



UNITED REPUBLIC OF TANZANIA

MKUKUTA ANNUAL IMPLEMENTATION REPORT 2011/12

“Accounting for Results”

MINISTRY OF FINANCE

OCTOBER 2012

TABLE OF CONTENTS

Acronyms	vii
Preface.....	xii
Executive Summary	xiv
Chapter I.....	1
Introduction and Background	1
1.1. Introduction	1
1.2. Purpose, Objectives and Use of the Report	1
1.3. Scope and Limitations of the report	2
1.4. Coordination and Process of Preparing this Report.....	2
1.5. Organization of the Report	2
Chapter II	3
Growth for Reduction of Income Poverty	3
2.0 Introduction	3
2.1 Goal 1: Pursuing Sound Macroeconomic Management.....	3
2.1.1 Annual Rate of Inflation (FY).....	4
2.1.2 Proportion of actually disbursed amounts of AID compared to total commitment. 5	
2.1.3 Official Foreign Reserves	6
2.1.4 Effective Exchange Rate.....	6
2.1.5 Budget deficit as percentage of GDP, before and after grants.....	7
2.1.6 Revenue to GDP Ratio and Government Expenditure	7
2.1.7 Current Account Balance	7
2.1.8 Growth in Exports.....	9
2.1.9 Foreign Direct Investments.....	10
2.2 Goal 2: Reducing Income Poverty through promoting inclusive, sustainable and employment-enhancing growth	10
2.2.1 GDP Growth	10
2.2.2 Growth of sectors.....	11
2.3 Goal 3: Ensuring creation and sustenance of productive and decent employment, especially for women, youth and people with disabilities.....	19
2.4 Goal 4: Ensuring Food and Nutrition Security, Environmental Sustainability and Climate Change Adaptation and Mitigation	20

2.5	Goal 5: Leveraging returns on national resources (both within and outside) for enhancing growth and benefits to the country at large and communities in particular, especially in rural areas	24
2.5.1.	Discrepancy between companies paid concessions and licenses for extractive industries, mining, forestry, fishing and wildlife	24
2.5.3.	Royalties from extractive rights (fishery mining, forestry, and)	25
2.5.2.	Number of community-based natural resource management arrangements and benefits	26
2.6	Challenges	26
2.6.1	Agriculture	26
2.6.2.	Roads Sub-Sector	26
2.6.3	Energy Sector	27
Chapter III	28
Improved Quality of Life and Social Wellbeing	28
3.0	Introduction	28
3.1	Goal 1: Ensuring Equitable Access to Quality Early Childhood Development (ECD) Programmes, Primary and Secondary Education for all girls and Boys	29
3.1.1	Pre primary education	29
3.1.2	Primary education	30
3.1.3	Secondary Education	32
3.2	Goal 2: Ensuring Expansion of Quality Technical and Vocational Education and Training, Higher Education, and Adult, Non-Formal and Continuing Education	33
3.2.1	Technical and Vocational Education and Training	33
3.2.2	Higher Education	33
3.2.3	Adult and Non Formal Education	35
3.3	Goal 3: Improving Survival, Health, Nutrition and Well Being, especially for Children, Women and Vulnerable Groups	35
3.3.1	Human Resources for Health	36
3.3.2	Maternal and Neonatal health	36
3.3.3	Fertility rate	37
3.3.4	Infant and child health including nutrition	38
3.3.5	HIV and AIDS,	39
3.4	Goal 4: Increasing access to affordable Clean and Safe Water; Sanitation and Hygiene ..	46
3.4.1	Proportion of population with access to piped or protected water as their main drinking water source, urban and rural	46
3.4.2	Water Resource Monitoring: Construction and Rehabilitation of monitoring stations	47

3.4.3 Reduction of Pollution levels at Water Sources:.....	47
3.4.4 Sanitation and hygiene: Percent of households with basic sanitation facilities	48
3.5: Goal 5: Developing Decent Human Settlements while Sustaining Environmental Quality	49
3.5.1 Land Surveys, Mapping, and Planning,	49
3.5.2 Registration and issuance of land titles and legal documents	50
3.5.3 Regularization of unplanned settlements	51
3.5.4 Enforcement of urban land use plans	52
3.6 Goal 6: Providing Adequate Social Protection and Rights to the Vulnerable and Needy Groups	53
3.6.1 Proportion of households with orphans who attend school.....	53
3.6.2 Proportion of children (5 years+) with disability attending school.....	53
3.6.3 Percentage of child-headed households	54
3.6.4 Social protection packages	54
3.6.5 Youth, Gender and Community Development.....	55
3.6.6 Rights of vulnerable and needy groups	55
3.7 Challenges	56
3.7.1 Water Sector.....	56
3.7.2. Education sector	57
3.7.3. Health Sector	57
3.5.4 Social Protection and Vulnerable Groups	57
Chapter IV	59
Good Governance and Accountability	59
4.0 Introduction	59
4.1. Goal 1: Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption-free at all levels.....	59
4.2. Goal 2: Improving public service delivery to all, especially the poor and vulnerable	64
4.3. Goal 3: Promoting and protecting human rights for all, particularly for poor women, children, men and the vulnerable, including people living with HIV/AIDS	65
4.4. Goal 4: Ensuring national and personal security and safety of property	72
4.5. Goal 5: Promoting and preserving culture of patriotism, hard work, moral integrity, and self-confidence.....	74
4.6 Status and Progress of Core Reforms.....	76
4.6.1 Introduction.....	76
4.6.2. Overall Assessment of the Reforms in 2011/12.....	76

4.6.3 Challenges	81
Chapter V	83
MKUKUTA Financing	83
5.1. Introduction	83
5.2. Budget Preparation	83
5.3. Resource Mobilization and Financing Gap	84
5.3.1. Domestic Resource Mobilization	85
5.3.2. External resource mobilization and deficit financing	86
5.4. Resource Allocation	87
5.5. Budget Execution	91
5.6. Budget Reporting and Transparency	94
Chapter VI.....	96
Monitoring and Evaluation.....	96
6.1. Introduction	96
6.2. Progress in Implementation	97
6.2.1. Coordination.....	97
6.2.2. Communication	98
6.2.3. Research and Analysis	98
6.2.4. Data and Information Generation.....	99
6.3. Challenges and Lessons.....	100
6.3.1 Inadequate M & E capacity at all levels:.....	101
6.3.2. Funding for MMS	101
6.3. 3 Uneven data quality and accessibility	101
6.3.4 The Evaluation function is underplayed.....	101
Chapter VII	102
Areas for Further Dialogue and Prioritization	102
7.1. Introduction	102
7.2. Energy.....	102
7.3. Railways	103
7.4. Ports	103
7.5. Airports.....	104
7.6. Agriculture and irrigation	104
7.7. Water and sanitation	105
7.8. Science, Technology and Innovation.....	105

7.9	Road Transport	106
7.10	Education and Skills Development.....	106
7.11	Health.....	107
7.12:	Financing:	107
MATRIX.....		109
MKUKUTA CLUSTERS: Goals, Indicators, Available Data and 2015 Targets		109

ACRONYMS

AIDS	Acquired Immuno Deficiency Syndrome
AGTF	Agricultural Inputs Trust Fund
ANC	Antenatal Care
ARV	Anti-Retroviral
ASDP	Agricultural Sector Development Program
BAKITA	<i>Baraza la Kiswahili</i> Tanzania
BASA	Bilateral Air Service Agreements
BASATA	<i>Baraza la Sanaa</i> Tanzania
BBMTF	Budget Background and Medium Term Framework
BER	Budget Execution Report
BEST	Basic Education Statistics in Tanzania
CAG	Controller and Auditor General
COBET	Complementary Basic Education in Tanzania
COMSIP	Community Savings and Investment Program
COSTECH	Commission for Science and Technology
COWSOs	Community-Owned Water Supply Organizations
CSOs	Civil Society Organizations
CSTWG	Census and Survey Technical Working Group
DADP	District Agricultural Development Plan
DASIP	District Agricultural Investment Plan
DAWASA	Dar es salaam Water Supply Authority
DPs	Development Partners
EFA	Education for All
EFDs	Electronic Fiscal Devices
EPI	Expanded Program for Immunization
ESDP	Education Sector Development Program
FBO	Faith-Based Organization
FDC	Folk Development College
FSSR	Food Self-Sufficiency Ratio
FY	Financial Year
FYDP	Five Year Development Plan
GBS	General Budget Support
GDP	Gross Domestic Product
GEF	Global Environment Facility
GER	Gross Enrolment Rate
GGCU	Good Governance Coordination Unit
GLRA	Germany Leprosy and TB Relief Association
GoT	Government of Tanzania

GW	Giga Watt
HAD	Human Approach on Development
HBS	Household Budget Survey
HDR	Human Development Report
HESLB	Higher Education Student Loan Board
HIV	Human Immune Virus
HLM	High Level Meeting
HR	Human Resource
HSSP	Health Sector Strategic Plan
IBS	Integrated Business Survey
ICAO	International Civil Aviation Organization
ICBAE	Integrated Community-Based Adult Education
ICT	Information, Communication Technology
IFMS	Integrated Financial Management System
ILFS	Integrated Labour Force Survey
IMF	International Monetary Fund
IMTC	Inter Ministerial Technical Committee
ITNs	Insecticide Treated Nets
JAST	Joint Assistance Strategy for Tanzania
JESR	Joint Education Sector Review
JKT	<i>Jeshi la Kujenga Taifa</i>
Km	Kilometer
KRAs	Key Result Areas
Kwh	Kilowatt hour
LGAs	Local Government Authorities
LGDG	Local Government Development Grant
LGRP	Local Government Reform Program
LSRP	Legal Sector Reform Program
LGTI	Local Government Training Institute
LGTP	Local Government Transport Program
LHRC	Legal and Human Rights Commission
LIITs	Livestock Identification and Traceability System
M&E	Monitoring and Evaluation
MAIR	MKUKUTA Annual Implementation Report
MCDGC	Ministry of Community Development Gender and Children
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MIS	Management Information System
MKUKUTA	<i>Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania</i>
MMMP-II	MKUKUTA Monitoring Master Plan II
MMS-II	MKUKUTA Monitoring System II
MoEVT	Ministry of Education and Vocational Training

MoF	Ministry of Finance
MoHSW	Ministry of Health and Social Welfare
MoU	Memorandum of Understanding
MoW	Ministry of Water
Mt	Metric Tonne
MTEF	Medium Term Expenditure Framework
MW	Mega Watt
NACSAP	National Anti-Corruption Strategy and Action Plan
NACTE	National Council for Technical Education
NAO	National Audit Office
NBS	National Bureau of Statistics
NEMC	National Environmental Management Council
NER	Net Enrolment Rate
NFRA	National Food Reserve Agency
NGOs	Non-Governmental Organizations
NPS	National Panel Survey
NSAs	Non-State Actors
NSGRP	National Strategy for Growth and Reduction of Poverty
OECD	Organization for Economic Cooperation and Development Opportunities
O&OD	and Obstacles to Development
OPRAS	Open Performance Review Appraisal System
PADEP	Participatory Agricultural Development and Empowerment Project
PAF	Performance Assessment Framework
PCCB	Prevention and Combating of Corruption Bureau
PED	Poverty Eradication Department
PEDP	Primary Education Development Program
PEFAR	Public Expenditure and Financial Accountability Review
PER	Public Expenditure Review
PFM	Public Financial Management
PFMRP	Public Financial Management Reform Program
PHDR	Poverty and Human Development Report
PHSDP	Primary Health Services Development Program
PLWHA	People Living With HIV and AIDS
PMTCT	Prevention of Mother to Child Transmission
PMO-RALG	Prime Minister's Office-Regional Administration and Local Government
PPP	Public Private Partnership
PPRA	Public Procurement Regulatory Authority
PQTR	Pupil Qualified Teacher Ratio
PRBS	Poverty Reduction Budget Support
PSRP	Public Service Reform Program
PTR	Pupil Teacher Ratio
RAHCO	Railway Holding Company

RAWG	Research and Analysis Working Group
RDT	Rapid Malaria Test
REA	Rural Energy Agency
REPOA	Research on Poverty Alleviation
RIF	Railway Infrastructure Fund
RITA	Registration and Insolvency Trusteeship Agency
SACCOS	Savings and Credit Cooperative Society
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SADC	Southern Africa Development Community
SBAS	Strategic Budget Allocation System
SEDP	Secondary Education Development Program
STHEP	Science Technology Higher Education Project
STR	Student Teacher Ratio
TAA	Tanzania Airports Authority
TANAPA	Tanzania National Parks Authority
TANESCO	Tanzania Electricity Supply Company
TANROADS	Tanzania National Roads Agency
TASAF	Tanzania Social Action Fund
TAZARA	Tanzania Zambia Railway Authority
TB	Tuberculosis
TCAA	Tanzania Civil Aviation Authority
TDHS	Tanzania Demographic and Health Survey
TDV	Tanzania Development Vision
TFR	Total Fertility Rate
THMIS	Tanzania HIV/AIDS and Malaria Indicator Survey
TISS	Tanzania Interbank Settlement System
TMA	Tanzania Meteorological Agency
TPA	Tanzania Ports Authority
TPA	Temporary Process Action
TPDF	Tanzania People's Defence Force
TRA	Tanzania Revenue Authority
TRC	Teachers Resource Centre
TRL	Tanzania Railways Limited
TSIP	Transport Sector Investment Program
TSMF	Tanzania Statistical Master Plan
TWG	Technical Working Groups
TZS	Tanzanian Shilling
UNDP	United Nations Development Program
UNFPA	United Nations Fund for Population Activities
USD	United States Dollar
UWSAs	Urban Water Supply Authorities
VCT	Voluntary Counselling and Testing

VEO	Village Executive Officer
VETA	Vocational Education Training Authority
VICOBA	Village Community Banks
WASH	Water, Sanitation and Hygiene
WDF	Women Development Fund
WEO	Ward Executive Officer
WHO	World Health Organization
WSDP	Water Sector Development Program
WUAs	Water Urban Authorities

PREFACE

MKUKUTA Annual Implementation Report (MAIR) is a systematic tool adopted by the Government for the purpose of tracking and monitoring progress in implementation of the National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA).

MAIR is produced annually and covers achievements realized in the year under review and the challenges faced as well as making suggestions for the way forward on the key areas identified.

The report informs stakeholders on the progress in MKUKUTA II implementation and associated processes, with a view to stimulating dialogue on key issues, and informs subsequent planning, budgeting and implementation. MAIR contributes to the overall Government reporting system that includes performance reporting by Ministries, Departments and Agencies (MDAs), Local Government Authorities (LGAs) and Non-State Actors (NSAs) implementing MKUKUTA II activities.

Preparation of MAIR 2011/2012 involved consultations with MDAs including utilization of information contained in key documents like Speeches presented to Parliament, Strategic Plans, Medium Term Expenditure Frameworks (MTEFs) and sector performance reports. The drafting process for the Report involved experts from MDAs, LGAs and Academic and Research Institutes often involved a series of working sessions. MAIR is one of the Government outputs that have to be produced in November each year as per Partnership Framework Memorandum (PFM) governing General Budget Support (GBS) to support implementation of MKUKUTA II. MAIR 2011/12 reports on implementation of both MKUKUTA II and Five Year Development Plan (FYDP), the latter unveiled by the Government in 2011.

Among the main highlights of this report are successes in certain areas such as increased enrolment in higher education, decline of malaria prevalence in children, etc; and challenges in a number of indicators such as macroeconomic fundamentals, quality of social services, etc thus threatening achievement of MKUKUTA II goals and targets. Critical issues in financing and monitoring and evaluation are delineated as well. The report also identifies key areas such as

energy, ports, etc. that require further dialogue due to their high potential for generating rapid social and economic transformation.

It is my sincere hope that this report will be of great significance in informing preparation of key processes and documents such as Budget Guidelines and guiding decisions towards achieving the goals of MKUKUTA II: growth for reduction of income poverty, quality of life and social well being and good governance and accountability.

Ramadhani M. Khijjah

**Permanent Secretary
Ministry of Finance**

EXECUTIVE SUMMARY

1. Chapter One: Introduction

The National Strategy for Growth and Reduction of Poverty second phase (MKUKUTA II) is implemented through various development and reform programmes. Progress in implementation is reported annually through MKUKUTA Annual Implementation Report (MAIR). MAIR tracks progress in poverty reduction to inform implementation of MKUKUTA II and Five Year Development Plan (FYDP). Depending on availability of data, MAIR 2012 provides progress towards performance outcomes including challenges, and lessons learned, employing both qualitative and quantitative analysis. Where possible, the report links outcomes with plans and budget.

2. Chapter II: Growth for Reduction of Income Poverty

Inflation Rate: the rate of inflation reached 17.4 percent by end of June 2012 compared to 10.9 percent recorded in June 2011. MKUKUTA II target is to maintain inflation rate at single digit, and not higher than 5 percent by year 2015. At the end of June 2012, gross official foreign reserves amounted to USD 3,786.7 million which was enough to cover about 4.0 months of imports of goods and services, compared to USD 3,948.0 million, equivalent to 4.7 months of imports in June 2011. For both periods performance was below MKUKUTA II target of maintaining official foreign reserves equal to 6 months of imports of goods and services.

Fiscal deficit: The overall fiscal deficit during 2011/12 was 5 percent of Gross Domestic Product (GDP) against the target of 8 percent in 2015 set in MKUKUTA II. Domestic revenue collections equalled 17 percent of GDP in 2011/12 compared to 16.3 percent during 2010/11. Tax revenue collection surpassed the target by 4 percent on account of improvement in administrative and policy measures. During Financial Year (FY) 2011/12, the current account in the Balance of Payments recorded a deficit of USD 4,210.5 million (or 16.5 percent of GDP) compared to a deficit of 2,208.7 million (or 9.5 percent of GDP) in 2010/11, an increase of 90.1 percent. The deterioration in the current account was due to an increase in both the quantum and

prices of goods imports relative to that of exports, particularly imports of machinery and imports of oil to address the challenges in the energy sector.

Growth of Exports: The value of exports of goods and services during FY 2011/12 amounted to USD 7,918.6 million compared to USD 7,050.7 million recorded during FY 2010/11. The improvement was largely on account of increase in the price of gold and travel receipts. In 2011, the value of Direct Foreign Investments (FDIs) increased by 97 percent from USD 433.9 million in 2010 to USD 854.2 million in 2011.. The increase was a result of increased investments in gas exploration in the country, especially in Mtwara region which registered investments of over USD 300 million.

GDP Growth: During year 2011, GDP grew by 6.4 percent in real terms, higher than the target of 6.0, but lower than the 7.0 percent recorded in 2010. It is also less than MKUKUTA II target of maintaining an 8-10 percent GDP growth up to 2015. Growth rate in agricultural, hunting and forestry economic activities was 3.6 percent in 2011 compared to 4.2 percent in 2010. The growth rate is very low compared to MKUKUTA II target of maintaining 6.3 percent up to 2015. Industry, broadly defined, grew by 6.9 percent in 2011 compared to 10.2 percent in 2010. The growth rate in manufacturing was 7.8 percent in 2011 compared to 7.9 percent in 2010, insufficient to achieve MKUKUTA II target of 9.6 percent by 2015. The growth rate of mining and quarrying was 2.2 percent in 2011 compared to 2.7 percent in 2010. In tourism, the number of foreign tourists increased by 10.9 percent from 782,699 tourists in 2010 to 867,994 in 2011.

Infrastructure: During FY 2011/12 the percentage of trunk and regional roads network in good and fair condition was 85 percent lower than the target of 88 percent. Percentage of rural roads that were passable throughout the year was 59 percent above the target of 58 percent. With respect to households with access to electricity the percentage increased from 16 percent during 2010/11 to 18.4 percent during 2011/12, well above the target of 16.5 percent; but insufficient progress towards reaching MKUKUTA II target of 30 percent by 2015.

3. Chapter III: Improvement of Quality of Life and Social Wellbeing

Pre and Primary Education: In pre-primary education, Gross Enrolment Ratio (GER) for pre-primary declined slightly from 44.4 percent in 2011 to 41.8 percent in 2012. The Net Enrolment Ratio (NER) also declined from 42.4 percent in 2011 to 39.9 percent in 2012. In primary education, GER decreased from 102.7 percent in 2011 to 98.4 percent in 2012, while NER decreased from 94 percent in 2011 to 92.0 percent in 2012. The decline in GER implies that the number of children aged above the eligible school age of 7-13 years, but attending primary education, was decreasing, which is a sign of improvement.

NER for Forms I-IV increased from 34.5 percent in 2011 to 36.6 percent in 2012 and GER increased from 50.2 percent in 2011 to 51.4 percent in 2012. NER for Forms V-VI increased from 2.01 percent in 2011 to 2.7 percent in 2012. Similarly, GER increased to 5.1 percent in 2012 from 5.03 percent in 2011. The pass rate in Form VI examination increased from 92.1 percent in 2011 to 92.3 percent in 2012. Students enrolled in technical education increased by 32.2 percent from 85,040 students in 2010/11 to 112,447 students in 2011/12.

Enrolment in Universities and University Colleges stood at 166,484 students during 2011/12 compared to 139,638 students during 2010/11. For Adult and Non Formal Education, enrolment in Complementary Basic Education in Tanzania (COBET) programme decreased from 82,459 in 2011 to 76,867 in 2012, a decline of 6.8 percent which implies a decline in the existence of out of school children in line with COBET objectives.

Health Services: Number of patients accessing Anti-Retrovirals (ARVs) increased from 412,108 in 2011 to 564,723 by March 2012 of whom 7.6 percent were children under fifteen years of age. This total figure was above the target of 478,000 patients. The number of patients attending Voluntary Counselling and Testing (VCT) increased from 16,626,830 to 17,008,475 during the same period, mainly due to stepped-up campaigns by government and other stakeholders.

Findings from the Tanzania HIV/AIDS and Malaria Indicator Survey (THMIS) survey Of 2011/12 showed that there has been a significant decline of malaria prevalence from 18 percent in 2007/08 to around 9.5 percent based on Rapid Malaria Test (RDT) for children less than five years old.

During the period under review, about 467,250 people had access to safe and clean drinking water mainly as a result of 1,869 water points being constructed/rehabilitated.

Human settlements: During 2011/12 a total of 34,049 plots were surveyed compared to 26,788 plots surveyed in 2010/11. Similarly, the government registered 23,610 land titles against the target of 21,000. About 1,950 Village Land Certificates were issued making a total of 9,460 villages that had been issued with Village Land Certificates out of the 11,817 villages in the country.

