any other backgrounds came up with similar issues. However, ranking of the different concerns differed across regions, districts, location (proximity to road, natural resource such as water), age sets, social groups and gender of the respondents. This poses a challenge for policy makers – that of reducing these disparities while ensuring that growth is high and broad-based.

Analysis conducted by the National Bureau of statistics (NBS) on the questionnaires shows great anxiety on issues of governance and corruption. These were stated as red tape, harassment by tax collectors and town / city officials, corruption, violent crime, un-enforceable contracts, weak courts, bad norms or customs, perverse external influence on values, “unfilled promises” made by their leaders or representatives, nepotism, and favouritism in giving micro-credit services (apart from the urban bias). Some expressed doubts whether their problems or grievances were ever forwarded to higher authorities for action. They also pointed out a need for community education in areas of sanitation, civic rights and protection of public property by the people entrusted with it.

In order to improve delivery of justice and combat crime there were calls for increasing the size of the police force and construction of more police posts and courts to reduce long distances to stations and court premises. The need for the police and justice system to have well-trained employees and equipped to combat international crime - in drugs, terrorism, high tech-fraud (e.g. money laundering) and human trafficking was also raised. It was stressed that peace and security played a critical role in attracting investments.

### **3.5 Issues from internal consultations**

Deliberations revolved around the institutional and process weaknesses that needed to be addressed in the new strategy, including:

- Linking formerly “non-priority sectors” to poverty reduction outcomes, recognising that all sectors contribute to growth and poverty reduction;
- Capacity constraints of managing the PRS/PMS at central and local government levels;
- Harmonization of national policy processes and alignment of sector development strategies and plans to the NSGRP;
- Progress on harmonisation and alignment of aid to national development agenda and processes;
- Enhancing partnerships between and among sector ministries;
- The need and how to mainstream cross-cutting issues;
- Linkages between key international and national developmental initiatives and aspirations as espoused in Tanzania’s Vision 2025, the Medium Term Plan for Growth and Poverty Reduction, the PRS Review and the Millennium Development Goals (MDGs).

The main echo of the internal consultations was that steady growth needed to be reflected strongly in the NSGRP and that governance had to be firmly addressed, without losing sight of social development objectives from the previous PRS (P).

### **3.6 Challenges ahead**

As the consultation process drew towards the PPW, most stakeholders were of the opinion that the NSGRP was more comprehensive and the review process more inclusive and open than in the previous cases. National ownership, which underpins the preparation of NSGRP, was lauded. The bold decision to adopt the “outcome-oriented approach” was highly commended. The attempts to relate the strategy with the budget, core reforms and on-going sectoral reforms and to mainstream the MDGs and cross-cutting issues were also noted with appreciation. The following issues were posed as critical challenges for the new strategy:

- Strategic prioritisation and sequencing of interventions;
- Enhancing inter-sector collaboration and linkages and tapping synergies;
- Linkage with the budget; and
- Costing, especially in view of the anticipated benefits in resource saving and more efficient realization of the desired poverty reduction outcome.

These issues will receive attention in implementation planning and linkages with the PER/MTEF process and budgeting and through further analytic work on costing of cost-effective implementation strategies.

Capacity building at the level of central government and local-based institutions and organizations right from the lower echelons of the village upwards and in the context of the Local Government Reform Programme, will receive, increased attention. This also entails continuous and timely flow of right information and services between the macro- and the micro-level decision making institutions. Such institutions include: households, firms, communities, and CSOs, faith-based organisations and cooperatives.

The importance of efficient Local Government, improved governance structures, attention to gender balance, special needs of the people living with disabilities and other cross-cutting issues were emphasised and underscored. Other challenges include improvement in collection, analysis and use of data at lower levels; addressing broad inequalities among regions and districts; and dissemination of information and sensitisation. Translation of the NSGRP into Swahili and its dissemination to district and village levels were further underscored.