4. Chapter IV: Good Governance and Accountability

During 2011/12, the government continued to strengthen capacities of public institutions dealing with issues of governance and accountability through the implementation of core reforms. An evaluation conducted by Prime Minister's Office-Regional Administration and Local Government (PMO-RALG) on Local Government Reform Program LGRP Support for The Local Government Development Grant System 2011/12, revealed fairly substantial progress towards all outcome indicators. About 56.3 percent of the respondents reported achievement. LGAs were also reported to have established Procurement Management Units (PMUs) and Tender Boards to handle their procurement.

The government, in collaboration with other stakeholders, continued with efforts to combat corruption in the country. Various measures were taken and interventions made. These included: seminars and anti-corruption campaigns to communities and various institutions, strengthening and establishments of new anti-corruption clubs, conducting the National Governance and Corruption Survey and research studies to identify areas that have continued to fuel corruption in the country.

Equal access to timely justice for all: the government continued to take several measures to ensure equal access and timely justice for all Tanzanians. One such measure was to reinstate to duty retired Judges and Magistrates, especially for Primary Courts, as well as frequent inspection of all prisons in the country. As a result of these and other measures, the number of court cases outstanding declined In primary courts the number of resolved cases out of total outstanding

increased from 219,693 cases during 2010/11 to 510,996 cases during 2011/12. Likewise for district courts, there number of resolved disputes increased from 47,667 cases during 2010/11 to 83,082 cases during 2011/12, an increase of 74.3 percent. Cases determined at higher court levels led to a decline in the ratio of prisoners in remand for two or more years declined from 9.7 percent during 2010/11 to 6.8 percent during 2011/12.

5. Chapter V: MKUKUTA Financing

Financing of MKUKUTA plays a pivotal role in MKUKUTA implementation. The traditional sources of finance have been from both government fiscal operations and other stakeholders. During 2011/12 total resources allocated for implementation of MKUKUTA II increased by 20.2 percent from TZS 8,494.3 billion during 2010/11 to TZS 10,207 billion during 2011/12. The share of Government budget directed towards financing MKUKUTA has been increasing consistently over time from 54.1 percent of total budget during 2005/06, to 75.5 percent during 2011/2012. Actual development budget as a ratio of GDP increased from 7.6 percent during 2010/11 to 9.5 percent during 2011/12 implying concerted Government commitment to implementing development projects indicated in MKUKUTA II. Revenue collection as a percent of GDP increased from 16.6 percent during 2010/11 to 17.4 percent during 2011/12, above the target of 17.2 percent. Implementation challenges were, however, encountered. These included inadequate resources, both domestic and foreign; actual budget execution in most sectors being below the approved budget; increasing risks associated global economic slowdown, as well as erratic power supply.

6. Chapter VI: Monitoring and Evaluation

Monitoring and Evaluation activities are periodically assessed through MKUKUTA Monitoring Master Plan (MMMP). During 2011/12, the implementation of monitoring activities was done through a new MKUKUTA Monitoring System, closely following government structures. The executing institutions execute functions previously carried out by Technical Working Groups (TWGs). These functions include data and information generation, research and analysis and communication. Data and information generation is coordinated by National Bureau of Statistics (NBS) and Research and Analysis function by Research on Poverty Alleviation (REPOA) under

the auspices of the Commission for Science and Technology (COSTECH). The Communication function is sub-divided into three categories: stakeholders at high level, community organizations and research and academic institutions. All these three components are coordinated by Poverty Eradication Department (PED) of the Ministry of Finance, with overall coordination being left to MKUKUTA Secretariat.

During 2011/12 various activities were performed including; printing of MKUKUTA-II Monitoring Master Plan (MMMP-II); and PHDR 2011; developing Financial Manual for facilitating implementation of MMMP-II; conducting the Annual National Policy Dialogue 2011; producing MKUKUTA II Communication Strategy and preparing final report of National Panel Survey Report 2010/11.

7. Chapter VII: Areas for Further Dialogue and Prioritization.

The following key areas require further dialogue as they have potentials for generating rapid social and economic transformation.

- i) **Energy:** Further dialogue is needed to improve quantity, quality and efficiency of electricity supply;
- ii) **Railway:** Further dialogue is needed to ensure that more resources are directed towards repair and procurements of rolling stock, new coaches, locomotives, equipment, reconstruction of gang camps in order to rejuvenate the railway infrastructure. The challenge is under-capitalization in the railway infrastructure and therefore more concerted efforts are required in order to improve the situation.;
- iii) **Ports:** Further dialogue is required in the areas of revamping and enabling ports to operate more efficiently. The strategic location of Tanzania's ports can radically transform the leconomy if adequate resources are allocated.;
- iv) **Airports:** Further dialogue is required on reversing the unsatisfactory basic airport infrastructure in many airports in Tanzania. Well developed airports enable an economy

to facilitate passage of passengers, especially tourists and promotion of domestic and international trade in goods and services. ;

- v) **Agriculture and irrigation:** further reflection is needed in interventions that can (i) facilitate increased productivity in the sector, (ii) add value to agricultural products, (iii) transform from being largely subsistence-based to commercially viable ventures, (iv) create an enabling environment for agriculture (access to land, taxation reform, change of mindset in favour of agriculture), and (v) incentivise the middle class to engage in agriculture. Agriculture remains one of the key pathways for the majority of people in Tanzania
- vi) **Road Transport:** Further dialogue is needed on efforts to improve road network, and extending this network to rural areas where the majority poor people sustain their livelihoods.
- vii) **Water and sanitation:** further dialogue for on enhancing management and conservation of water sources in order to foster and sustain the desired trajectory of economic growth and poverty reduction is pertinent at this juncture. Availability of water in its different forms of use is very important for social, economic and wellbeing of the society. Tanzania is abundantly endowed with water bodies and rivers suitable for many purposes such as fishing, irrigation; hydropower generation, industrial and domestic use. ;
- viii) **Science, Technology and Innovation:** Further dialogue on establishment of a well functioning Science, Technology and Innovation (STI) infrastructure and more so in Information Communication Technology (ICT) remains paramount in order to spur rapid social and economic development. Science, Technology and Innovation (STI) positively influence economic growth via raising the productivity of labor and other factors of production, increasing efficiency and lowering transaction cost. The current ICT system, however, is inadequate to cater for domestic demand. In various sectors and especially in urban areas, the network systems are not adequately equipped while in rural areas the communication network remains unsatisfactory, despite the presence of National Fibre Optic Network.

- ix) Education and Skills Development:** Further dialogue is needed on the following: i) improving accessibility and equity at all levels of education, ii) increasing student enrolment in science, engineering, agriculture and health profession, iii) improving learning and teaching environment for Folk Development Colleges/Centres, iv) training in diploma and Grade A teachers in colleges. Various initiatives such as Higher Education Development Program (HEDP II) and Secondary Education Development Programs (SEDP II) are being implemented to enhance skills, knowledge and attitudes.
- x) Health:** The areas requiring further dialogue include improving the quality of services and management of health system and capacity building for health and social workers. The government recognizes the vitality of expanding health services based on equity and gender balanced needs.

CHAPTER I

INTRODUCTION AND BACKGROUND

1.1. Introduction

The second phase of the National Strategy for Growth and Reduction of Poverty – (NSGRP/MKUKUTA II) is being implemented through a number of development and reform programmes. Progress of implementation is reported annually through MKUKUTA Annual Implementation Report (MAIR). This is the second report which aims at tracking progress in MKUKUTA II goals and informing stakeholders on the progress made and challenges being encountered. MAIR contributes to the overall government reporting system by providing national progress at goal level, bringing together sectoral information to Cluster level in order to provide analysis and support informed dialogue for necessary policy interventions based on indicators set in MKUKUTA II Monitoring Master Plan.

MAIR tracks progress in poverty reduction to inform improved implementation of MKUKUTA II and Five Year Development Plan (FYDP). Like previous MAIRs, the current report provides progress towards performance outcomes including challenges, and lessons learned. It intends to inform policy actions including budget decisions and MTEF adjustments. For the first time MAIR also reports on other Government Plans, in particular FYDP.

1.2. Purpose, Objectives and Use of the Report

The specific objectives of this report are, to:

- (i) Provide an assessment of progress on poverty reduction efforts;
- (ii) Generate information for organizing sector priorities into a coherent and sustainable implementation strategy;
- (iii) Stimulate dialogue and debate, among stakeholders on key strategic issues including prioritization and sequencing of interventions, and resource mobilization and utilization;
- (iv) Identify key issues and options for scaling up investment in order to achieve goals and targets of both MKUKUTA II and FYDP; and,

- (v) Provide inputs and information for national budget process, including the Plan and Budget Guidelines and Budget Formulation.

1.3. Scope and Limitations of the report

Given the availability of information, the report provides a qualitative and/or quantitative analysis in an attempt to link outcomes with plans and budget where data permit. The contribution of Non State Actors (NSAs) in achieving MKUKUTA II outcomes is notable. However, ascertaining this contribution both physically and financially is quite challenging. As such, this report does not cover this area comprehensively.

1.4. Coordination and Process of Preparing this Report

The Ministry of Finance coordinated the production of this report, with other Ministries, Departments, Agencies (MDAs), Local Government Authorities (LGAs), as well as Research and Academic Institutions providing the required data, information and analysis. The report benefited from MDAs' Performance Reports, Survey and other reports, Public Expenditure Review (PER) studies, Economic Survey and available information from NSAs.

1.5. Organization of the Report

After the introductory Chapter, the rest of the report is organized as follows. Chapters II, III, and IV present progress according to the three clusters of MKUKUTA II respectively, Growth for Reduction of Income Poverty, Quality of Life and Wellbeing and Governance and Accountability. Chapter V covers MKUKUTA II Financing and Government Budget. Chapter VI reports on implementation of MKUKUTA II Monitoring Master Plan. The last Chapter, VII provides synthesis of key issues for further dialogue.

CHAPTER II

GROWTH FOR REDUCTION OF INCOME POVERTY

2.0 Introduction

This chapter is devoted to reporting progress in the five goals of Cluster I. Assessment of performance is based on the indicators outlined in MMMP-II. Challenges and lessons learned as well as the way forward are also presented.

Overview of Performance, 2011/2012

- i) Real GDP growth was 6.4 percent in 2011 above the target of 6.0 percent, but lower than the 7.0 percent growth recorded in 2010 and MKUKUTA target of 8-10 percent annual annual growth up to 2015.
- ii) Annual headline inflation was 17.4 percent in June 2012; higher than 10.9 percent recorded in June 2011.
- iii) Exports of goods and services increased to USD 7,918.6 million during 2010/11, from USD 7,050.7 million in FY 2010/11, representing an increase of 12.3%.
- iv) Domestic revenue to GDP ratio was 17 percent during 2011/12 compared to 16.3 percent during 2010/11.
- v) Fiscal deficit before grants was TZS 3,687.8 billion during 2011/12, equal to 67 percent of annual estimate of TZS 5,513.5 billion.
- vi) The agricultural sector (including hunting and forestry) grew by 3.6 percent in 2011 as compared to 4.2 percent in 2010.
- vii) Industry and construction grew by 6.9 percent in 2011 compared to 10.2 percent in 2010.
- viii) Manufacturing sector grew by 7.8 percent in 2011 compared to 7.9 percent in 2010.
- ix) Percentage of trunk and regional roads networks in good and fair condition was 85 percent in June 2012.
- x) Percentage of rural roads that are passable (good and fair) in June 2012 was 59 percent.
- xi)* Percentage of population with access to electricity during FY 2011/2012 was 18.4 percent.

2.1 Goal 1: Pursuing Sound Macroeconomic Management

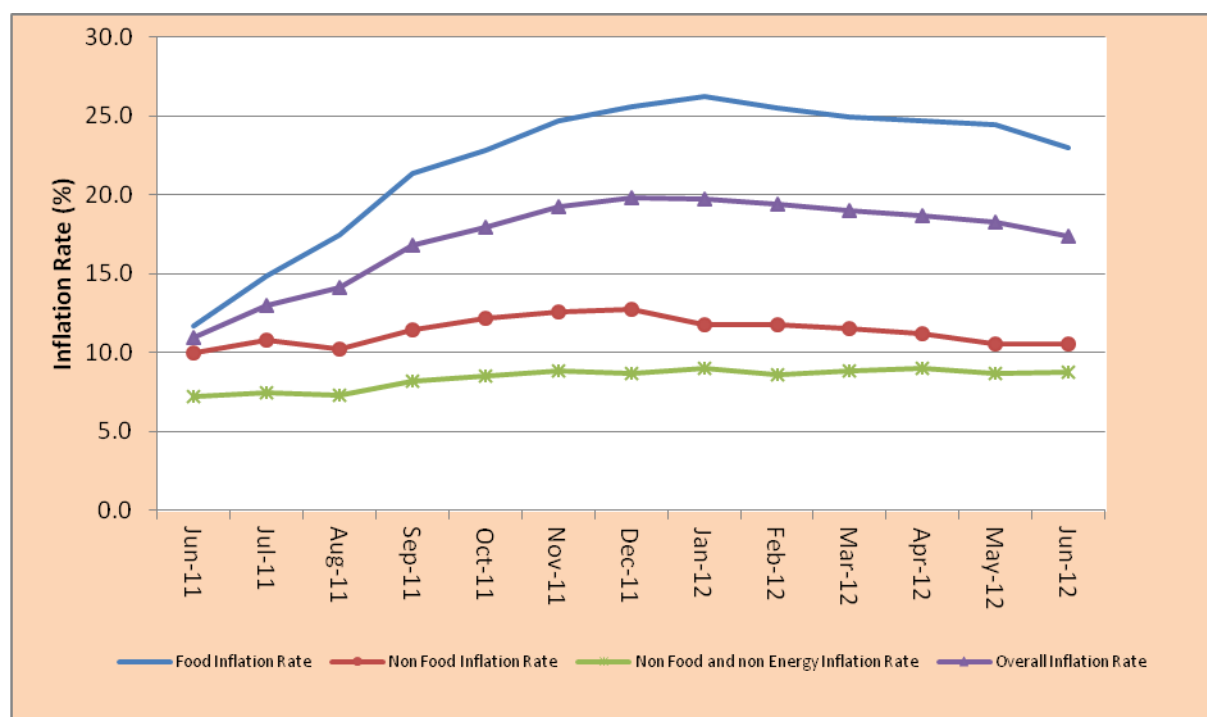
Ensuring macroeconomic stability is critical for high and sustainable economic growth, employment creation and poverty reduction. Measures implemented for ensuring

macroeconomic stability included non-inflationary fiscal and monetary policy measures; production and supply side management, exchange rate management; supply of efficient and reliable energy; trade-related services for export trade; financial sector reforms; tax administration reforms, domestic finance mobilization, expanding the tax base; and national debt management. This section presents a review of performances in macroeconomic measures implemented.

2.1.1 Annual Rate of Inflation (FY)

Inflation rate was 17.4 percent in June 2012 compared to 10.9 percent recorded in June 2011. MKUKUTA target is to contain inflation rate to single digit at a rate not higher than 5 percent up to 2015. The inflationary pressure is largely attributed to food supply shortages in some parts of the country and neighbouring countries, increase in world oil prices, power shortage and depreciation of the Tanzanian shilling against major currencies. Figure 2.1 shows trend of inflation over the period 2011/12 according to components. As can be seen from Figure 2.1 food inflation is the main driver of inflation rate in Tanzania.

Figure 2.1: Inflation Trend, (June 2011 – June, 2012)



Source: Ministry of Finance

The Government has continued to implement prudent fiscal and monetary policies, emergency power plan to generate thermal power, as well as measures to improve food supply in areas experiencing food shortage in order to control inflation.

2.1.2 Proportion of actually disbursed amounts of AID compared to total commitment

During Fiscal Year 2011/12, total grants and concessional loans were budgeted at TZS 3,923.6 billion; the amount disbursed as of June 2012 was TZS 3,035.8 billion equivalent to 77 percent of estimates, compared to 82 percent disbursed during FY 2010/11. The recorded shortfall was mainly due to “disbursement prior actions” (particularly for basket and projects) by implementing agencies. Table 2.1 shows performances of Project Basket and GBS funds

Table 2.1: Tanzania: Grants and Concessional Loans in TZS Million, 2011/12

		Commitments 2011/12	Disbursements up to June 2012	Performance up to June 2012 as percent of Commitments
GBS	Grant	700,791.0	720,312.8	103%
	Loans	168,623.0	246,847.7	146%
	Total	869,414.0	967,160.5	111%
Basket	Grant	392,000.0	288,993.0	74%
	Loans	296,000.0	172,211.2	58%
	Total	688,000.0	461,204.2	67%
Project	Grant	1,625,137.0	1,017,180.7	63%
	Loans	741,000.0	590,393.6	80%
	Total	2,366,137.0	1,607,474.3	63%
	Grand Total	3,923,551.0	3,035,839.0	77%

Source: Ministry of Finance

2.1.3 Official Foreign Reserves

At the end of June 2012, gross official foreign reserves amounted to USD 3,786.7 million, equivalent to 4.0 months of imports of goods and services compared to USD 3,948.0 million, equivalent to 4.7 months of goods and services imports in June 2011. The decline was partly explained by valuation loss from foreign assets that were denominated in EURO and Pound Sterling following depreciation against the US dollar, as well as increased import bill relative to the value of exports. MKUKUTA target is to maintain official foreign reserves equal to 6 months of imports of goods and services.

2.1.4 Effective Exchange Rate

The exchange rate averaged TZS 1,572.2 per USD from January 2012 to June 2012, with a minimum of TZS/USD 1,565.0 and a maximum of TZS/USD 1,581.4, partly due to high demand for foreign exchange for imports, and speculative practices. The TZS to USD exchange rate stabilized in the second half of 2011/12 as the Bank of Tanzania implemented various measures including reduction of banks' prudential limit on foreign currency net open position; strict enforcement of the existing restrictions on non-residents' access to Tanzanian shilling denominated credit facilities; and increased sales of foreign exchange in the Inter Foreign Exchange Market (IFEM).

2.1.5 Budget deficit as percentage of GDP, before and after grants

During FY 2011/12, the overall fiscal deficit was 5 percent of GDP against MKUKUTA target of 8 percent up to 2015. The overall actual budget deficit before grants was TZS 3,687.8 billion equivalent to 67 percent of annual estimates of TZS 5,513.5 billion, while actual deficit after grants was TZS 1,661.3 billion, equal to 59 percent of annual estimates of TZS 2,795.6 billion.

2.1.6 Revenue to GDP Ratio and Government Expenditure

2.1.6.1 Revenue to GDP Ratio

The domestic revenue collection reached 17 percent of GDP in 2011/12 as compared to 16.3 percent in 2010/11 owing to improvements in both tax and non tax collections. This performance is mainly attributable to improvement in administrative and policy measures such as monitoring of block management system; improvement in tax compliance; intensified Risk-based and Quality Tax Audits; use of Electronic Fiscal Devices (EFDs); abolishing VAT Special Relief on charitable organisations, introduction of excise duty on bottled water and amendment of some tax laws.

2.1.6.2 Government Expenditure

Total expenditure for FY 2011/12 was 86 percent of budget estimate, with 90 percent being recurrent and 10 percent development expenditure. Recurrent spending was scaled down to align with available resources. Shortfall in development expenditure was due to low disbursement of foreign funds.

2.1.7 Current Account Balance

During the FY 2011/12, the current account recorded a deficit of USD 4,210.5 million (or 16.5 percent of GDP) as compared to a deficit of 2,208.7 million (or 9.5 percent of GDP) during 2010/11 (Table 2.2). The increase in deficit was due to increase in both the quantum and price of

goods imported, particularly machinery and oil. The deficit was financed through increase in foreign direct investment and capital transfers, as well as use of official foreign reserves.

Table 2.2: Tanzania: Current Account Balance 2010/11-2011/12

Item	2010/11	2011/12	% Change
Goods Account (net)	-3,115.4	-5,031.4	61.5
Exports	4,896.2	5,583.7	14.0
Imports	8,011.6	10,615.1	32.5
Services Account (net)	170.5	128.3	-24.7
Receipts	2,154.5	2,465.6	14.4
Payments	1,984.0	2,337.2	17.8
Goods and services (net)	-2,944.9	-4,903.0	66.5
Export of goods and services	7,050.7	8,049.2	14.2
Import of goods and services	9,995.6	12,952.3	29.6
Income Account (net)	-258.9	-233.7	-11.7
Receipts	199.1	206.5	3.7
Payments	458.0	440.2	-5.1
Current Transfers (net)	995.1	926.3	-6.9
Inflows	1,078.9	1,037.5	-3.8
o/w			
General Government	736.5	625.1	-15.1
Outflows	83.8	111.3	32.8
Current Account Balance	-2,208.7	-4,210.5	90.1

Source: Bank of Tanzania

2.1.8 Growth in Exports

The value of exports of goods and services during FY 2011/12 was USD 7,918.6 million compared to USD 7,050.7 million recorded during the FY 2010/11. The improvement was largely on account of increase in the price of gold in world market, and improved travel receipts.

During 2010/11, the value of traditional exports amounted to USD 761.1 million, about 9.2 percent higher than the level exported during 2010/11. The increase was mainly attributed to the increase in both export volumes due to increased production and increase in prices due to increased demand of these commodities in the world market. The main crops which accounted for this increase were cotton, tea, cloves and cashew nuts. The increase in production of tea, cotton and cashew nuts was due to good weather, while that of cloves was also attributed to cyclical effect.

The value of non-traditional exports (mainly gold and manufactured goods) during 2011/12 was USD 4,045.7 million, compared to USD 3,560.5 million recorded during FY 2010/11. . The value of gold exports increased by 26.9 percent to USD 2,268.4 million due to a rise in the world market price and export volume. The price increased by 21.9 percent to USD 1,671.08 per troy ounce, while the volume rose slightly to 39.2 metric tons from 37.4 metric tons recorded during FY 2010/11.

2.1.9 Foreign Direct Investments

During the year 2011, the value of Direct Foreign Investments (FDIs) increased by 97 percent to USD 854.2 million from USD 433.9 million in 2010 (Table 2.3). The increase was a result of increased investments in gas exploration in the country, especially in Mtwara region which registered an investment of over USD 300 million.

Table 2.3: Foreign Direct Investments to Tanzania: 2009-2012

	2009	2010	2011
FDIs in million USD	558.4	433.9	854.2*
Percentage Change		-22%	97%

*** Provisional**

Source: Economic Survey 2011

2.2 Goal 2: Reducing Income Poverty through promoting inclusive, sustainable and employment-enhancing growth

The thrust of this goal is to reduce poverty through broad-based and sustainable growth through strengthening private sector capacity to contribute to pro-poor growth. Sustainable growth is mainly propelled by growth sectors, namely agriculture, manufacturing, tourism, mining, and infrastructure.

2.2.1 GDP Growth

During the year 2011, Gross Domestic Product (GDP) grew by 6.4 percent in real terms, which is higher than the target of 6.0, but lower than the 7.0 percent recorded in 2010. It is also less than the target of maintaining a 8-10 percent GDP growth to 2015 set in MKUKUTA II. The

slowdown in growth was a result of drought in some parts of the country, which affected agricultural sector and power generation and eventually affected industrial production and other productive sectors that depend on inputs from agriculture, as well as intensive users of electricity.

2.2.2 Growth of sectors

2.2.2.1 Agriculture

The growth rate recorded in the sector of agriculture, hunting and forestry was 3.6 percent in 2011 compared to 4.2 percent in 2010. The slowdown in growth was mainly due to unfavourable weather conditions during 2009/10 season which affected crop production. Efforts have been made to improve farming systems, expand irrigation schemes and promote use of pesticides and improved seeds.

Small holder farmers participating in contract farming and out grower schemes

Participation in contract farming or out-grower schemes is considered as a reliable measure for increasing farmers' incomes through providing farmers with direct access to markets, inputs, credit and value chains. It is argued that, contract farming also increases farmers' productivity and hence overall production. Contract farming is still a nascent phenomenon in Tanzania. During 2008/09, only 1 percent of farmers were involved, , rising during 2010/11 to which 1.4 percent.

Small holder farmers who accessed formal credit for agricultural purposes

Access to formal credit from commercial banks, Savings and Credit Cooperative Societies (SACCOS) or other formal lenders is still very limited in Tanzania's agricultural sector. During 2010/11, only 2.2 percent of the farmers surveyed reported to have received credit for purchasing inputs such as improved seeds, fertilizers, or fungicides.

- ***Increase in productivity of maize, rice and livestock***

Despite the huge endowment of arable land, small-scale subsistence farmers still dominate the agricultural sector in Tanzania. Due to limited use of mechanization, farmers cultivate farm plots of 2.6 hectares on average, with 85 percent of the farmers owning less than 4 hectares of

land. Subsistence is the production mode, with only about one third of the farmers selling some of their produce.

Area under cultivation during the long rain season is estimated to be 7 million hectares, of which 3.1 million are planted with maize and 0.7 million are planted with rice. There is modest increase in productivity following recent policy measures (see Table 2.7). During 2010/2011, average maize yields ranged between 801kgs and 939 kgs per hectare, compared to 782 kgs per hectare during 2008/2009. Average paddy yields ranged from 1,354 kgs to 1,725 kg per hectare, compared to 1,313 kg during 2008/2009 (Table 2.4)

Table 2.4: Percentage increase in Productivity of Maize and Rice) 2008/09-2010/11

	kg / area planted in hectare		
	2008/2009	2010/2011	Change (%)
All Plots (maize)	782	801	2.43
Pure-stand Plots (maize)	782	885	13.17
Intercropped Plots (maize)	715	748	4.62
Plots w/ Organic Fertilizer (maize)	1,012	920	-9.09
Plots w/Inorganic Fertilizer (maize)	1,160	1,178	1.55
Plots w/ Any Fertilizer (maize)	1,066	1,054	-1.13
All Plots (Paddy)	1,313	1,354	3.12
Pure-stand Plots(Paddy)	1,438	1,455	1.18
Intercropped Plots(Paddy)	805	744	-7.58
Plots w/ Organic Fertilizer(Paddy)	1,967	2,412	22.62
Plots w/Inorganic Fertilizer(Paddy)	1,803	1,881	4.33
Plots w/ Any Fertilizer(Paddy)	1,793	1,899	5.91

Source: NBS 2012. NPS Report

- **Households using irrigation**

Tanzania has large surface and underground water resources, with an estimated irrigation potential of up to 2 million hectares. About four percent of farmers use irrigation in at least one of their fields (Table 2.5). It is estimated that the irrigated area is less than 2 percent of cultivated area. Table 2.5 further shows that the share of households using irrigation declined from 4.8 percent to 3.8 percent between 2008/09 and 2010/11 . Note that only farmers cultivating their

fields were included in the computation of shares in Table 2.5. Rented out, fallow fields were not considered in computation of shares.

Table 2. 5: Percentage of households using irrigation, 2008/09 – 2010/11

	2008/09	2010/11
Proportion of households using irrigation	4.8	3.8
Proportion of households using irrigation (surface)	1.8	1.8
Proportion of maize fields using irrigation (surface)	2.2	3.2
Proportion of paddy fields using irrigation (surface)	3.8	3.2

Source: NBS 2012. NPS Report

- **Households using fertilizers and improved seeds:**

Tanzania has re-instated limited fertilizer subsidies. As a result, use of fertilizers has increased. For example, between 2009 and 2011, fertilizer use increased by 0.4 percent (Table 2.6). Nevertheless, the utilization level remains rather low. Fertilizer was not used in about three quarters of the fields. In 2011, a total of 5,340,000 fertilizer vouchers were distributed based on national, regional, district and village needs. Households which benefited from input subsidies increased from 1,500,000 households in 2010 to 2,000,000 households in 2011 mainly as a result of increase in farm input shops at village level.

Table 2.6: Percentage of households using fertilizer, seeds, and pesticides (field-level), 2008/09-2010/11

	2008/09			2010/11		
Proportion of household using at least:	Mean	lower	upper	Mean	lower	upper
Any fertilizer	0.28	0.24	0.32	0.32	0.28	0.36
organic fertilizers	0.20	0.16	0.23	0.21	0.17	0.24
Non-organic fertilizers	0.15	0.11	0.18	0.18	0.14	0.22
Pesticides/insecticides	0.14	0.12	0.17	0.13	0.10	0.16
Households (HH) received seeds/fertilizers/pesticides/insecticides	0.02	0.01	0.04	0.02	0.01	0.04

Source: NBS 2012. NPS Report

2.2.2.2 Industry and construction

Industry and construction activities grew by 6.9 percent in 2011 compared to 10.2 percent in 2010. The decline in growth was caused by unreliable power supply. Nevertheless, the share of

industry and construction to GDP increased marginally from 22.4 percent in 2010 to 22.7 percent in 2011. Construction grew by 9.0 percent compared to 10.2 percent in the previous year 2010. The growth was mainly attributed to increased construction activities in roads and bridges; residential and non residential buildings; and expansion of water and road infrastructure. However, the share of construction in GDP remained at 8.0 percent in 2011 same as in 2010. This means that in relative terms, other sectors grew at a higher rate.

2.2.2.3 Manufacturing

The growth rate in manufacturing at was 7.8 percent in 2011 compared to 7.9 percent in 2010. The decline in growth was due to power rationing that started in the fourth quarter of 2010. Nevertheless, production in some industries such as food and dairy products, cement, beverages and animal feeds increased. The share of manufacturing to GDP however, increased from 9.0 percent in 2010 to 9.3 percent, in 2011 implying that the contribution of some sectors shrunk.

2.2.2.4 Mining sector

The growth rate of mining and quarrying sector stood at 2.2 percent in 2011 compared to 2.7 percent in 2010. The decline was due to decrease in mineral production in large scale mines. The share of mining and quarrying to GDP remained at 3.3 percent in 2011 as it was during the last year. During 2011 a total of 6,146 exploration licenses (certificates) were issued compared to 5,416 licences in 2010, an increase of 12 percent. The value of minerals sold was USD 1,965.23 million compared to USD 1,536.93 million in 2010, an increase of 27.9 percent. The increase was mainly attributed to gold price increase in the world market.

2.2.2.5 Tourism

The number of foreign tourists who visited the country increased by 10.9 percent from 782,699 tourists in 2010 to 867,994 tourists in 2011. In terms of earnings a marked increase was realized, from USD 1,254.5 million in 2010 to USD 1,324.8 million in 2011; an increase of 5.6 percent. These results are attributed to stepped-up Government efforts in promoting Tanzania's tourist attractions as well as increase in number of hotels, improved various services provided by tourism agencies and improved infrastructure in the tourist magnets.

2.2.3 Infrastructure

2.2.3.1 Percentage of trunk and regional roads network in good and fair condition

The total road network in Tanzania is estimated at 86,472 km comprising of trunk roads (12,786 km), regional roads (21,105 km) and the rest (district, urban and unclassified roads). The trunk and regional road networks are managed by the Ministry of Works through the Tanzania National Roads Agency (TANROADS). The remaining network of about 53,460 km of Urban, District and Feeder Roads is under the Prime Minister's Office Regional Administration and Local Government (PMORALG). Table 2.7a shows road network by class type.

Table 2.7a: Road Network by Type (km) in Tanzania, 2012

Road Class	Paved	Unpaved	Total
Trunk Roads	5,478	7,308	12,786
Regional Roads	840	19,386	20,226
District, Urban, Feeder, Roads	774	52,686	53,460
Total	7,092	79,380	86,472

Source: Transport Sector Review Report 2012

During FY 2011/12 the percentage of trunk and regional roads network in good and fair condition was 85 percent which was below the target of 88 percent, by three percent. The remaining 15 percent was in poor condition. Table 2.7b provides general condition of roads.

Table 2.7b: Percentage of Trunk Roads and Regional Roads in Good/Fair Condition in Tanzania, 2009/10 – 2011/12

Condition	FY 2009/10	FY 2010/2011	FY/2011/12	
	Actual	Actual	Target	Actual
Good	39%	40%	41%	38%
Fair	45%	46%	47%	47%
Good/fair	84%	86%	88%	85%

Source: Transport Sector Review Report 2012

Table 2.7c: Percentage of Trunk Roads and Regional Roads in Good/Fair Condition by Type June 2009 – June 2012.

Item/ Road Type	June 2009 (Actual)	June 2010 (Actual)	June 2011 (Actual)	June 2012 (Target)	June 2012 (Actual)
Trunk roads (Paved) condition					
Good	81	77	83	84	67
Fair	13	15	11	11	25
Trunk roads (Unpaved) condition					
Good	21	27	27	28	35
Fair	59	56	60	60	53
Regional roads (Paved) condition					
Good	53	31	58	59	58
Fair	27	52	25	25	25
Regional roads (Unpaved) condition					
Good	27	31	29	30	29
Fair	55	52	53	54	53

Source: Transport Sector Review Report 2012

2.2.3.2 Percentage of rural roads that are passable (good and fair)

Passable rural roads are a critical input to rural development as they facilitate movement of people and goods as well as access to social services and markets. For FY 2011/12 rural roads which were passable throughout the year constituted 59 percent above the target of 58 percent. Table 2.7d shows that there was an improvement in road conditions between financial years 2009/10 and 2011/12 suggesting that MKUKUTA target of 63 percent by 2015 is likely to be achieved.

Table 2.7c: Percentage of local Roads in Good and Fair Condition in Tanzania, 2009/10-2011/12

Road Condition	FY 2009/10		FY 2010/2011		FY/2011/12	
	Target	Actual	Target	Actual	Target	Actual
Good	29.0%	22.0%	34%	22%	24%	24%
Fair	31.0%	34.0%	29%	34%	34%	35%
Good/fair	60.0%	56.0%	63%	56%	58%	59%

Source: PMO-RALG/ Transport Sector Review Report 2012

2.2.4 Energy

2.2.4.1 Percentage of households with access to electricity (grid/off grid)

Access to electricity is a key enabler of sustainable economic and social development and environmental quality. It enables communities to operate schools and hospitals, and to provide communication services, safe water supplies and sanitation. Electricity helps households to improve their living conditions by enhancing opportunities for education and employment.

The percentage of households with access to electricity increased from 16 percent during 2010/11 to 18.4 percent during 2011/12, above the target of 16.5 percent. Table 2.8 shows that urban areas had higher access to electricity than rural areas; with Dar es Salaam's households having the highest access.

Table 2.8: Percentage of households with access to electricity in Tanzania 2008/09 - 2011/12

	2008/09	2010/11	2011/12
Tanzania	13.0	16.1	18.4%
Rural	2.4	4.3	
Urban	42.8	47.8	
Mainland	12.4	15.5	
Dar es salaam	61.1	65.5	
Other urban	31.4	36.3	
Rural areas	2.0	3.6	
Zanzibar	33.9	37.1	

Source: Ministry of Energy and Minerals

2.2.4.2. Number of new customers connected to grid and off grid systems

The number of new customers who were connected to electricity in 2011 was 73,457 compared to 65,925 customers in 2010. This increase is still below MKUKUTA target of 250,000 connection annually if the 30 percent of households with access to electricity is to be achieved by 2015.

2.2.5 Income Inequality as Measured by Gini Coefficient

Gini coefficient is a standard measure of income inequality that ranges from 0.0 to 1.0. A society that scores 0.0 on the Gini scale is said to have perfect equality in income distribution. Larger values of Gini coefficients above 0.4 imply that a particular society is characterized by high income inequality. According to National Panel Survey reports, Gini coefficient rose slightly from 0.36 during 2008/09 to 0.37 during 2010/11; implying that income inequality rose marginally in the country (Table 2.9).

This figure may obscure a number of methodological challenges such as the wealthier not reporting their incomes or not reporting the correct incomes for various reasons such as tax evasion.

Table 2.9: Gini Coefficient value 2008/09 – 2010/11

	2008/09	2010/11
Tanzania	0.36	0.37
Rural	0.31	0.31
Urban	0.37	0.36
Mainland	0.36	0.37
Dar es salaam	0.34	0.33
Other urban	0.35	0.35
Rural areas	0.31	0.31

Source: NBS 2012. NPS Report

2.3 Goal 3: Ensuring creation and sustenance of productive and decent employment, especially for women, youth and people with disabilities

Decent employment is a fundamental factor for reducing income poverty and enhancing economic growth. It is through creation of jobs that income poverty can significantly be reduced among the population. The thrust should be creation of decent jobs among women, youth and people with disabilities. According to data generated through routine systems the unemployment rate of Tanzania during FY 2011/12 was 11.7 percent out of total labour force of 15 years and above. Among youth aged 15-34 about 9,056,271 equal to 86.6 percent were employed and 1,398,677 equal to 13.4 percent unemployed.

2.3.1 Creation of jobs

During 2011/12 the Government continued to strengthen labour market information systems as well as promote development projects and programmes. A total of 250,678 jobs were created from development projects and programmes. These were as follows: Tanzania Social Action Fund (TASAF) 34,516; TANROADS 42,107; construction of government buildings 17,685; Tanzania Investment Center (TIC) 82,834; Export Processing Zones Authority (EPZA) 15,100; Government 38,289; Agriculture Projects 8,968; Small Industry Development Organization (SIDO) 9,946; Water Projects 49 and other companies from Regional Labour Area Offices 1,184.

During FY 2011/12, the Government conducted orientation training workshop to four Ministries (Energy and Minerals; Communication, Science and Technology; Transport; as well as President's Office, Planning Commission (POPC); two Regions (Dar es Salam and Coastal) and nine LGAs from Dar es Salaam and Coast Regions. The objectives of the workshop were to enhance awareness and orientation on the National Employment Policy 2008; roles of stakeholders in creating Employment and providing Labour Market Information; assessing and identifying employment creation opportunities and decent work strengths/gaps in their respective plans and budgets using MTEF 2012/13 and agree on Monitoring and Evaluation (M&E) and reporting mechanism on results of employment creation and decent work issues.

The Government also continued to implement the 2008 Employment Policy which among other issues emphasizes equal job opportunities for all groups (including disabled persons). By June 2012 about 308 disabled persons were training. Out of this, 145 have been employed and 163 are self employed.

2.3.2 Labour Market Information System (LMIS)

In order to strengthen labour market information generation, the Government is developing a system that will cover both formal and informal sectors. Further, the Government will conduct an Integrated Labour Force Survey in 2013. This will help, among others, to track progress on distribution of population by occupation disaggregated by sex, age, disability and level of education.

2.4 Goal 4: Ensuring Food and Nutrition Security, Environmental Sustainability and Climate Change Adaptation and Mitigation

This goal aims at achieving security in food and nutrition as well as environmental sustainability. It also aims at addressing and dealing with adverse effects of climate change. The targets for this goal are: food security at household, district, regional, and national levels ensured through increasing food crops, livestock and fishery production; Strategic Grain Reserve of at least four months of national food requirement maintained; Crop and livestock varieties suited to adverse conditions brought about by climate change introduced and adopted; climate change projection and early warning systems, and natural disaster response, coordination framework strengthened.

2.4.1. Percentage of households in rural and urban areas using alternative sources of energy to wood fuel (including charcoal) as their main source of energy for cooking

The percentage of households using alternative sources of energy for cooking remained at two percent between 2008/09 and 2010/11. Around 96 percent of households in the country rely on wood and charcoal for cooking, while the remaining households use paraffin and animal

residues. Slight increases were experienced in urban areas, particularly in Dar es Salaam, where the use of alternative sources of energy increased.

Table 2.10: Percentage of households using alternative sources other than wood fuel (including charcoal) for cooking

	2008/09	2010/11
Tanzania	1.6	1.8
Rural	0.7	0.5
Urban	4.0	5.4
Mainland	1.6	1.8
Dar es salaam	7.2	10.6
Other urban	2.4	2.5
Rural areas	0.7	0.4
Zanzibar	1.1	3.3

Source: NBS 2012. NPS Report

Urban areas have a higher proportion of households using alternative sources of energy for cooking compared to rural areas. Differences between the Mainland and Zanzibar are not significant. In Dar es Salaam, the use of alternative sources of energy for cooking is the highest.

2.4.2. Number of projects with environmental impact certificates and environmental audit certificates

Environmental Impact Assessment (EIA) is compulsory for projects with potential significant impacts. During 2011/2012, the government continued to register various projects and award EIA certificates. A total of 412 development projects were registered and 208 of them were assessed and reports reviewed before issuing EIA Certificates. Among the assessed projects, a total of 176 projects were issued with EIA Certificates after being found eligible according to the Environmental Management Act. Amongst the awarded projects about 34 were for Communication, 31 for Construction, 13 for Tourism, 11 for Infrastructure, 14 for Mining, 35 for Energy, 31 for Industry, 1 for Water, 2 for Health and 4 for Agriculture and Forest.

2.4.3. Percentage increase in households with basic awareness level on climate change

Climate change is already being experienced and has complex, long term consequences to livelihoods, environment and production sectors. The global surface temperature has had an average increase of 0.74 °C in the past century and most of the warming has occurred in the past three decades with eleven of twelve warmest years on record happening since 1995. The adverse impacts of climate change are now far reaching and evident in most parts of the world. The impacts are more pronounced in poor countries such as Tanzania with the least adaptive capacity. It is a serious risk to poverty reduction and threatens to undo decades of development efforts in achieving Millennium Development Goals (MDGs), attaining economic growth, sustainable livelihoods and sustainable development.

Tanzania like many other LDCs is among the most vulnerable to the impacts of climate change associated with disasters that include periods of drought, floods, and outbreaks of diseases in some parts of the country. Escalations of Climate change impacts particularly in the developing countries require effective adaptation actions. Precautionary and anticipatory adaptation is less costly and more effectively than forced adaptation. The precautionary approach may be achieved among others, through integrating climate change adaptation into national sector policies, plans and programmes.

In addressing the impacts of climate change, the Government of Tanzania has undertaken several initiatives, including development of Strategy for Urgent Actions on Land Degradation and Water Catchments (2006), National Adaptation Programme of Action (NAPA, 2007); In-depth analysis of climate change impacts on Agriculture, Health and Water sectors (2008); and National Strategy on Conservation of Coastal and Marine Environment, Lakes, Dams and Rivers (2010). Other initiatives include developing Climate Change Technological Needs Assessment . During 2011/12 Climate Change Adaptation Guidelines were crafted, as well as Climate Change Communication Strategy and the National Climate Change Strategy.

2.4.4. Food self sufficiency ratio

Food self-sufficiency Ratio (FSSR) is widely used to measure ability of a country to meet consumption needs (particularly for staple food crops) from own production rather than importation. FSSR is computed as a ratio of gross domestic production to gross domestic food

requirement. FSSR is presented in percentage terms and interpreted as: <100 food deficit, 100-120 food self-sufficiency and 120< food surplus status. During 2009/2010 the food self sufficient ratio was 102 where as during 2010/2011 it was 112. Recent studies on the state of food security in the country show food self sufficiency at the national level. This, however, may mask severe food insecurity at household and individual levels, largely due to poor nutritional quality and poor storage facilities.

During 2011/12 the National Food Reserve Agency, in responding to the goal of maintaining Strategic Grain Reserves of at least 4 months of National Food Requirement, planned to procure 200,000 tonnes of maize by 2010/2011. However, the Agency managed to buy 181,019 up to June 30th, 2011 equivalent to 90.5 percent of the target. This purchase and the reserves stock of 47,685.6 tonnes of maize and 9.2 tonnes of sorghum boosted the national reserve to be 228,713.8 tonnes.

Another effort in enhancing food security is to encourage private sector investments in agro-processing. The Government, during 2010/2011 negotiated with private entrepreneurs in Mtwara region to buy some shares from the cassava processor with capacity to process 50 tonnes of cassava per day. The aim was to use the facility to process cassava from Mtwara and other nearby regions so as to stimulate more production of cassava and increase farmers' incomes through cassava value addition. In the same year, the government trained a total of 150 farmers on the importance of storing food to be used during the off season or lean months at household level as initial stage towards establishing cereals and non-cereal banks. The community-based storage facilities will be managed by community participation sustainably over a long period of time; and lay the foundation for capable, community-based organisations, capable of addressing the development issues in a sustainable and democratic way locally.

In strengthening Early Warning and Natural Disaster Response Coordination Framework, during 2010/2011 the Government trained a total of 284 officials who are responsible for collecting weather data from the fields and performing on farm crop monitoring. These professionals were drawn from 73 Local Government Authorities from different zones namely, eastern zone (Morogoro, Tanga, Coast Region and Dar es Salaam) Central Zone (Dodoma and Singida); Lake Zone (Shinyanga, Mwanza, Mara na Kagera); and the Southern zone (Mtwara

and Lindi Regions). The training aimed at establishing an automated system of using computers and mobile phones to convey messages of early warning systems. Also the Government conducted inspection of weather stations and crop monitoring stations in Kagera, Kilimanjaro, Manyara, and Mwanza so as to make sure these stations provide timely early warning information regularly.

During 2011/12, the Government continued to implement a number of initiatives on climate change adaption and mitigation. These included the Environmental Management Act-Implementation Support Programme-EMA-ISP, in which formulation process of two regulations was still on-going. The regulations include those on Sustainable Management of Protected Wetlands and Promotion of Integrated Coastal Protected Zone Management. Also two popular versions, for Sectoral Ministries and LGAs Environmental Action Plans and Popular version for Biosafety Guidelines were prepared. The Government also prepared highlights for Biosafety Regulations and for Ozone Depleting Substances Regulations. Also during the year 2010/2011, the government coordinated preparations for establishment of National Carbon Monitoring Centre-NCMC together with National REDD+ Trust Fund-NRTF. This centre will be responsible for collecting the information regarding efforts in place towards reduction of Carbon.

2.5 Goal 5: Leveraging returns on national resources (both within and outside) for enhancing growth and benefits to the country at large and communities in particular, especially in rural areas

Utilization of natural resources in a sustainable manner improves livelihoods and reduces.. The Operational targets of this goal are (i) sustainable utilization of natural resources and (ii) increased contribution of human resources including the Diaspora.

2.5.1. Discrepancy between companies paid concessions and licenses for extractive industries, mining, forestry, fishing and wildlife

The Extractive Industry Transparency Initiative (EITI) has been following up on the discrepancies between what companies pay as concessions and licenses for extractive industries,

particularly gold, diamonds and various gemstones, including tanzanite. According to its report of May 2011, EITI declared that Tanzania had made “meaningful progress” in its implementation of EITI.

Between October 2011 and April 2012, EITI carried out reconciliation covering the period 1 July 2009 to 30 June 2010. Based on the results of the scoping study, 23 mining and oil and gas companies who paid taxes of more than TZS 200 million (TZS 0.2 Billion) were considered to be material for the second EITI reconciliation report. These companies contributed over 99 percent of the total revenue collected by the TRA, MEM and TPDC during the year ended June 30, 2010.

2.5.3. Royalties from extractive rights (fishery mining, forestry, and)

Fishery: In order to enhance management of the fishery sector, the Government reviewed the Tanzania Fishery Research Institute Act of 1980. Together with the improvements made during 2011/12 on Catch Assessment Survey Database, this instrument will provide scientific information required for setting up royalty policy in fishery sector. Furthermore, the government continued to collaborate with Indian Ocean Tuna Commission (IOTC) and South West Indian Ocean Fisheries Project (SWIOFP) in evaluating the fishery stock in Tanzania’s economic zone.

During FY 2011/12, the Government, through the Deep Sea Fishing Agency – DSFA, collected USD 1,256,118 from 39 fishing licenses compared to USD 2,111,400 from 72 licenses issued during 2010/11. The decline was mainly due to threats posed by pirates in the Indian Ocean.

Despite data limitations, evidence shows that the number of fishers increased from 176,632 during 2010/11 to 177,527 during 2011/12 and there was a corresponding increase in the number of fishing gear. However, total harvest declined marginally to metric tonnes 341,065 during 2011/12 from 347,156 during 2010/11. The decline was mainly due to over/illegal harvesting, use of destructive methods of harvesting, environmental destruction, and effects of climate change. The value of harvest during 2011/12 was TZS 1.2 trillion compared to TZS 0.75 trillion during 2010/11.

2.5.2. Number of community-based natural resource management arrangements and benefits

The Government continued to strengthen Beach Management Units (BMUs) through training, sensitization on use of appropriate fishing gear. During 2011/12, the Government established 16 BMUs and registered 46 BMUs. The objective of the BMUs, among others, is to ensure sustainable fishery resource management.

2.6 Challenges

Despite the progress made in many areas a number of sector- specific challenges still exist.

2.6.1 Agriculture

- (i) Enhancing Agricultural mechanization: about 64 percent of rural households use hand hoe and ox plough to till the land;
- (ii) Enhancing usage of agricultural inputs: more efforts are needed to improve the usage of modern agricultural inputs in order to raise productivity;
- (iii) Improving market infrastructure: this will reduce transaction cost and increase incomes of farmers;
- (iv) Improving agro- processing infrastructure: the country is exporting unprocessed agriculture and livestock products. It is currently estimated that 30 per cent and 70 percent of outputs of cereals, and fruits and vegetables, respectively, is lost post harvest due to inadequate agro-processing facilities;
- (v) Improving extension services on new technologies at the farmstead level;
- (vii) Low capacity for planning, budgeting and project execution at LGAs level;
- (viii) Parallel funding instruments at LGAs level which are not quite aligned with ASD.

2.6.2. Roads Sub-Sector

- (i) Participation rate of local constructors is still low due to low capacity in terms of requisite equipment and financial capital to execute major maintenance works;
- (ii) Improving paved road works through improved specialized equipment for works involving bitumen, even for small works;
- (iii) Supervision capacity Development: capacity for supervision in terms of vehicles and technical staff is still insufficient to cater for effective supervision of all work sites on roads;

- (vi) Axle Load control: the current operations for axle load control are mainly concentrated on major corridors leaving a number of roads without any kind of enforcement.

2.6.3 Energy Sector

- (i) Increase in world market price of oil;
- (ii) Quality control of locally available materials for with potential uses;
- (iii) Efficient use of energy;
- (iv) Dilapidated infrastructure;
- (v) Increasing power generation and reliability to meet customers' growing demand, and;
- (vi) Climate change resulting into rainfall shortage hence affecting power generation.

CHAPTER III

IMPROVED QUALITY OF LIFE AND SOCIAL WELLBEING

3.0 Introduction

This chapter presents progress of implementation of goals and targets in Cluster II with respect to major programmes and outcomes as well as progress and relevant sector reviews. The Chapter also reports assessment of achievements, challenges and highlights initiatives to address the challenges.

Overview of Performance

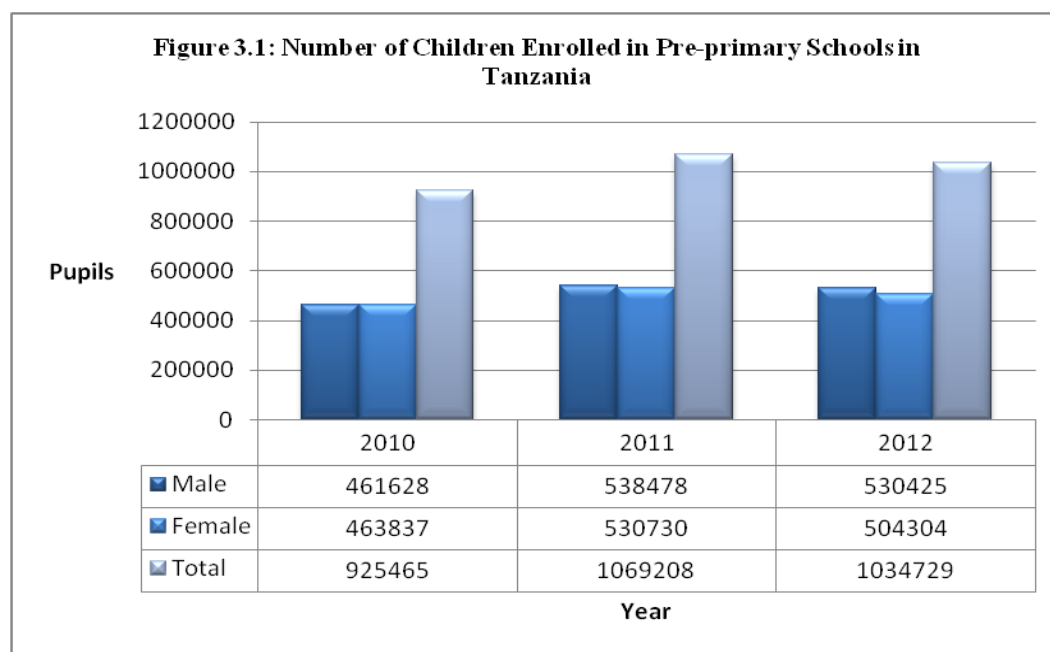
- (i) Both pre- primary and primary gross enrolment rates recorded marginal decline signifying that the backlog of pupils above the eligible school age (7-13 years) is decreasing, which is a sign of improvement.
- (ii) Performance of pupils in primary school leaving examinations continued to show improvement. Pass rate increased from 53.5 percent in 2011 to 58.3 percent in 2012.
- (iii) The Net Enrolment Ratio (NER) in ordinary level secondary education (Forms I-IV) and advanced level (Forms V-VI) increased.
- (iv) Preliminary findings from the THMIS 2011/12 survey show that there has been a significant decline in malaria prevalence among children under five years old from 18 percent to around 9.5 percent based on RDT .
- (v) Proportion of women receiving ARV prophylaxis for PMTCT increased from 70 percent during 2010/11 to 71 percent during 2011/12.
- (vi) During the period July 2011 - June 2012, improvement in service delivery in terms of increased number of people accessing clean and safe water; sanitation and hygiene facilities was recorded.
- (vii) The government continued to undertake surveys and mapping activities for purposes of land development in the country
- (viii) Surveys and mapping for plots was carried out whereby a total of 34,049 plots were surveyed during 2011/12 compared to 26,788 plots surveyed during 2010/11.

3.1 Goal 1: Ensuring Equitable Access to Quality Early Childhood Development (ECD) Programmes, Primary and Secondary Education for all girls and Boys

The government, through Education Sector Development Program (ESDP)¹, embarked on transforming the education sector into an efficient, effective, outcome-based system. Performance under this goal is assessed along the eight operational targets.

3.1.1 Pre primary education

During 2011/12 the Government implemented the Joint Integrated Early Childhood Development Service Delivery Initiatives in LGAs as well as addressing geographical inequities in allocation of resources to improve teacher learner ratio. Performance for the year under review shows that, Gross Enrolment Ratio (GER) for pre-primary education level declined slightly from 44.4 percent in 2011 to 41.8 percent in 2012. This decline was mainly due to the fact that the backlog of pupils above the relevant age group declined. The Net Enrolment Ratio (NER) declined from 42.4 percent in 2011 to 39.9 percent in 2012 (Figure 3.1).



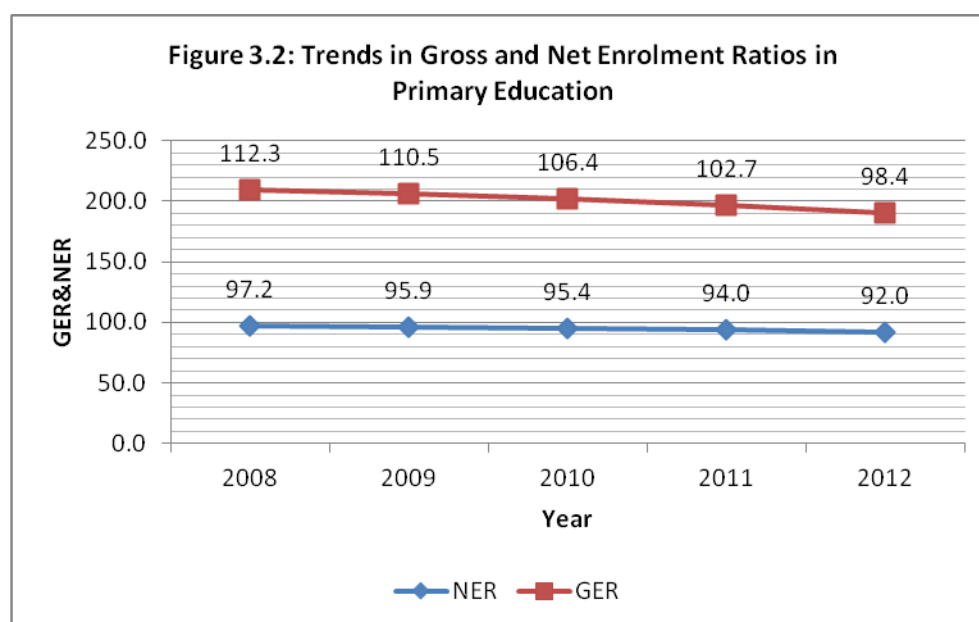
¹ Provision of education in Tanzania is guided by National frameworks and, Education Sector Policies and Programmes. The frameworks include the Tanzania Development Vision (2025) and the National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA), the Five Year Development Plan (FYDP) and the Long Term Perspective Plan (LTPP). The sector policies and programmes, include: the Education Sector Development Programme (1997), revised in 2001 and 2008; the Education and Training Policy (1995), currently under review; the Technical Education and Training Policy (1996); and, the Higher Education Policy (1999).

Source: BEST 2012

3.1.2 Primary education

As depicted in Figure 3.2, Gross Enrolment Ratio (GER) for primary education decreased from 102.7 percent in 2011 to 98.4 percent in 2012, while Net Enrolment Ratio (NER) decreased from 94 percent in 2011 to 92.0 percent in 2012. The decline in GER implies that the number of children who are beyond eligible school age (7-13 years) decreased, which is a sign of improvement. Tanzania continued to perform well on gender parity, whereby all regions in the country attained gender parity.

Pupil Classroom ratio deteriorated from 1:66 in 2011 to 1:70 in 2012 against the standard 1:40. There were significant spatial disparities across geographical regions².



Source: BEST, 2012

The Government continued to ensure that quality improvement at this level of education was a major focus especially in terms of addressing areas of teaching approaches and methods, ensuring availability of quality teaching and learning materials, assessment, and support for

maintaining educational standards under ESDP II. As a result of these and other measures, the performance of pupils in primary school leaving examinations continued to show improvement. Table 3.1 shows that the pass rate increased from 53.5 percent in 2011 to 58.3 percent in 2012. The average primary education survival rate in standards I-VII increased from 66.4 percent in 2011 to 72.3 percent in 2012³.

Table 3.1: Primary School Leaving Examination (PSLE) Results, 2008 – 2011

Year	Candidate Sat	Number Passed	Percentage Passed
2008	1017865	536672	52.7
2009	999070	493333	49.4
2010	895013	478912	53.5
2011	973809	567567	58.3

Source: BEST, 2012

During the same period Net Completion Rate decreased from 62.6 percent in 2011 to 54.8 percent in 2012. This calls for concerted efforts by all stakeholders to enhance retention in primary schools.

During 2011/12 about 96.6 percent of primary school teachers qualified as teachers with grade A and above. Pupil teacher Ratio improved from 1:48 in 2011 to 1:46 in 2012 while Pupil Qualified Teacher ratio (PQTR) improved from 1:49 in 2011 to 1:47 in 2012. This achievement is close to MKUKUTA II target of 1:45 by 2015.

At regional level disparities were diverse. Arusha, Dar es Salaam and Kilimanjaro regions surpassed the target by recording rates below the standard norm of 1:40 while Singida region recorded the highest ratio of 1:71. In order to address these disparities, in-service and recruitment programs are needed while at the same time improving the work environment for teachers, especially in rural areas.

The issue of quality at this level of education still remains a challenge that needs concerted efforts by all stakeholders in addressing.

³ On average both boys and girls recoded impressive survival rates, with that of boys increasing from 64 percent to 68.1 percent and that of girls from 68.8 percent to 76.5 percent during the same period.

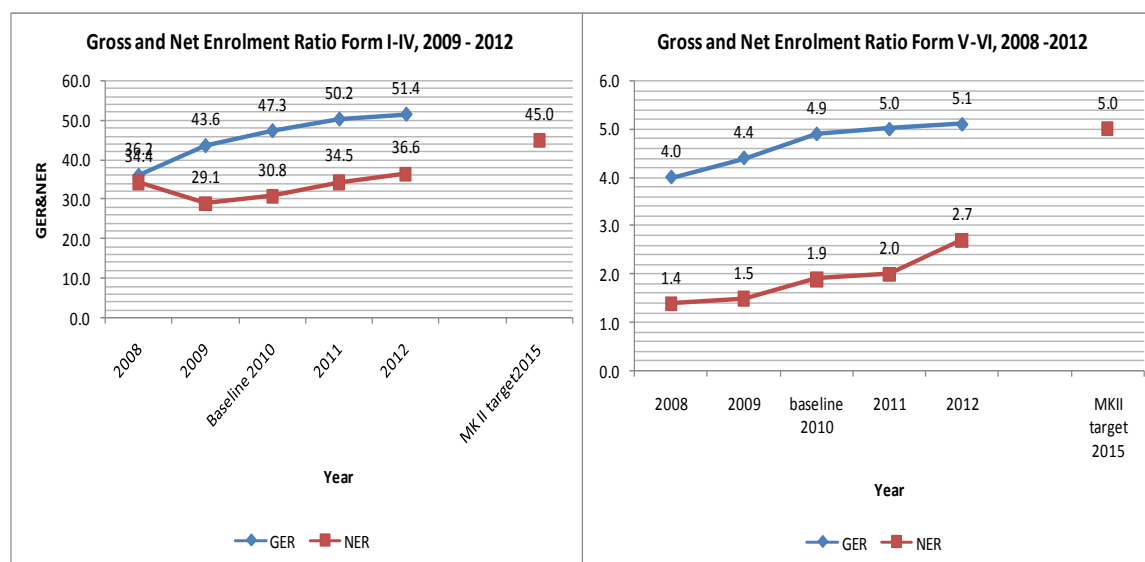
³ The adequacy of latrines and classrooms is still a problem in primary schools with a wide variation across regions.

During 2011/12, progress in school sanitation deteriorated. The average male Pit latrines Ratio was 1:54 to 1:56 against the standard 1:25; and that for females from 1:51 to 1: 55 against the standard of 1:20

3.1.3 Secondary Education

Performance in secondary education sub-sector continued to show improvement especially in terms of increased enrolment rates and number of teachers and classrooms. The Net Enrolment Ratio (NER) in ordinary level secondary education (Forms I-IV), as depicted in Figure 3.3, increased from 34.5 percent in 2011 to 36.6 percent in 2012. Gross Enrolment Ratio (GER) increased from 50.2 percent in 2011 to 51.4 percent in 2012. Unlike previous years where NER for males were higher than that for females, during 2011/12 NER for females exceed that of males.

Figure 3. 3: Gross and Net Enrolment Ratio for Secondary Education, 2008 - 2012



Source: MoEVT BEST 2012

The pass rate in Form IV examinations increased from 50.4 percent in 2010 to 53.6 percent in 2011.

The Net Enrolment Ratio (NER) for Advanced level secondary education (Forms V-VI) increased from 2.01 percent in 2011 to 2.7 percent in 2012. Similarly, GER increased marginally from 5.1 percent in 2011 to 5.03 percent in 2012. The pass rate in Form VI examinations improved from 92.1 percent in 2011 to 92.3 percent in 2012.

In general, there has been an increase in total enrolment in Forms I-VI by 54.1 percent from 1,222,403 students in 2008 to 1,884,272 students in 2012. This rapid increase in enrolment rates resulted from the government initiative of constructing at least one secondary school at each ward country-wide.

The number of students who enrolled in Form V in 2012 decreased by 1.2 percent from 41,348 students in 2011 to 40,890 students.

In general,, survival rate for Forms I-VI declined from 78.4 percent during 2010/11 to 77.3 during 2011/12. PQTR ratio was at 1:34 against MKUKUTA II target of 1:25

3.2 Goal 2: Ensuring Expansion of Quality Technical and Vocational Education and Training, Higher Education, and Adult, Non-Formal and Continuing Education

Quality education is a key component of human capital development central to improved quality of life and social wellbeing. In essence, the knowledge, skills, competencies and attributes embodied in individuals facilitate the creation of personal, social and economic well-being.

3.2.1 Technical and Vocational Education and Training

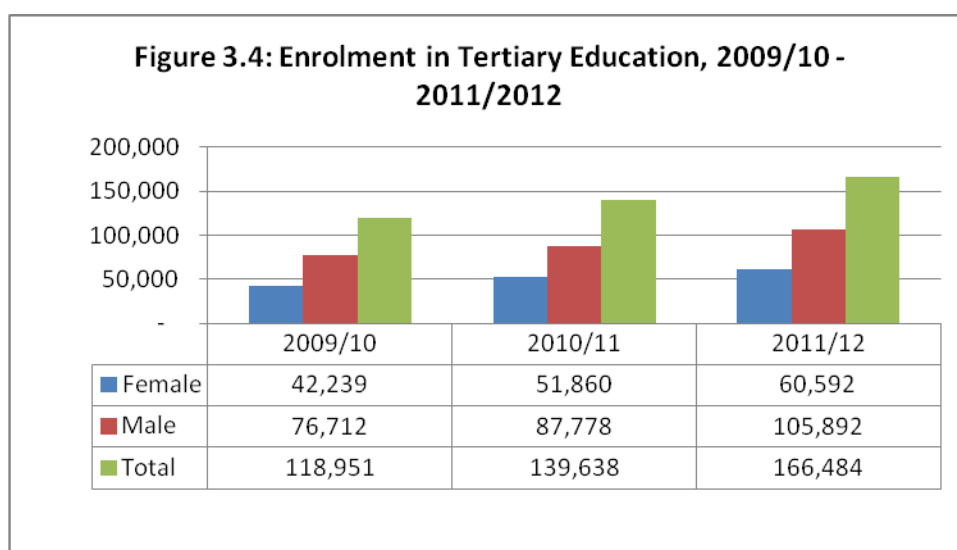
During 2011/12 the government continued to implement ESDP especially in the area of expanding access and enrolment in Higher, Technical, Folk and Vocational Education.

Student enrolment in technical education increased by 32.2 percent from 85,040 students during 2010/11 to 112,447 students during 2011/12. About 80.6 percent of the students were enrolled in government colleges and 19.4 percent in non government colleges; 75.7 percent were attending full time courses, 6.4.evening classes and 0.4 percent distance learning (17.5 percent did not indicate the mode of learning). About 62.4 percent of students were self sponsored , 14.3 percent received government grants, 8.6 received students loan from HESLB and 0.7 percent received support from nongovernmental organizations (NGOs)..

3.2.2 Higher Education

Higher education is important for the development of innovative research and ability to acquire and adapt technology in the growth process. During 2011/12 the Government continued to promote higher education.

A total of 166,484 students were enrolled in Universities and University Colleges during 2011/2012 compared to 139,638 students during 2010/11, an increase of 19 percent. Out of this total, about 68.8 percent were enrolled in public universities and 32.2 in private universities. Participation of female students in private (non-governmental) universities was high at 40.9 percent, compared to that in public universities and colleges at 34.3 percent. As shown in Figure 3.4 enrolment in higher education continued to expand gradually overtime mainly due to increased number of colleges, expansion in infrastructure and increased loan funds. The Gross Enrolment Rate (GER) during 2011/12 was 11.2 percent and 7.9 percent for males and females respectively. The Government continued to support academic staff development whereby 235 academic staff in public and Private Universities were supported. Additional 41 academic staff were supported for long term courses under DAAD – Tanzania programme while 80 others received sponsorship from the Ministry of Education and Vocational Training.



Source: BEST, 2012

3.2.3 Adult and Non Formal Education

Enrolment in Complementary Basic Education in Tanzania (COBET) for Cohort I (age 11 – 13) decreased from 55,889 learners in 2011 to 49,293 in 2012, while for Cohort II (age 14-18) enrolment increased from 26,570 learners in 2011 to 27,574 learners in 2012 bringing the total to 76,867 learners. In total enrolment decreased by 6.8 percent between 2011 and 2012 showing a decline in the number of out of school children in line with COBET objectives. Spatial disparities still existed with Kigoma region having the highest number of learners (22,593) while Mara Region had the lowest (297).

During 2011/12 about 84.2 percent of COBET learners at standard IV level were mainstreamed into standard V. Regions such as Iringa, Lindi and Ruvuma achieved 100 percent mainstreaming (with fewer learners). A total of 1576 COBET learners equivalent, to 72.5 percent of standard VII learners were selected to join Form 1 in 2012 compared to 2776 (equivalent to 61 percent) selected to join Form 1 in 2011. All COBET learners (100 percent) in Pwani and Mtwara regions were selected to join Form 1 while Lindi and Tabora regions had the lowest percentage of learners selected at 32 percent and 34 percent respectively. On the other hand, enrolment of ICBAE functional literacy was high in Basic Literacy with 49.8 percent and least was in life skills 4.6 percent. Out of 907,771 ICBAE learners 368,755 (40.6 percent) were involved in extension activities. The proportions in the other programmes were 28.9 percent basic literacy, 18.8 percent income generation, 7.2 percent life skills and vocational skills 4.4 percent. An additional programme known as YES I CAN was launched for the purpose of improving and sustaining access to education by adult learners.

3.3 Goal 3: Improving Survival, Health, Nutrition and Well Being, especially for Children, Women and Vulnerable Groups

Assessment of implementation and performance under this goal is monitored using the following set of indicators: Human Resources for Health, Maternal and Neonatal Health, Infant and Child Health including Nutrition, HIV and AIDS, Malaria and TB.

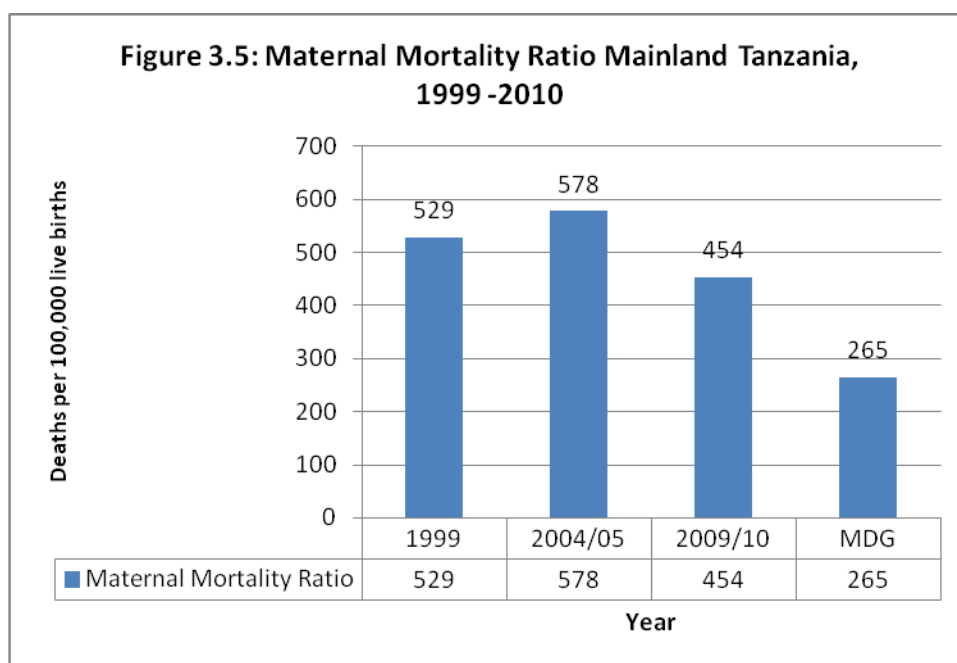
3.3.1 Human Resources for Health

During 2011/12, the government continued with the implementation of Primary Health Service Development Program (PHSDP). This enabled expansion of student enrolment in health colleges from 4,296 in 2008 to around 7,458 in 2011, equivalent to 57.6 percent increase. During the same period, the number of graduates from health colleges increased significantly from 3,744 to 5,173 equivalent to 27.6 percent increase in the various disciplines and programs including certificate, diploma and degree programs.

The Government continued with recruitment and deployment of health personnel in various service delivery centers. By June 2012 a total of 198 medical personnel had been employed and deployed in various health service delivery centers.

3.3.2 Maternal and Neonatal health

Maternal Mortality Ratio: The Maternal mortality ratio (MMR) is measured periodically through Tanzania Demographic and Health Surveys (TDHS). The estimates show a decline of MMR from 578 maternal deaths per 100,000 live births during 2004/05 to 454 deaths per 100,000 live births during 2009/10. Though this is a notable improvement, the ratio is still high thus requiring concerted efforts if the country is to achieve the MDG goal of 265 deaths per 1000,000 live births by 2015.



Maternal Case Fatality Rate in Health Facilities: This indicator measures the number of deaths due to maternal complications as a proportion of the number of women admitted due to maternal complications. Routine data collection captures the number of deaths due to maternal complications but does not report the number of women admitted due to maternal complications. Given this situation, the available information on number of deaths due to maternal complications and causes are used to calculate each cause as a proportion of total maternal deaths, and thus used as a proxy for maternal case fatality rate.

Available information from HMIS for year 2009 indicated that the highest number of maternal deaths was reported in Mwanza region (176), followed by Tabora (164), and Dar es Salaam (137) regions. Regions with the lowest number included Lindi (39), Pwani (30) and Arusha (32).. During year 2009, the major causes of facility-based maternal deaths included Post Partum Hemorrhage (22 percent) followed by eclampsia (13 percent) and anemia (9 percent).

During the period under review, HMIS captured a total of 1,797 facility-based maternal deaths in Mainland Tanzania. The regions with the highest number of facility-based maternal deaths were Rukwa (101), Dar es Salaam (106), Mbeya (122), Tabora (130), Mwanza (175), and Shinyanga (175); while regions with the lowest number of facility-based maternal deaths were Singida (58), Kigoma (51), Kilimanjaro (50), Lindi (41), Arusha (36), and Manyara (37). The major causes of facility-based maternal deaths included PPH (20 percent), eclampsia (14.1 percent), anaemia (10 percent), septicemia (6.9 percent), APH (5.6 percent), and puerperal sepsis (5.6 percent). These data indicate that the pattern of the major causes of facility-based maternal deaths did not change much over time.

3.3.3 Fertility rate

Fertility Levels and Trends: The total fertility rate (TFR) in Tanzania is 5.4 children per woman. This means that, at current fertility levels, the average Tanzanian woman will have given birth to 5.4 children by the end of her reproductive life time. The 2010 TDHS estimate of fertility is lower than the rate estimated by the 2004-05 TDHS (5.7 births per woman), which was similar to the rates established in the 1996 TDHS (5.8 births) and in the 1999 Tanzania Reproductive and Child Health Survey (TRCHS) (5.6 births). At the current level, evidence suggests that fertility in Tanzania may have started to decline.

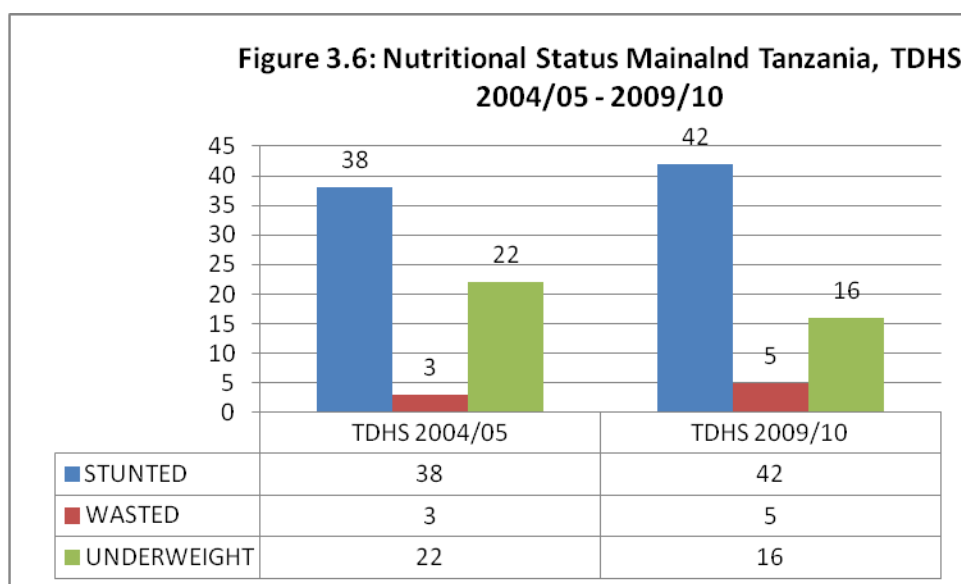
Population Growth: Tanzania's population growth rate was 2.9 percent per annum between 1988 and 2002. According to the 2002 census, the population was 34.4 million and projected to have reached 43 million by 2010 (NBS, 2010). The 2012 population census, completed in August 2012 will provide updated estimate of population growth rate and other demographic variables of interest for MMS II.

3.3.4 Infant and child health including nutrition

Neonatal, Infant and Under Five Mortality Rate: These indicators reflect a country's level of socio-economic development and quality of life. Analysis of the three indicators can potentially predict the overall performance of the health sector. A rise or a decline in these indicators is attributed to various social economic factors. The results from TDHS 2009/10 shows significant decline in child mortality especially infant and Under Five Mortality Rates. Estimates of infant and under-five mortality rates can be used to develop population projections. Information on under-five mortality also serves the need of the health sector for identifying population groups that are at high risk. Furthermore, infant and under-5 mortality rates are used to assess the attainment of the National Strategy for Growth and Reduction of Poverty (NSGRP) goals from the social wellbeing perspective.

Nutrition

Nutritional Status: The 2010 TDHS measured three anthropometric indicators of nutritional status in children. These are Height for Age, Weight for Height and Weight for Age. At National level 42 percent of children under five years of age have low Height for Age or are stunted, 5 percent have low Weight for Age or are wasted, and 16 percent have low Weight for age reflecting both chronic and acute under-nutrition. These results reflect a mix in progress in nutritional status from the 2004/05 TDHS when these indicators were measured at 38 percent, 3 percent, and 22 percent respectively. This implies no improvement on nutritional status indicators as per MKUKUTA target and 2015 HSPSIII target, meaning that more effort is needed to achieve targets for both stunting and wasting.



Anaemia:

Anaemia is one of the leading causes of maternal death in Mainland Tanzania. During year 2010, the major causes of facility-based maternal deaths included PPH (20 percent), eclampsia (14.1 percent), anaemia (10 percent), septicemia (6.9 percent), APH (5.6 percent), and puerperal sepsis (5.6 percent).

3.3.5 HIV and AIDS,

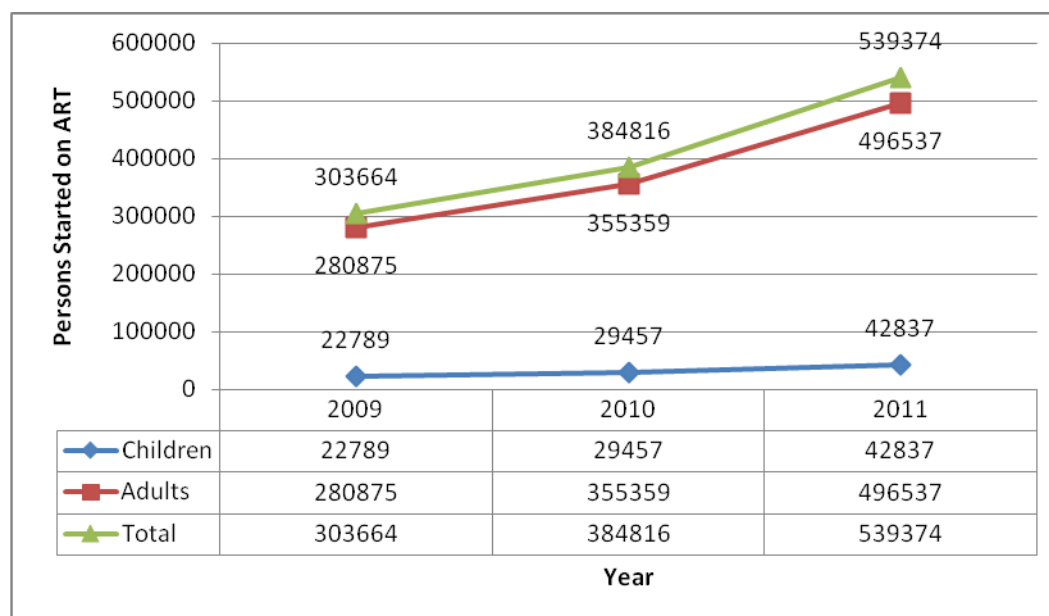
Measures for ensuring universal access to ARVs and increased VCT service provision continued during 2011/12. The number of patients accessing ARVs increased from 412,108 in 2011 to around 564,723 by March 2012, surpassing the target of 478,000 patients; of which 7.6 percent were children under fifteen years of age. Either, the number of patients attending voluntary testing of HIV increased from 16,626,830 to 17,008,475 during the same period due to increased campaign by government and other stakeholders. The Government prepared the Tanzania Elimination of Mother to Child Transmission of HIV Plan, 2011 – 2015 for reducing transmission of HIV from mother to child, including maternal deaths by 2015, in line with the global agenda to eliminate new infections.

Percentage of HIV positive women receiving ARVs: Tanzania is among 22 countries that have committed themselves to implementing the e-MTCT global plan that aims at reducing the vertical transmission rate of HIV infections at 18 months of age, from 26 percent in 2010 to 4 percent by 2015. National and regional targets that will contribute to achieving this ambitious national target have been set, and among them, is to increase PMTCT ARV coverage to 90 percent by 2015. In order to achieve this target it would require identifying all pregnant women infected with HIV and provide them with antiretroviral drugs to reduce the risk of mother-to-child transmission.

The success of this intervention is strongly linked to strengthening antenatal care and providing adequate access and linkages to HIV interventions for pregnant women. Available statistics show that, overall, the proportion of women receiving ARV prophylaxis for PMTCT was 70 percent in 2010 and increased marginally to 71 percent in 2011, which is significantly higher compared to the 34 percent reported in 2008 and 55 percent in 2009 respectively. In summary, there has been an increase in the proportion of HIV-infected women receiving ARV prophylaxis for PMTCT giving hope that the target of providing PMTCT ARV to 90 percent of infected pregnant women by 2015 can be reached.

Number of Persons with HIV Infections Receiving ARV Combination Therapy: According to information collected by NACP from facilities that provide ARVs in the country, a total of 539,374 eligible persons were receiving ARV combination treatment by December 2011 (Fig 3.7) compared to 384,816 people who were receiving ARV in 2010, equivalent to 40.2 percent increase. The enrollment of children has been relatively low, increasing from 22,789 in 2009 to 29,457 in 2010 to a further 42,837 in 2011, representing about 7.5 percent of the total enrolment compared with the set target of 20 percent. This calls for additional strategies to increase their enrollment. Disparity in terms of access across geographical regions continues to exist.

FIGURE 3.7: Children and Adults with Advanced HIV Infection Enrolled on ART Combination Treatment from 2009 - 2011



Source: NACP, 2011

Malaria

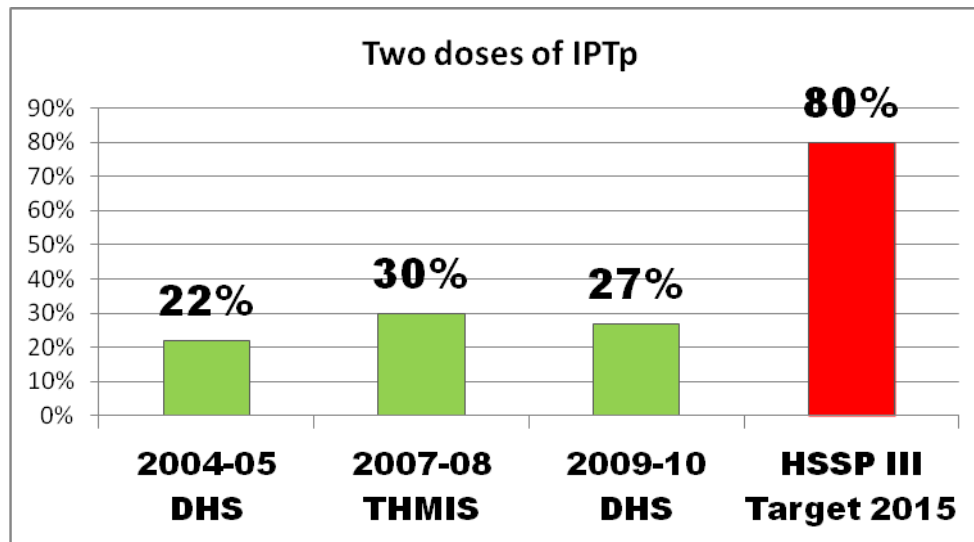
Malaria is one of the major public health problems affecting the health and welfare of Tanzanians. Health facility-based statistics show that malaria is the leading cause of morbidity and mortality, especially in children under five years. Malaria remained the first cause of hospital admissions in under fives though it decreased from 57.4 percent in 2009 to 41.2 percent in 2011.

Table 1.2: Trends in malaria indicators

Indicator	Value (percent) TDHS 2004/05	Value (percent) THMIS 2007/08	Value (percent) TDHS 2009/10
Proportion of mothers who received two doses of preventive intermittent treatment for malaria during last pregnancy	22	30	27
Proportion of vulnerable groups (pregnant women 15-49 years of age) sleeping under an ITN previous night	15	27	57
Proportion of vulnerable groups (children under 5) sleeping under an ITN previous night	16	26	64
Proportion of laboratory confirmed malaria cases among all OPD visits (disaggregated under 5 and over 5)	-	-	-
Prevalence of malaria parasitaemia (under 5 years)	-	18	-

Proportion of mothers who received two doses of preventive intermittent treatment for malaria during last pregnancy: Pregnant women usually receive two doses of Sulfadoxine/Pyrimethamine (SP) during the second and third trimesters to protect them from adverse effects of malaria in pregnancy and low birth weight. This can only be achieved if mothers complete the recommended two doses of IPTp. The target is to achieve 80 percent coverage by the end of 2013. The progress however has remained slow over the years from 22 percent reported in TDHS 2004/5, 30 percent (THMIS 2007/8) to 27 percent (TDHS 2010), as shown in Figure 3.8.

FIGURE 3.8: IPTp coverage in recent household surveys



There is need to carry out a comprehensive SWOT analysis for improvement of this indicator and benefit the intended target population, particularly in light of the decline in coverage between 2007/08 and 2009/10. Efforts will need to be stepped-up in order to reach the 2015 target.

Proportion of vulnerable groups (pregnant women 15-49 years of age, children under 5 years) sleeping under ITN previous night: Assessment in this indicator is based on the number of women aged 15 – 49 years who slept under ITN the night preceding the survey out of total number of women aged 15 -49 years who spent the previous night in the surveyed household. The target is to achieve 80 percent use of ITNs by pregnant women by 2013. Reports from the household surveys show a steady increase in the use of ITNs by pregnant women from 16 percent (TDHS 2004/5), to 26 percent (THMIS 2007/8) to a further 57 percent (TDHS 2010).

Likewise, reports show a rapid increase in the number of children who use ITNs. A further increase in the use of ITNs by these vulnerable groups is expected after completion of the Universal Coverage Campaign which is aimed at ensuring that everyone sleeps under a Long Lasting ITN.

During 2011/12 the Government continued with the implementation of the strategic plan to combat malaria (2008 – 2013) by procuring and distributing malaria drugs (*dawa mseto*) including rapid diagnostic results test in various regions countrywide. The Government also continued with the campaign of providing universal coverage of Insecticide Treated Net (ITN) countrywide including to pregnant mothers, and children less than one year. Under universal coverage plan a total of 17, 617,891 mosquito nets were distributed in all regions of the Mainland.

Malaria parasite prevalence in children under five years of age: This indicator is measured at household level to determine the number of children with confirmed parasite in blood using either microscopy or RDT out of total number of children less than five years old surveyed. It is useful in assessing the level of malaria transmission as effective interventions are scaled up. The target is to reach one percent of children by 2013. Only one national data point is available for this indicator; THMIS 2007/8, showed a prevalence of 18 percent. Preliminary findings from the THMIS 2011/12 survey show that there has been a significant decline in malaria prevalence from 18 percent to around 9.5 percent based on RDT for children under five years old surveyed. This achievement can be explained by the increase in the use of ITNs by the children as well as by the Universal Coverage Campaign aims at ensuring that everyone sleeps under a Long Lasting ITN.

Tuberculosis (TB)

Tuberculosis Notification rate per 100,000 population: Available statistics show that the notification rate of Tuberculosis (all forms) is 147 cases per 100,000 populations. Similarly, notification rate of new smear positive Tuberculosis cases is 57 cases per 100,000. Figure 3.9 shows regional figures for 2010. It can be seen that there has been a slight fall in notification between 2008 and 2010.

FIGURE 3.9: Tuberculosis notification rate

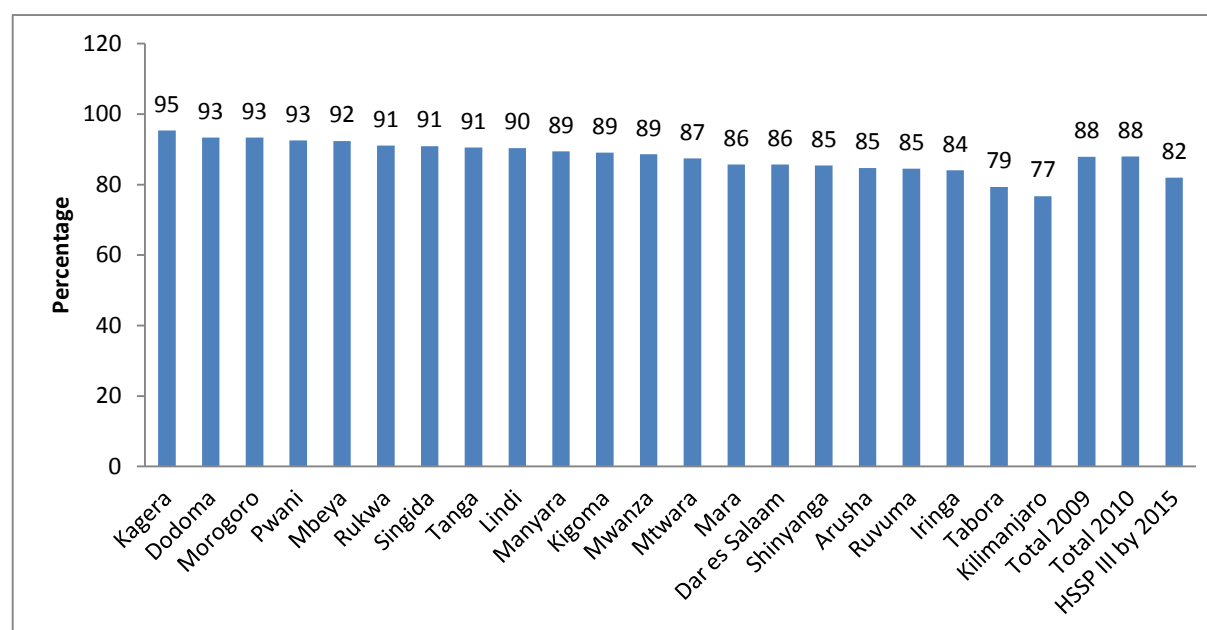
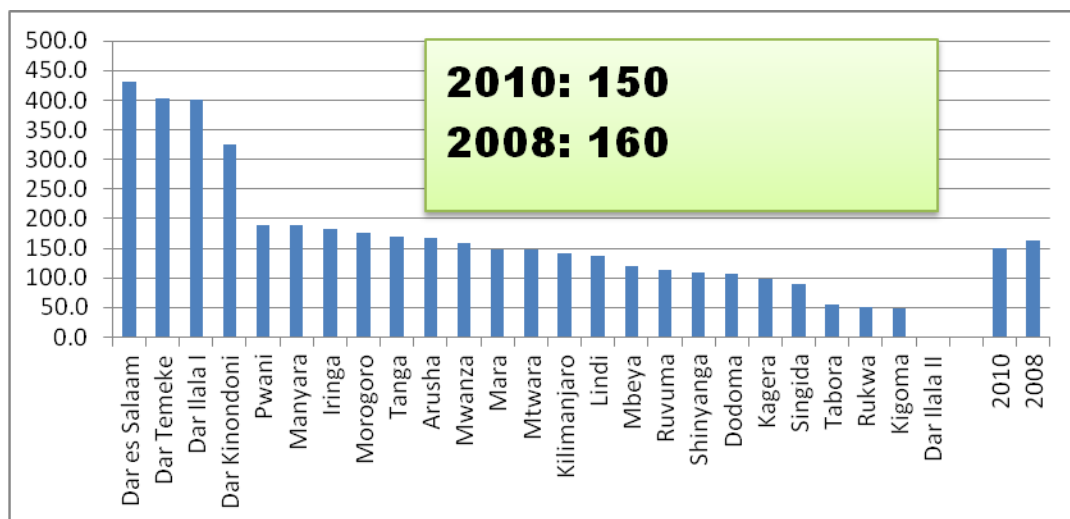


FIGURE 3.10: TB treatment success rate by region, 2010

Percent of TB treatment completion/success rate: The TB treatment success rate is defined as the number of patients who successfully completed treatment as a proportion of the total tuberculosis cases diagnosed. Analysis of the TB cohort notified in 2009 shows that the overall treatment success for new smear positive TB cases was 88 percent. This remained the same as in

2008 which was 88 percent (Figure 3.10). The program has surpassed the global target of 85 percent and the 2015 HSSPSIII target of 82 percent. In addition, the majority of the regions also surpassed the HSPSIII target. The challenge is to maintain these high rates in future years.

3.4 Goal 4: Increasing access to affordable Clean and Safe Water; Sanitation and Hygiene

The Government implemented various activities geared towards attainment of the desired goals and objectives. These activities were also informed by both TDV 2025 and Millennium Development Goals (MDGs). During the period July 2011 - June 2012, slight improvement was recorded in terms of increased number of people accessing water services; and sanitation and hygiene facilities. Detailed progress in this goal is reported below.

3.4.1 Proportion of population with access to piped or protected water as their main drinking water source, urban and rural

Rural Areas: Towards this endeavour, the initiatives by Government and other stakeholders focused on increasing the proportion of rural households provided with improved sources of water. About 467,250 additional people accessed piped water or water from protected sources.

Urban Areas and Small Towns: Water connections during 2011/2012 increased to 298,058 out of which 268,058 were metered (93 percent metering ratio) compared to 272,679 connections out of which 249,299 were metered (92 percent metering ratio) during 2010/2011. Water supply coverage was at 86 percent and hours of services were 18 hours on average while the total number of operational kiosks was 1,601.

Water production in 19 WSSAs during 2011/2012 increased to 120.99 Million m³ compared to 116.58 Million m³ reported during 2010/2011. Water demand for the year was 181.94 Million m³. The ratio of production to demand was 66.5 percent. Non Revenue Water increased to 35.0 percent from 32.57 percent reported by the end of 2010/2011. Iringa reported the highest (NRW) of 52.06 percent. The low percentages were due to old infrastructure and frequent breakdowns.

Revenue collection for all WSSAs during the year under review increased to Tshs 53.92 billion from Tshs 43.44 billion reported during 2010/2011, a 24 percent increase

3.4.2 Water Resource Monitoring: Construction and Rehabilitation of monitoring stations

During 2011/12 water resources monitoring and exploration equipment were secured and ready for installation and use in data collection. Installation and operationalisation of the equipment will enable the basins to carry out their mandated tasks of data collection. In order to ensure that accurate water quality and quantity data are collected, inventory of hydrometric monitoring stations was conducted. It was found that, 362 hydrometric stations were required all over the country. About 90 stations were operational while 272 required either construction or rehabilitation. These will be implemented during FY 2012/2013. Three groundwater monitoring stations were constructed in Wami/Ruvu Basin. During the F/Y 2011/2012, minor rehabilitation was carried out for 10 hydrometric stations and installation of meteorological facilities in 7 stations was done in Lake Tanganyika Basin. Also, 13 rainfall stations were inspected in Lake Victoria Basin and inspection of hydrometric stations in Lake Rukwa Basin was conducted.

3.4.3 Reduction of Pollution levels at Water Sources:

Inspection of effluent discharge system in mines and Industries: Geita Gold Mines was inspected during the review period in order to assess compliance with the discharge permit while water sampling from North Mara treatment plant was done in Lake Victoria Basin. About 66 water samples were collected from North Mara Gold Mine (60) and Geita Gold Mine (6) to analyze the quality of water. Also, 15 industries were visited and inspected in Mwanza region. About 29 waste water samples and 44 water samples were collected from Tanga City, TBL Arusha, Sea Products Ltd and Afritex Ltd industries and boreholes in Pangani Basin. These samples were analyzed and the results showed that in some points Chlorine contents were below standard; most waste water samples didn't meet the standard and one sample out of the seven (7) borehole samples taken was below standard. Inspection was also, conducted by Pangani Basin Water Office at Sunflag Industries in order to check the improvement in their treatment plant.

Water samples from nine (9) Water Quality Stations and seven (7) Pollution Monitoring Stations were collected and analyzed. Discharge measurements were done for water users in Lupali River in Lake Nyasa Basin. In Wami/Ruvu Basin, TAZAMA Pipeline fuel leakage which polluted Mlandizi River was visited and samples were collected for analysis to investigate the extent of pollution. BIDCO wastewater samples were collected and analyzed. The results of these analyses indicated that, the quality of wastewater did not meet the standards. The company was thus required to adhere to the standard before discharging. Also, Wami/ Ruvu Basin Water Office conducted an environmental inspection at Mzinga Corporation Ltd on their wastewater disposal facilities.

One (1) water sample was collected from Mbwinji Spring in Ruvuma Basin and analyzed to determine quality status. The overall quality was found to be within acceptable Tanzania /WHO standard). Other inspections were conducted at two bottling companies. The results revealed that these industries were small scale and that waste water production was managed onsite. Environmental Inspection was conducted at Autrad Mining Company in Chunya District and mining sites in Lake Rukwa Basin. The inspection was specific on the water sources..

Establishment of Register and rights for Water Use and Effluent Discharge Permit: About 65 new water use permits were granted and 88 Water rights were changed to water permits as per WRMA of 2009. A total of 16 water users in Lake Victoria Basin were registered but not granted permit.

3.4.4 Sanitation and hygiene: Percent of households with basic sanitation facilities

In sanitation the plan was to construct 27,863 improved latrines. Between January and March 2012, a total of 308 latrines were built. The number of people sensitized in sanitation and hygiene was 26,683, and the number of sanplats produced was 13. About 19,374 sanitation clubs were formed. This brought the number of improved latrines constructed to 106,677; people sensitized to 46,482; number of sanplats produced to 328 and sanitation clubs to 20,074.

During the same period a total of 1,106 masons were trained on sanplats construction. Guidelines for design of sub projects were also improved and provided to LGAs.

With regard to sewer services, in WSSAs about 20,910 connections were done during 2011/2012 compared to 19,209 sewer customers during 2010/2011.

3.5: Goal 5: Developing Decent Human Settlements while Sustaining Environmental Quality

The main objective of the various interventions undertaken in this area is to improve the social, economic and environmental quality of human settlements and the living and working environment of all people, in particular the urban and rural poor. MKUKUTA II order of priority areas are planning, surveys and issuance of land titles, regularization of unplanned settlements and enforcement of urban land use plans.

There are four indicators to assess progress in this goal. These are: percentage of households with decent houses (walls of brick, foundation of cement, floor, and roof frame of timber and roof of tiles or corrugated iron sheets), proportion of households with land certificates, percentage of decrease of households in disaster prone and ecologically sensitive areas and the percentage of Settlements with land use plans. Data on these indicators are generated by National Panel Survey (NPS) and Household Budget Surveys (HBS). However, data availability on most of these indicators is limited. Efforts are underway to integrate these indicators in future NPS waves.

3.5.1 Land Surveys, Mapping, and Planning,

The government continued to undertake surveys and mapping activities that indicate the actual situation of land in the context of land development in the country. Country maps provide information that is used for planning purposes in the land sector. In this regard, a total of 206 villages were surveyed during the period under review. This is equivalent to 58.9 percent of the target. A total of 350 villages were planned for survey during FY 2011/12. By end of the financial year under review, a total of 11,467 villages had been surveyed.

Surveys and mapping for plots was carried out as well whereby a total of 34,049 plots were surveyed during 2011/12 compared to 26,788 plots surveyed during FY 2010/11. The increase of 7,261 plots in FY 2011/12 further confirms the growing demand for legal land possession among the citizens. It is important to note that the target for plot survey during the period under review was 35,000 plots. The achievement for surveying plots was 97.3 percent of the target. Also, the government surveyed 2,169 farms against the target of 800 farms.

In the course of increasing the pace for developing and implementing Master Plans and Interim Land Use Plans, the government finalized preparation of Tanga Master Plan. Draft report for Dar es salaam City Master Plan was produced. Interim Land Use Plans for Kyaka-Bunazi in Misenyi district council was also developed. The government continued to redevelop Manzese area, Makongo Juu, Kurasini and Njombe Central Business district. Further, the government spent TZS 550 million as a refund to people living in Kurasini area. This area is for the expansion of Dar es salaam harbour port. In the same vein, three sectors (land, works and industry) worked collaboratively in the context of cross sector collaboration to strategically arrive at the establishment of an International Trade Logistic Centre that will be located in Kurasini area.

3.5.2 Registration and issuance of land titles and legal documents

Only five (5) percent of households in Tanzania occupy registered land, compared, for example, with 30 percent for Kenya and 18 percent for Uganda. Registering and issuing land titles and legal documents remain a challenge. During 2010/11, the government planned to register and issue a total of 21,000 land titles. However a total of 23,610 land titles were registered and issued thus surpassing the target by 12.4 percent. According to Land Policy of 1995, land as a property is solely Government property and can be acquired back from the owner for public use as per Land Acquisition Act of 1967. In this regard a total of 72 land titles were de-registered and 1,512 titles were transferred to other owners.

The government continued to implement Village Land Act No 5 of 1999 through educational and awareness programs, farm verifications, coordinating the issuance of Certificates of Village Land and providing Certificate of Customary Rights of Occupancy. These programs helped villages to

understand their areas of administration and to plan for land use. In the same vein, citizens benefits from these programs through possessing land legally and thus continuing to use land as capital for social and economic development.

During the period under review, a total of 1,950 Village Land Certificates were issued to villages. The target was to register and issue 3,732 Village Land Certificates. This makes a total of 9,460 villages that have been issued with Village Land Certificates out of 11,817 villages in the country. About 80 percent of villages in Tanzania possess Village Land Certificates.

During the period under review, the government continued to register titles and legal documents. A total of 64,632 legal documents were registered. This is above the target of 60,000 legal documents that were planned for registration during FY 2011/12. Out of these documents 27,452 were title deeds related documents while 28,990 were other legal documents registered under Land Registration Act CAP 334; about 7,280 legal documents registered under Documents Registration Act CAP 117 and 910 legal documents registered under the Law for the Registration of Mortgage of Movable Property CAP 210.

3.5.3 Regularization of unplanned settlements

During 2011/12 the Government completed preparation of National Program for Prevention and Formalization of Unplanned Settlements (NPPFUS). The objective of this program is to implement various projects aimed at improving unplanned settlements and preventing further developments of unplanned settlements in urban areas. The program is in the process of implementation. A total of 2,810 properties were formalized in Mwanza city.

In comparison with 2010/11, a total of 7,698 properties in Mwanza were identified, 3,763 plots surveyed and 775 were issued with certificates of title deeds. During 2011/12. This makes a total of 10,508 properties recognized by ownership thus increasing the number of unplanned settlements that have been regularized. Furthermore, 16 plans were verified for regularizing unplanned settlements in Kinondoni Municipality area. These plans are in the approval process after which residents in those areas will be issued with certificates of ownership/title deeds.

Availability of decent houses at low prices to the majority of citizen is one of the indicators of economic growth and social development. Quality environment including decent houses contributes to protecting community health. The Government plan is to increase the percentage of households with decent houses (walls of brick, foundation of cement, floor, and roof frame of timber and roof of tiles or corrugated iron sheets), from 55 percent in 2007 to 75 percent by 2015 well in line with MDGs. Results the House Hold Budget Survey (HBS) 2012 will establish progress in this aspect compared with 2007 HBS findings.

During the period under review, the Government continued to undertake research on the use of low cost technology and building materials that are locally available. About 380 youths undertook practical training on the use of low cost and locally available building materials. The training also facilitated formation of 38 groups for housing construction. The groups were also supplied with 114 brick making machines. This had a positive impact on employment creation for the youth.

3.5.4 Enforcement of urban land use plans

The policies and laws mentioned earlier are a reflection of the fact that Urban Planning and Management in Tanzania is a statutory function. Enforcement of Urban Land Use Plans entails creation of appropriate institutions to manage processes as well as urban areas. It also entails having a relatively high degree of public awareness regarding the Policies and laws related to Urban Planning and Management.

During 2011/12 the Government finalized preparation of Regulations for Urban Planning Act No.8 of 2007. The government also completed translation of the Urban Planning Act, 2007 into *Kiswahili*. In a move to strengthen Urban Development Control, the cadre of “Land Rangers” was re-introduced. These are operatives responsible for monitoring and surveillance of day to day execution of urban development plans. During 2011/12 about 15 Land Rangers were employed and attached to the three Municipalities of Dar-es-salaam as pioneer to all other Urban Authorities in the Country.

3.6 Goal 6: Providing Adequate Social Protection and Rights to the Vulnerable and Needy Groups

During the period under review, the Government continued implementing various social protection measures, with the objective of preventing absolute deprivation and vulnerabilities for the poor. This goal is monitored through a number of indicators as shown.

3.6.1 Proportion of households with orphans who attend school

During 2011/12 about 2.5 percent of all primary school pupils were orphans which makes a total of 210,075 (males 104,735 and females 105,340) (source: BEST 2012). Table 3.3 shows the status of Net enrolment rates by orphanhood.

Table 3.3: Net enrolment rates by orphan hood status

	Pre- primary		Primary		Secondary	
	NPS1	NPS2	NPS1	NPS2	NPS1	NPS2
Tanzania	20	25	83	80	23	27
Non orphan	20	24	83	81	23	26
Orphan	24	30	84	76	24	31

Source: National Panel Survey 2008/09

From Table 3.3, it is apparent that orphans are not disadvantaged in relation to non orphaned in accessing schooling. Also, the direction of the changes over time is similar whether or not children are orphans. The NER in pre-primary and secondary school increased for all children, while the NER in primary school declined for all children.

3.6.2 Proportion of children (5 years+) with disability attending school

During the year under review, according to BEST 2012, the proportion of primary school enrolment for children with disabilities was 0.34 (28,195 out of 8,247,172) in 2012. The data show that there was a decrease in enrolment compared to 2011 where enrolment rate was 0.35 percent. This proportion is low mainly due to low response of the community in sending pupils with disability to school.

3.6.3 Percentage of child-headed households

Children who are taking care of their families are vulnerable to denial of their rights such as the right to education. According to 2007 HBS, child-headed households were mainly prevalent in rural areas than Dar es Salaam or other urban areas in Mainland Tanzania. Historical data show that in HBS 2000/01, about 0.1 percent of children were heading households in rural areas, According to HBS 2007 child headed-households were less.. HBS 2011/12 results will confirm progress in this aspect.

There are a number of interventions on child protection including identification of children under difficult environment.

3.6.4 Social protection packages

Tanzania Social Action Fund (TASAF) is the major source of formal social protection interventions in the country. The third phase of TASAF implementation focuses on involvement of community groups in analysing their needs and evaluating their needs as well as mobilizing resources.

During 2011/12, a total of 980 new projects costing TZS 19,250,464,490 were identified by the communities for implementation. About TZS 9,825,600,990 were issued to communities to finalize remaining 813 projects from year 2011. Capacity building training was administered to 1778 groups with 22712 members in 44 districts to strengthen Community Savings Investment and Promotion (COMSIP). Capacity development training on records management was provided to 241,167 stakeholders, 6,135 being staff of Local Government Authorities 103,649 Council Committee and Village Committee members and 131,383 project committee members.

During 2011/12, three districts namely Kibaha, Bagamoyo and Chamwino continued to benefit from Community-Based Conditional Cash Transfer scheme. A total TZS 412, 070, 100 were provided for implementation of this project. The number of households benefiting from the projects increased from 4864 in 2011 to 4,985 in 2012. About 13,081 individuals in the three districts are beneficiaries.

3.6.5 Youth, Gender and Community Development

During 2011/12 the Government, through community Development institutions, provided vocational training to 32,133 people (15,632 women and 16,501 men), for self employment. The Government also provided a total of TZS 120,000,000 to 15 districts as loan to women. In the year under review 350 women were provided training on entrepreneurship which enabled them to participate in *Sabasaba* international festival and 20 women (15 from the Mainland and 5 from Zanzibar) were empowered to participate in the international festival in Rwanda.

Youth development: During 2011/12, the Government implemented Guidelines on Youth life Skills to youths who are out of school to help them overcome life challenges. The Government also provided capacity building training to all youth officers in the country to manage the implementation. Curriculum for life skills was prepared. The Government also facilitated approval of the African Youth Contract of 2006, by Parliament on 1st of February in 2012.

Community Development; During 2011/12, a total of 3,074 community development professionals were registered to pursue training at different levels including degree programmes (173), advanced diploma (385), and ordinary diploma (2516). The Social Action Trust Fund (SATF) implemented projects aimed at empowering care givers of MVC and heads of child-headed households so that they can support their families in a sustainable manner. In the year under review Income Generating Activities were scaled up in the second round of project implementation. IGA beneficiaries were able to provide educational support to MVC under their care.

3.6.6 Rights of vulnerable and needy groups

- **Vulnerable Children**

During 2011/2012, the Government, in collaboration with district councils and other development stake holders, identified children living in risky environment. This was done through “*Pamoja Tuwalee*” project. The number of such children was 867041 of whom 500,946 (57.78 percent) were boys and 366,095 (42.22 percent) were girls. The Government also conducted detailed analysis on services provided by child centers in 21 regions of Mainland Tanzania Results of the analysis showed that there were 282 centers out of which 87 were

registered and the remaining 195 were unregistered. A total of 11,216 children (5,127 boys and 6,089 are girls) were cared for in those centers.

Social Action Trust Fund (SATF) disbursed a grant of TZ 318 million to support education in, primary, secondary and VTC for year 2011. The number of orphans and Most Vulnerable Children (MVC) benefited through accessing different levels of education: 150 in primary education, 1,609 in secondary education and 32 in vocational education.

Also during 2011/12, a total of 22,243 children were withdrawn from child labor. About 8402 were enrolled in primary education, 1428 in *MEMKWA* and 12413 in vocational training. Additional 15 MV girls received life skills training in vocational training institutions following a grant of TZS Five million from The Ministry.

- **Elders and Persons with Disabilities**

During 2011/2012, the Government continued with its efforts to develop and strengthen health of the elderly in the country. With respect to disability, the government provided different training to 94 people with disability in two colleges, Singida and Yombo in Dar es Salaam. The governments also established the National Board of Advice for people with disability in order to facilitate protection of their rights.

- **HIV/AIDS Interventions**

During the period under review the number of people who voluntarily tested for HIV and AIDS increased from 16,626,830 people in December 2011 to 17,008,475 in March 2012. Also the government continued with prevention and curative services to people living with HIV and AIDS.. The government distributed 232 machines for checking CD4.

3.7 Challenges

A number of challenges confronted implementation of Cluster II strategies during the period under review. Some of these included:

3.7.1 Water Sector

- i. Late submission of reports from LGAs: there is need to adhere to compliance clauses of the MoU which was signed between PMO RALG and districts, and Development Partners.

- ii. Inadequate competent drillers in some areas resulting into longer process of procurement of contractors to undertake drilling of boreholes, e.g. in Muleba DC;
- iii. Late release of funds for implementation of the earmarked projects thus causing delays in implementation of the sub projects;
- iv. Few technical staff at the PMO-RALG: this renders difficulties in consolidation of the reports from the RSs.

3.7.2. Education sector

- i. Poor quality of education and training at all levels of delivery;
- ii. Poor quality of teaching and learning facilities including the work environment
- iii. Poor student performance in mathematics, science and English subjects at both primary and secondary education levels;
- iv. Securing alternative sources of financing of higher education including enhancing repayment of higher education loans;
- v. Meeting the human resources requirement/needs in all categories of learning and training.

3.7.3. Health Sector

- i. Labour disputes, such as Doctors' strike countrywide between January and June 2012, which affected provision of health services during the period under review;
- ii. Poor quality of routine malaria data from HMIS, which is often incomplete and, in some cases, often submitted late after analysis has been made at the national level thus compromising effective monitoring of malaria trends through health facilities;
- iii. Outdated HIV prevalence figures used (from 2007/2008 ANC surveys). Data for recent years were not available. This applies to other indicators that depend on information from surveys such as infant, child and maternal mortality.

3.5.4 Social Protection and Vulnerable Groups

- i. Mismatch of priorities among stakeholders implementing programmes for vulnerable groups;

- ii. Inadequate services to vulnerable groups/ including devices to people with certain critical disabilities.

CHAPTER IV GOOD GOVERNANCE AND ACCOUNTABILITY

4.0 Introduction

This chapter assesses the performance in major activities, outputs and outcomes related to good governance and accountability during the period under review. It assesses the achievements, challenges and proposes the way forward. The chapter ends by assessing progress of key reform processes that have a bearing on poverty reduction outcomes.

Overview of Performance

- i. All LGAs have established Procurement Management Units (PMUs) and Tender Boards to handle their procurement.
- ii. The number of clean certificates for MDAs and RAS increased from 55 (71 per cent) to 69 (85 per cent) while qualified opinions decreased from 20 (26 per cent) to 12 (15 per cent) in the financial years 2009/10 and 2010/11.
- iii. The government managed to recover the otherwise embezzled public resources equal to TZS 4,404,781,998 which is higher compared to last year recovery of TZS 3,020,556,461. The increase was approximately .
- iv. In primary courts the number of resolved cases out of total outstanding cases increased from 219,693 cases during 2010/11 to 510,996 cases during 2011/12 an increase of more than 100 percent.
- v. About 22,243 children who were employed in worst forms of child labour were withdrawn and registered in various levels of education: 8,402 joined primary education, 1,428 MEMKWA and 12, 413 vocational training.

4.1. Goal 1: Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption-free at all levels

Progress under this goal is assessed using various indicators such as: procurement at all government levels; percentage of MDAs and LGAs with Clean Audit Certificate from CAG; number of corruption cases convicted as a percentage of number of investigated cases sanctioned for prosecution; and corruption practices as expressed by public perception in key selected public service providers.

Procurement in LGAs - During the period under review the government continued with efforts towards ensuring proper use of public resources by strengthening and improving institution's capacity on procurement procedures. An evaluation conducted by PMO-RALG and results produced in a report of Evaluation of LGRP Support for The Local Government Development Grant System during 2011/12 showed that the system of procurement registered fairly substantial progress towards all outcome indicators with 56.3 percent of the respondents reporting substantial levels of achievement. The positive developments are attributed to several interventions including: procurement reforms that continued to be undertaken; training in procurement for LGA staff; annual assessment of LGAs and annual audit conducted by the CAG which compel LGA's officials to adhere to procurement regulations that include maintaining proper procurement records.

During the period under review, all LGAs were reported to have established Procurement Management Units (PMUs) and Tender Boards to handle their procurement. To a large extent these structures were reported to have followed the established procurement rules, regulations and procedures.

MDAs and RAS with Clean Audit Certificate from the National Audit Office - The Government continued to implement measures that strengthen its oversight institutions, especially the National Audit Office. As a result, there was a positive improvement in the opinions issued to Central Government entities compared to last year as shown in Table 4.1. The number of unqualified opinion or "clean certificates" for MDAs and RAS increased from 55 (71 per cent) to 69 (85 per cent) while qualified opinions decreased from 20 (26 per cent) to 12 (15 per cent) in the financial years 2009/10 and 2010/11 respectively. 2011/12 results have not shown any adverse opinion compared to 2 qualified opinions in the previous year. Moreover,

there was no MDA which was issued with a Disclaimer of Opinion⁴, as compared to 1 such opinion during 2009/10.

Table 4.1 Analysis of Audit Opinion issued to MDAS, RAS and Embassies/Missions, 2009/2010 and 2010/2011

Category of entities	Unqualified Opinion		Qualified Opinion		Adverse Opinion		Disclaimer Opinion		Total	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
MDAs	43	50	13	10	1	0	-	0	57	60
RAS	12	19	7	2	1	0	1	0	21	21
Total	55	69	22	12	2	0	1	0	78	81
Percentage	71%	85%	20.4%	15%	2%	0%	1%	0%	100%	100%

Source: NAO 2012

LGAs with Clean Audit Certificate from the National Audit Office - the rationale for this analysis is to determine trends of financial performance and accountability of LGAs. The LGAs financial performance, showed that the number of councils with clean certificates (unqualified opinions) increased by 5 percent from 66 (49 percent) in year 2009/10 to 72 (54 percent) in 2010/11. Moreover, the number of qualified opinions decreased by 6 percent from 64 (48 percent) in 2009/10 to 56 (42 percent) in 2010/11 respectively. However, the number of adverse opinions increased from 4 (3 per cent) in 2009/10 to 5 (4 per cent) in 2010/2011. Like in the previous year, no council was issued with disclaimer of opinion. Table 4.2 compares the reporting performance for 2009/2010 and 2010/2011⁵.

⁴ A Disclaimer of Opinion is issued when the auditor could not form, and consequently refuses to present, an opinion on the financial statements. This type of report is issued when the auditor attempted to audit an entity but could not complete the work due to various reasons and does not issue an opinion

⁵ The CAG audit report that normally provides LGAs' financial performance assessments has a one year lag makes the 2010/11 to be the latest report to be compared with the previous report of 2009/10

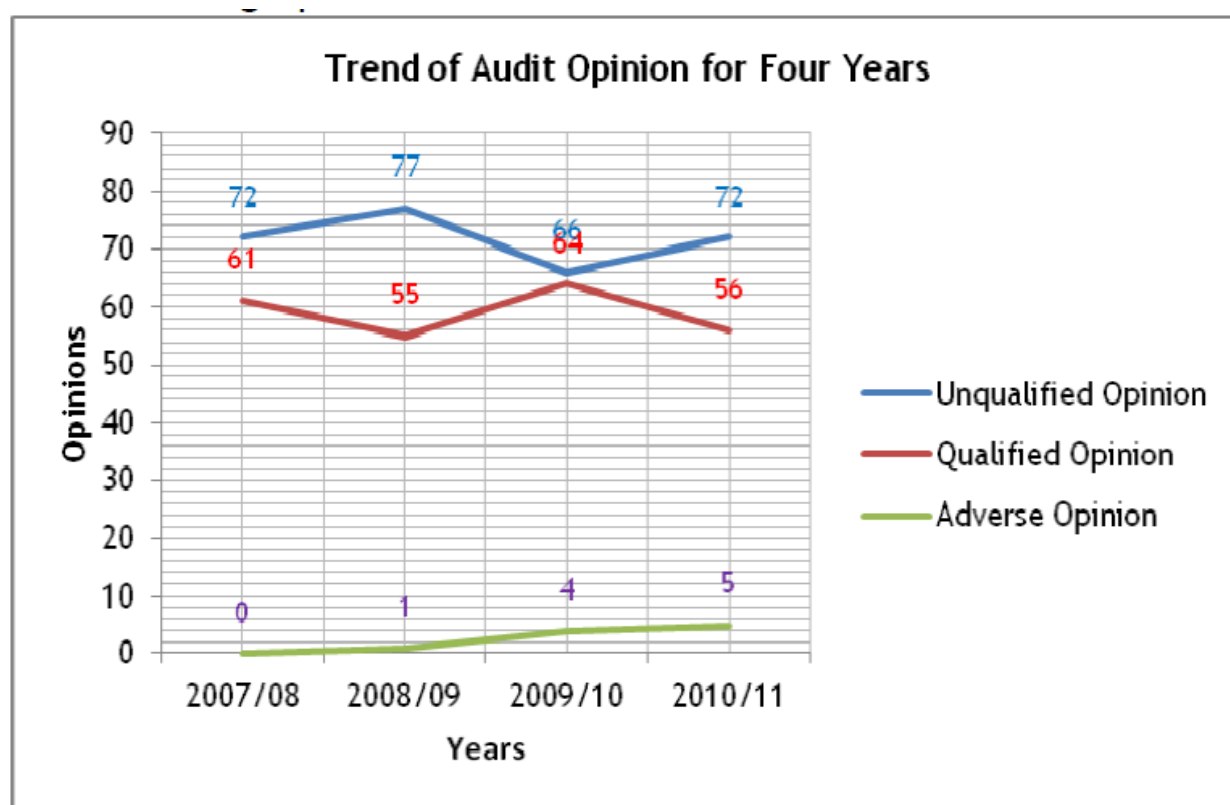
Table 4.2 Trend of Audit Opinion issued to LGAs for the financial years 2007/08, 2008/09, 2009/10 and 2010/11:

Opinion	Unqualified		Qualified		Adverse		Disclaimer	Total Councils
Years	Total	%	Total	%	Total	%	Total	
2007/08	72	54	61	46	0	0	0	133
2008/09	77	58	55	41	1	1	0	133
2009/10	66	49	64	48	4	3	0	134
2010/11	72	54	56	42	5	4	0	133

Source: NAO 2011

The analysis of audit opinion in Table 4.2 is presented as Figure 4.1

Figure 4.1 Trend of Audit Opinion, 2007/08-2010/11



Source: NAO 2012

It is important to note that the trend towards improved financial accountability preceded the introduction of the Local Government Development Grant (LGDG), although it appears that the introduction of the performance-based grant system helped local government authorities to attain a new plateau of financial accountability whereby around 96-99 percent of LGAs consistently

receive a clean or unqualified audit report. These results are mainly due to the initiatives taken by LGAs and PMO-RALG to minimize adverse audit opinions, rather than maximize the percent of the audits that are clean. Either, the instituted performance incentive framework for LGDG also provided a substantial incentive to LGAs not to obtain an adverse report.

It was also pointed out in the report of CAG that qualified opinion is partly a result of lack of adequate training on preparation of International Public Sector Accounting Standards (IPSASs) compliant financial statements, as well as unethical council staff involved in misappropriation of council funds, weaknesses in the overall internal control systems of councils and collusion between Council's staff and staff of bankers in defrauding Council's funds. The government is addressing such anomalies by conducting financial management training to 494 VEOs and MEOs in 19 LGAs. The training is intended to strengthen monitoring and evaluation of development projects and ensure their value for money. During 2011/12 the government also conducted training to all councillors in 133 LGAs on their roles, responsibilities and working relationship with executives.

Corruption: the Government, in collaboration with other stakeholders continued with efforts to combat corruption in the country. Various measures and interventions have been deployed. These included: seminars and anti-corruption campaigns to communities and various institutions, strengthening and establishments of new anti-corruption clubs, conducting governance and corruption surveys (i.e. the National Governance and Corruption Survey) and research studies to identify areas that have continued to fuel corruption in the country. Among the identified and focused areas included: mismanagement of agriculture subsidies especially on voucher system; regional hospital health services as well as on immigration services. Results of the survey and researches have been published in the government websites as well as being shared in various seminars and forums.

Among the noted outcomes of these interventions was the increased number of reported corruption incidences to the anti-corruption agency. The number increased from 1,476 incidences during last year to 4,498 incidences during 2011/12. However, not all reported incidences were found to be linked to corruptions as can be seen from Table 4.3.

Table 4.3: Statistics of Investigation PCCB

s/n	Activity	TOTAL May, 2011	TOTAL May, 2012
1	Information/Complains received	1,476*	4,498*
2	Opened files	155	848
3	Processed files	2,258	2,784
4	Closed files	273	335
5	Processed files forwarded to DPP	31	80
6	Files forwarded to other departments	39	92
7	Disciplinary measures	18	21
8	Cases forwarded to court	73	155

Source: PCCB, 2012

*Not all complains received were associated with corruption

In terms of processing case files, the government processed 2,784 case files during the period under review, higher than last year figure of 2,258 case files (an increase of 23 percent). Also, 80 case files were forwarded to the Director of Public Prosecutions (DPP) a number higher than that of last year at 31 case files. Likewise, the number of cases forwarded to courts of law increased from 73 cases last year to 155 cases during the period under review.

Other notable outcomes with regard to corruption were the recovered public resources that would otherwise have been misused i.e. embezzled public funds due to poor or bad management. During the period under review the government recovered TZS 4,404,781,998 which is higher compared to TZS 3,020,556,461 in 2010/11. The increase was approximately by 68 percent. Much of the funds recovered were from local government particularly from 31 LGAs out of the 81 districts that were reported. The funds were returned to the Treasury.

4.2. Goal 2: Improving public service delivery to all, especially the poor and vulnerable

Progress under this goal is assessed using the following indicators: proportion of population (including older people) reporting satisfaction with government basic services; percent of births registered within 90 days after birth; percentage of court cases that have not been disposed for more than 24 months as a percentage of all court cases (criminal and civil cases); reduction in time from arraignment to first hearing; percentage of older people accessing free medical

treatment at public health facilities; and percentage of female small holder farmers with land ownership or customary land rights.

Birth Registration: the government, through the Registration, Insolvency and Trusteeship Agency (RITA), continued with efforts to ensure rights of births and ownership continued to improve in the country. Several measures were taken including the extension of registration services closer to communities especially in rural areas, conducting awareness campaigns on the importance of registrations and documentations, etc. As a result, a total of 519,511 birth certificates, 66,463 death certificates, 13,631 marriage certificates, and other official documentations such as trusteeship, will, divorce etc were offered as indicated in Table 4.4. However compared to last year the number of birth registration was low.

Table 4.4: Registration By Type, 2010/11 qnd 2011/12

Registration Type	2010/2011	2011/2012	(%)
Birth Certificates	625,670	519,511	-17.0
Death Certificates	73,810	66,463	-10.0
Marriage	23,108	13,631	-41.0
Divorce	69	51	-26.1
Trusteeship	203	204	0.5
Will (law)	36	33	-8.3
Legacies	14	2	-85.7
Adoptions	33	18	-45.5

Source: RITA, 2012

Furthermore, during the period under review the government, in collaboration with other stakeholders, completed a pilot study under the project named: “*Under 5 Birth Registration Initiative*” (*U5BRI*) that aimed at reducing the backload of unregistered births. The project focused children below age of 5 years. The project was implemented in phases, and the first phase covered 14 wards in Temeke district, the second phase involved five regions namely: Mbeya, Mwanza, Geita, Shinyanga and Simiyu and the remaining 16 wards in Temeke district from phase one. The project targets in-school kids and those not attending school.

4.3. Goal 3: Promoting and protecting human rights for all, particularly for poor women, children, men and the vulnerable, including people living with HIV/AIDS

Assessment of progress in this goal is through the following indicators: percentage of court cases outstanding for two or more years; labour dispute settlement, percentage of prisoners in remand for two or more years compared to all prisoners in a given year; juvenile remand homes as well as number of cases filed on infringement of human rights.

Equal access to timely justice for all: the government in collaboration with other stakeholders continued to take several measures to ensure that there is equal access and timely justice for all Tanzanians. During the period under review, a one day (*pro bono*) free legal aid services was successfully conducted in 10 regions (Mwanza, Tabora, Arusha, Moshi, Dodoma, Tanga, Dar es Salaam, Kigoma, Mbeya and Mtwara). A total of 317 people (278 males and 39 Females) attended the legal aid day to seek legal aid services.

Also, the government undertook other strategic measures to ensure that rights of vulnerable people are protected especially in rural areas as well as in prisons. Among the interventions made were restatement to duty of retired Judges and Magistrates, especially for Primary Courts; and frequent inspection to all prisons in the country. Other measures included use of alternative punishments in court judgements. Such measures aimed at reducing congestion in prisons. The outcome of these interventions has been noted in the following areas:

Court Caseload: the number of court cases outstanding continued to decline as indicated in Table 4.5 whereby for primary courts the number of resolved cases out of total outstanding issues increased from 219,693 cases during 2010/11 to 510,996 cases during 2011/12, an increase of more than 100 percent. Likewise for district courts, there was a higher increase in the trend of resolved disputes from 47,667 cases in 2010/11 to 83,082 cases in year 2011/12, an increase of 74.3 percent. Such a high clearance rate was specifically due to re-engagement of retired judges and magistrates as well as construction of a number of new primary and district courts; and employing about 362 degree holders as Primary Court Magistrates.

At higher court levels, similar trend has been observed. Introduction of *Case Flow Management Systems* in the Dar es Salaam's High Court enhanced the capacity of high court to process cases and hence reduce the outstanding caseload. The overall outcome of all these interventions has

been a decline in the ratio of prisoners in remand for two or more years in relation to all prisoners in a given year. This ratio declined from 9.7 percent in 2010/11 to 6.8 percent during 2011/12.

Table 4.5: Proceedings of Cases at Primary and District Courts

	Primary Court			District Courts		
<i>Year</i>	<i>2010/11</i>	<i>2011/12</i>	<i>(%)</i>	<i>2010/11</i>	<i>2011/12</i>	<i>(%)</i>
Outstanding Disputes	40,316	123,647	207	27,062	36,612	35.3
Dispute Filled	303,032	512,308	69	57,227	77,495	35.4
Total	343,340	635,955	85	84,289	114,107	35.4
Resolved Disputes	219,693	510,996	133	47,677	83,082	74.3
Pending Disputes	123,647	124,959	1	36,612	31,025	-15.3

Source: Ministry of Constitutional and Legal Affairs (MoCLA)

Labour Disputes

The Government registered 7,722 labour disputes during 2001/12 of which, 5,354 equivalent to 61.3 percent were resolved while 2,368 equivalent to 30.7 percent are still in different stages of resolution. The procedure of registering labour disputes disaggregated by industry was instituted during the second quarter of year 2011/12. A total of 4,384 labour disputes have been recorded in this format as shown in Table 4.6.

Table 4.6: Labour Disputes by Industry/Sector

S/N o	Sector	Oct-Dec 2011	Jan-Mar 2012	Apr-Jun 2012	Total	%
1	Private Security Services	351	301	265	917	20.9
2	Factory Food and Refreshments (Drinks)	158	238	183	579	13.2
3	Education	123	87	85	295	6.7
4	Public Services	91	102	70	263	6.0
5	Construction	56	115	59	230	5.2
6	Agriculture	76	86	105	267	6.1
7	Domestic	62	67	29	158	3.6
8	Transportation	57	67	54	178	4.1
9	Mining	46	70	54	170	3.9
10	Financial Services	49	64	61	174	4.0
11	Communication	48	57	72	177	4.0
12	Health	40	51	58	149	3.4
13	Retail business	33	53	24	110	2.5
14	Tourism	23	25	131	179	4.1
15	Cleanliness	13	26	7	46	1.0
16	Tailoring	18	10	5	33	0.8
17	Fishing	15	0	15	30	0.7
18	Water	3	4	6	13	0.3
19	Others	1	5	3	9	0.2
20		274	104	43	421	9.6
TOTAL		1,537	1,532	1,315	4,384	100

Source: Ministry of Labour, Employment and Youth Development

Congestion in Prisons: with regard prison environments, despite the efforts that are ongoing, still the number of prisoners and remandees in all prisons in the country is higher than the authorized/recommended number. The number of prisoners and remandees was 37,676 of whom prisoners were 18,068 and remandees were 19,608. One of the approaches used by the government to decongest prisons is through releasing prisoners and remandees using different programs and legal windows. During the period under review, 142 prisoners were released through the Parole arrangement; 693 prisoners were announced to serve the “*Extra Mural*

Labour”, (serving outside the prison using the 1968 Act) and 1,080 prisoners were released by the courts to serve outside the prison under the Community Service Act.

Also a total of 3,803 prisoners were released under the Presidential Pardon during the 50 years of independence celebration. Apart from expansion, rehabilitation and construction of new prisons, other strategic interventions deployed included conducting awareness campaigns to the public on the rights of acquiring court bails, as well as submission by all heads of prisons a list of remandees whose cases have been outstanding for more than 60 days to the committees of fast-tracking court cases.

Human Rights: progress on improving human rights is encouraging (Table 4.7). The number of reported new complains declined and the rate of resolving reported cases increased drastically by about 49 percent. Such decline of reported new cases is an indication of increased awareness within communities on issues regarding human rights violation. However, much is needed to be done especially in rural areas where traditional beliefs and ways of communal lives harbour violation of human rights to certain segments of the population e.g. disgracing a mother who delivers a child with disability

Table 4.7:Complains on Violation of Human Right Violation

	Number of Complains		
<i>Status</i>	<i>2010/11</i>	<i>2011/12</i>	<i>(%)</i>
Old	7,542	7,833	3.9
New	1,333	886	-33.5
Total	8,875	8,719	-1.8
Resolved	1,042	1,554	49.1
Outstanding	7,833	7,165	-8.5

Source: Ministry of Constitutional Affairs and Justice

Access to legal services: Availability of legal service at lower level of the community has been one of the focal areas under the legal sector reforms, *albeit* with slow pace due to affordability. The government continued to ensure that those who cannot afford the costs associated with legal services were supported. For example, during the period under review about 1,000 people were

provided free legal aid services by the Commission for Human Rights, among them 300 were people living with HIV/AIDS.

Juvenile Remand Homes: Many of the studies conducted by government, in collaboration with other stakeholders to establish status of welfare for juvenile offenders and children who are in conflict with the law, revealed that most of the detention facilities available in the country had no specially designed detention facilities for juveniles and children, contrary to the international convention on child protection principles. The government instituted several measures to address such anomalies by establishing juvenile facilities at Police Stations.

During the period under review, two Police Stations in Mbeya region were identified for the establishment of juvenile facilities and to that effect, the civil works for the installation of facilities for juvenile offenders at Tunduma Police Station and Mbeya Central Police Station started; also the procurement process for engaging a contractor for similar works in Mwanza region was at an advanced stage by the end of the period under review.

People living with Disabilities: The National Policy on Employment (2008) insists equality in employment opportunities. The government, in collaboration with various stakeholders trained 308 people with disabilities in carpentry, mason, cookery and art. Among these, 145 were employed in various sectors while 163 managed to employ self during the period under review. In addition, 32 companies facilitated practical training to people with disabilities. Furthermore, the government sponsored 30 public servants with disabilities (28 women and 2 men) to pursue Masters degree for the purpose of enhancing their knowledge and skills.

People living with HIV and AIDS: the Government, in collaboration with other stakeholders continued to support and protect rights of people living with HIV and AIDS. Several measures were taken including: distribution of 1,500 guideline books for the purpose of guiding all stakeholders who engaged in training on HIV/AIDS in the health sector and other stakeholders in all district council's workplaces; distributed 232 machines for examining CD4; the number of men that were sensitized and consented to voluntary circumcision (believed to reduce HIV/AIDS transmission by 60 percent), reached 164,599 by March 2012 since launching of the

campaign in 2009, and training of trainers (TOT) to 213 volunteers on male circumcision. The target is to reach 2.8 million men by 2015..

Promoting and Protecting Children’s Rights: The government completed regulations on Child Act of 2009 in 2011/12. These are now in place and will be used in regulating activities done by various practitioners. The government in collaboration with other stakeholders prepared ‘*Child Participation Toolkit*’ that provides guidelines on how children can be involved in various issues concerning their daily life so as to ensure child rights are promoted and protected. The government has also established and strengthened gender and children’s desks in all police stations in the country so as to ensure proper handling of cases especially involving women and children. Standard operating procedure for the operationalization of gender and children’s desks was developed to guide all police officers on how to operate the desk across police stations.

Efforts have also been directed towards addressing the problem of street children in the country. The government in collaboration with stakeholders formed a “*National Task Force team*” which prepared Five Year Draft Strategy that proposed measures on how to tackle the problem. A report on Child Abuse in the country shows the magnitude of the problem and guides on strategic ways to address it. The report was launched during 2011/12.

As for child labour, the government in collaboration with other stakeholders during 2011/12 withdrew 22,243 children who were employed in worst forms of child labour.

Promoting and Protecting Rights of Women: A remarkable effort during 2011/12 was formation of a National Steering Committee on Women Discrimination, Children and people with Albinism that was launched in December 2011; the event that was graced by climbing Mount Kilimanjaro where by 74 participants from 36 countries within and outside Africa participated. The theme was ‘**Speak Out-Climb Up**’. In addition, the government opened a Centre for Women Documentation in Tengeru Institute of Community Development Training, being a branch of Great Lakes Region for Women Documentation that is situated in Kinshasa, Democratic Republic of Congo. The centre is important as women and other stakeholders can access all information regarding researches on women discrimination in the Great Lakes Region through Digital Library.

4.4. Goal 4: Ensuring national and personal security and safety of property

Progress under this goal is assessed through various aspects including: level of security in the country and number of reported crime cases.

National Security: The government continued to undertake several measures for ensuring peace and security in the country. These included measures for protecting the country's borders by ensuring that there are no intruders. During the period under review, the government re-constructed the beacons which were removed by unknown people along the northern border with Kenya, so as to avoid incidences of conflicts between people living in the boarder marks. Either the government planned to construct security roads along the borders in phases starting with areas perceived with low security especially on the western border.

Other efforts instituted included participation of country in various international security matters i.e. through bilateral cooperation, regional cooperation, as well as in multilateral cooperation. Such co-operations are helpful in various country security aspects such as on efforts to identify and trace crimes that have elements that are connected across the boundary.

Personal Security and Safety of Peoples' Properties: The government continued with efforts to ensure that there is security of peoples' properties through use of community policing that involved not only police force but also citizens. Such efforts were supplemented with special police inspections especially on those areas that were noted to have frequent incidences of crimes. The number of reported crimes though, generally increased from 543,358 to 564,176 as shown in Table 4.8. A number of factors accounted for such an increase in crime including continued decline of society's moral values, witchcraft beliefs, poverty as well as the closure of refugee camps. These aspects continued to undermine efforts that ensured peace, security and safety of people's properties among the community. It should be noted that partly, the increases snubbed reflected the effectiveness of law enforcing departments.

Table 4.8: Reported Crimes in Tanzania, 2010-2011

Type of Crime	Jan-Dec, 2010	Jan-Dec, 2011
<i>Crimes</i>		
Major Offence	94,390	76,052
Minor Offence	448,968	488,664
Total	543,358	564,716

Source: Ministry of Home Affairs

NB: Statistics on Crimes are reported annually

The above notwithstanding, much more efforts are required to strengthen community policing since it has proved to help identify new channels of crime in the society and people involved in those incidences which could otherwise have not, given the capacity of the police relative to the country's population. Such evidence can be noted on drug usage whereby 10,384 people were snubbed with 397.984 kilograms of cocaine, heroin, mandrax and other agric-field drugs. Other evidences can be viewed in terms of illegal ownership of firearms that threaten people among the community. About 503 illegal firearms were seized in special police operations in support of information from the community. Reducing usage and influx of drugs and illegal ownerships of firearms in the country will help to reduce crime incidences since they have close connection with the trend of people's engagement on criminal events.

Refugees and illegal migration: the other interventions made by the government in order to ensure that there is security and safety of people's and country's properties was through the use of special investigations aimed at identifying illegal immigrants as well as continuing repatriation of refugees.. With regard to the former, during the period under review, about 5,603 illegal immigrants were apprehended and handed over to the proper legal channels for prosecutions. Out of these immigrants, 1,376 were from Somalia and Ethiopia. However the number of illegal migrants apprehended increased whereby during 2011/12 the number increased to 3,339 migrants. Such increase could be explained by the increasing global human trafficking. The traffickers exploit Tanzania's strategic location for passage to destinations in southern African countries.

Also the government made efforts to reduce the burden of refugees and other associated costs including refugees sneaking out of refugee camps and engaging in crimes. During the period under review the government in collaboration with international actors repatriated a total of 189 refugees to their respective countries of origin. By April 2012 the number of refugees was reduced to around 112,645 refugees. Frequent special police patrols are mounted in areas where refugee camps are located since those areas tend to have higher incidence of crimes.

4.5. Goal 5: Promoting and preserving culture of patriotism, hard work, moral integrity, and self-confidence

Progress under this goal is assessed using the following indicators: usage of Kiswahili language across borders e.g. on international conferences, etc; percentage of Government leaders and MPs who have abided by the leadership code of ethics by filling in wealth declaration forms; and lastly is through the percentage of institutions that have functioning Integrity committees.

The Culture of Patriotism and Hard-Work: The government continued to build the culture of patriotism and hard work among youths by providing training through the use of special programs under the national service (JKT). During the period under review a total of 5,844 youth volunteers graduated phase one of the training of whom 4,554 were men and 1,290 were women. The number is high compared to those who were recruited last year under the so called “*Operesheni Uzalendo*” that trained a total of 4,752 youths.

During 2011/12, all of the graduates of phase one were also seconded to phase two that involved vocational training in various institutes located within the national services camps. About 3,406 graduates were employed in various security organs of the government. The government opted to recruit youth security officers that have passed through the national service channels. This at least ensured that those recruited had nationalism and work ethics zeal. Since this is a long term plan, it is expected that the country’s culture of patriotism and hard work across different levels of government security organs and the community in general will improve.

Kiswahili Language: the government continued to ensure that the usage of Kiswahili language expands across Tanzania’s borders since it not only serves to promote the nation but also creates an avenue for youth employment. Among the initiatives taken by the government has

been to influence members of the African Union (target 36 members as per the constitution requirement) regarding the Protocol on the Amendments to the Constitutive Act of the African Union. Upon implementation of the Act, Kiswahili language will be allowed to be used as an official language in the daily activities of the African Union. During the period under review, the outcome of such initiatives has been for the African Union to start teaching Kiswahili language in its Institute of Languages. The Institute enrolled 15 students with two volunteering Kiswahili instructors from Tanzania. Other initiatives taken by the Government during the period under review was to provide translation services in international conferences, various documents including brochures, certificates, etc. The translation services were undertaken in two African Union meetings held in Equatorial Guinea, and Ethiopia. Kiswahili translation services were also held during Africa Parliamentary meetings held in South Africa in October, 2011.

Other measures taken included enhancing internationalization of Kiswahili language in order to ensure its proper usage.. Among the measures was to investigate Kiswahili language mistakes i.e. use of improper language across Media and other users of the language. A total of 120 Swahili language mistakes were identified and publicized along with their correct usage.

Leadership and Integrity: integrity of leaders across levels of government has been the cornerstone for achieving progress towards good governance and accountability of public resources. In view of this much of the interventions focused on ensuring that there is public trust on leaders with regard to management of public resources. One of the measures undertaken was to enforce all public servants to declare their wealth and liabilities by filling declaration forms. During the period under review 8,972 public servants were asked to fill the wealth declaration forms of which 8,290 filled forms were returned representing 93 percent of the potential returns. Official letters were sent to those who did not fill and return the forms. About 133 of the returned forms were audited while for others auditing is progressing.

Other interventions included strengthening systems of communication within and across government to facilitate the process of receiving public opinion about public servants and government activities in general. The outcome has been an increase in the number of reported complains on violation of ethics of public servants recorded at 215 complains. Of the received

complaints 125 complaints were verified to violate ethics of public servants while the remainder failed to confirm the validity and hence were redirected along the appropriate channels for investigation. Furthermore, 432 leaders from different institutions as well as 223 newly appointed leaders attended seminars to orient them with rules and ethics guiding public services in the country.

4.6 Status and Progress of Core Reforms

4.6.1 Introduction

This section provides progress achieved during the period under reviews on core reforms. These reforms are: Public Service Reform Programme II (PSRP II), Local Government Reform Programme II (LGRP II), Legal Sector Reform Programme (LSRP), National Anti-Corruption Strategy and Action Plan II (NACSAP II), Roadmap on the improvement of the Investment Climate in Tanzania, Public Financial Management Reform Programme III (PFMRP III), and the Financial Sector Support Programme (FSP). All core reforms have been mainstreamed in activities of MDAs/LGAs using the MTEF process and exchequer system. MDAs and LGAs are allocating funds for programme activities in their plans and budgets and these are consolidated by the coordinating MDAs for monitoring and reporting purposes.

4.6.2. Overall Assessment of the Reforms in 2011/12

Overall performance of core reforms for FY 2011/12 has been modestly satisfactory with individual programmes registering different levels of performance. The sub sections that follow present progress achieved during the period under review.

4.6.2.1 Progress on Core Reforms

a) Public Service Reform Programme II

Public Service Reform Programme Phase II (PSRP II) was launched in January 2008 and expected to end on December 31, 2012. PSRP II sought to enhance the capacity, performance and accountability of Ministries, Departments and Agencies (MDAs) in the use of public resources and service delivery, consistent with timely and effective implementation of the strategic and priority programs under the National Strategy for Growth and Reduction of Poverty (MKUKUTA). The objective of the Programme was to achieve improvements in the policy

making and regulatory capacity of MDAs, improved use of performance management systems by MDAs and their linkage to service delivery, improved management of public servants, and greater access to information by the public and enhanced openness, transparency, responsiveness, and accountability by public servants. During the period under review, PSRP II recorded the following progress:-

- i. A National Policy Team (NPT) constituting 24 policy Analysts has been established and capacitated on Policy Formulation, Management and Analysis;
- ii. A study to assess Performance Management Systems (PMS) tools utilisation was undertaken in 18 MDAs. Meanwhile, intervention to improve utilisation of PMS tools in four (4) low rated MDAs was undertaken;
- iii. Four (4) (instead of two as planned) Executive Agencies were established (Fisheries Education Training Agency - FETA, Livestock Training Agency - LITA, Tanzania Global Learning Agency - TaGLA and Tanzania Veterinary Laboratory Agency - TVLA);
- iv. Complaints Handling Mechanism was operationalized in eight (8) MDAs (Ministry of Home Affairs, Ministry of Lands, Housing and Human Settlements, Ministry of Health and Social Welfare, President's Office Public Service Management, Prime Minister's Office Regional and Local Government, Tanzania Food and Drugs Agency, PO- Public Service Recruitment Secretariat and Ministry of Education and Vocational Training) as planned;
- v. Training on Results-Based Management (RBM) was conducted to 60 DASs;
- vi. Human Capital Management Information System (HCMIS) was implemented in 347 MDAs and LGAs (29 Ministries, 141 Independent Departments, 21 RS, 126 LGAs, 26 Higher Learning Institutions and 4 Referrals Hospitals). A total of 694 Human Resources Officers were trained on the use of HCMIS; and,
- vii. Construction of National Records Centre (NRC) was completed by 95%.

b) Local Government Reform Programme II (LGRP II)

The Government in close collaboration with Development Partners (DPs) and other stakeholders and actors, developed the second phase of the Local Government Reform Programme II (Decentralization by Devolution) with the acronym LGRP II (D by D), to span

from July 2009 to June 2014. It built on the success and experience of the first phase (LGRP I) and would entrench D by D across all levels of Government. The aim is to empower people, through their Local Government Authorities (LGAs) by enabling them to make and implement decisions in line with locally determined priorities using financial, human and other resources which are under their control. Local autonomy is the main focus during the programme implementation.. During the period under review the following milestones were achieved:

- i. Review of LGDG System on Independent Evaluation of Outcomes and Assessment of Beneficiary Satisfaction in LGAs whereby LGDG Value for Money Audit Report and Local Government Support Programme Completion Report were produced;
- ii. PMO – RALG in collaboration with Tanzania School of Law facilitated a study which identified 27 non D by D compliant specific sector laws; which are to be reviewed in the financial year 2013/14;
- iii. Conducted Annual Assessment of 133 LGAs g Assessment Manual of November 2010 and Regional Secretariat expertise;
- iv. Conducted financial management training to 494 VEOs and MEOs in 19 LGAs which will facilitate monitoring and evaluation of development projects and ensure value for money;
- v. Procured 50 vehicles for the Internal Audit Units to enhance internal control;
- vi. Linked all 133 Councils in the centralized IFMS and ensured its use for effective financial management; and,
- vii. Conducted training to all councillors in 133 LGAs on their roles, responsibilities and working relationship with executives.

c) Legal Sector Reform Programme (LSRP)

The main objective of this reform is to foster good governance and rule of law. The focus has been on improving service delivery by promoting access to justice, human rights, administration of justice, and knowledge and skills of legal professionals. During 2011/12 LSRP recorded the following progress:-

- i. Established a modern case filing system for quick retrieval of case files;

- ii. Development of new case assigning system to improve the capacity in adjudication of cases filed;
- iii. Establishment of four Regional Prosecution Offices in Morogoro, Njombe, Manyara and Kigoma Ujiji;
- iv. Establishment of two District Prosecution Offices in Monduli and Temeke;
- v. About 277 police investigation officers were trained in new investigations skills focusing more on new forms of crimes (i.e. offences against Person, financial and property offences, piracy and cyber-crime);
- vi. Development of guidelines for operationalization of Gender and Children desks so as to improve juvenile and Gender justice;
- vii. Conducted free legal aid services to 10 Regions (Mwanza, Tabora, Arusha, Moshi, Dodoma, Tanga, Dar es Salaam, Kigoma, Mbeya); and
- viii. Constructed 4 newly Primary Courts in Berreko, Bassotu, Mafia and Mabamba).

d) National Anti-Corruption Strategy and Action Plan II (NACSAP)

NACSAP II is the government blue print on zero-tolerance to corruption and preventive tool that seeks to foster transparency, integrity and accountability in the conduct of public affairs. It encourages strategic partnerships between the Public Sector, the Private Sector, the Civil Society, the Media and Development Partners (DPs) in combating corruption and enhancing good governance in Tanzania. The implementation of NACSAP has been integrated into MDAs, Regions and LGAs and has registered the following progress:-

- i. Trained 259 Government Officials on Sectoral Approach to tackle corruption and Ethics Infrastructure;
- ii. Establishment of Complaints Handling Desk in Police Stations including Traffic Police Units and Investigations Units;
- iii. Conducted Training of Trainers to Police Force on Customer Care and Complaints Handling Mechanisms;
- iv. Trained 90 Private Sector officials on Corporate Governance and Combating Corruption;
- v. Trained 77 Faith- Based Organizations on Corruption and Ethics Infrastructure; and
- vi. Trained 75 Professional Journalists on Investigative Journalism and implementation of NACSAP II in media sector.

e) Public Financial Management Reform Programme III (PFMRP)

Implementation of PFMRP III started in 2008 with the main objective of ensuring greater predictability and availability of medium term resources to executing agencies. The thrust was about getting tools, techniques, methodologies and systems that were introduced in the previous phases to work efficiently and effectively in an integrated manner in order to bring about the required changes in management of public finances.

Progress under this reform program is assessed through the following Key Result Areas (KRAs), namely: improvement in the budget process and management; improvement in the accounting system and tools; improvement in the audit function; strengthening of public procurement process and management, and capacity building for parliamentary oversight committees. Other areas included: improvement in non-tax domestic revenue collection; institutional support to PFM training institutes; and improvement in programme coordination, monitoring and communication. The following progress has been achieved during the period under review:

- i. Action plan for the implementation of Programme budgeting has been developed ready for implementation;
- ii. The SBAS software was updated to accommodate the requirements of Five Year Plan and will be used to allocate resources for FY 2012/13 – 2015/16;
- iii. Government Financial statements were prepared and produced through the IFMS under the International Public Sector Accounting Standards Cash Basis (IPSAS);
- iv. Software for the payment of pensioners through PPF was installed and is working properly;
- v. Capacity building on cash management for District Administration Secretariats and Regional Administration Secretariats were conducted ;
- vi. About 244 staff from Sub Treasuries, Bunge Office, PMO –RALG and Regional Secretariats were trained on Electronic Funds Transfer (EFT) and Tanzania Interbank settlement System (TISS);
- vii. Chief Accountants, Regional Accountants and all Accountants from Tanzanian Embassies abroad were trained on IPSAS;

- viii. Trained 31 people including 10 PPRA staff, 16 Individual Consultants, and 5 field students on the basic corruption detection techniques in public procurement, value for money Procurement audit and the basic techniques and methodology for carrying out Forensic audit;
- ix. Conducted Value for Money Audits in 113 projects which are being implemented by 35 PEs;
- x. About 104 NAOT auditors were trained on Risk- based Audit;
- xi. Training to Members of the three (3) Parliamentary oversight Committees (PAC, POAC, LAAC) on interrogation skills and understanding of CAG reports were conducted and has to a greater extent improved interrogation skills and competence.

4.6.3 Challenges

Despite the noted achievements with regard to governance and accountability of public resources, there were a number of challenges faced in the course of implementation. However these challenges created an opportunity for undertaking strategic interventions to address them for better outcomes. This section presents challenges faced followed by way-forward:

Disbursement of Funds: Delays in approval of work plans and budgets resulting in late disbursement of funds and late implementation of activities, delays in preparation and submission of progress reports still have been reported as challenges for accelerating core reforms. Affected programmes include; Public Service Reform Programme (PSRP II), Local Government Reforms Programme (LGRP II) and Legal Sector Reform Programme (LSRP II). These programs started implementing their respective work plans at the end of second quarter.

Low capacity: Inadequate capacity at various levels of government continued to undermine performance on governance and management of public resources. For example there was low capacity of watchdogs, oversight institutions and NSAs to fully participate in the fight against corruption. Also there were inadequate skills particularly in the areas of procurement, Monitoring and Evaluation as well as Change Management. Strategic measures and efforts are needed in order to enhance the capacity in these areas.

Policy Coherence: Harmonizing conflicting Policies and Laws has continued to weaken the performance on governance during the period under review. Such inconsistency features have highly been observed in various policies for example under the D by D policy and in particular on procurement procedures and guidelines at the LLG levels. More can also be observed in other levels of government and across sectors which indeed require close attention.

Monitoring and Evaluation: This has been a common issue across sectors, institutions and programmes during the period under review that calls for more strategic efforts to institutionalize the overall framework. Poor performance of M&E undermines, among other aspects, the reporting framework across levels of government and affects the planning processes. Having an effective M&E framework will facilitate efforts directed towards management of public resources.

Resources to Under-Served Areas: This has been a challenging issue, to ensure that underserved areas are fully considered in terms of resources both human and financial. For example during the period under review in the procurement aspect it has been a challenging issue for some of LGAs to find or attract competent contractors to remote rural areas especially for small projects and hence delays in release of funds and subsequent completion of projects. Such features can also be observed across sectors: health, education, security, etc. Greater collaborative strategic efforts are needed to address this problem.

CHAPTER V

MKUKUTA FINANCING

5.1. Introduction

This chapter provides a review of overall fiscal performance and strategic resource allocation. It provides information on budget preparation, execution, reporting and transparency during 2011/12. The chapter also articulates recommendations for moving forward.

Overview of Performance

- i. Total resources allocated for the implementation of MKUKUTA II increased by 20.2 percent from TZS 8,494.3 billion in 2010/11 to TZS 10,207 billion in 2011/12.
- ii. The share of Government budget directed towards financing MKUKUTA II increased from 54.1 percent of the total budget during 2005/06, to 75.5 percent during 2011/2012.
- iii. Actual development budget as a ratio of GDP increased from 7.6 percent in 2010/11 to 9.5 percent in 2011/12 implying concerted Government commitment to increase development budget for the implementation of development projects as indicated under MKUKUTA II nd FYDP.
- iv. Revenue collection as a percent of GDP increased from 16.6 percent in 2010/11 to 17.4 percent in 2011/12 and was above the target of 17.2 percent of GDP.
- v. Implementation challenges were however encountered including inadequate resources both domestic and foreign; actual budget execution in most sectors was below the approved budget; and increasing risks associated with the intensification of the global slowdown, as well as erratic power supply.

5.2. Budget Preparation

The budget frame for 2011/12 considered key areas for implementation including: achieving the objectives of the Tanzania Development Vision 2025; priorities of the Five Year Development Plan (2011/12-2015/16); Phase II of the National Strategy for Growth and Reduction Poverty (MKUKUTA II); and The Millennium Development Goals 2015.

The basis and objectives of the Government budget for 2011/12 were: addressing the challenges of reducing income poverty; continued improvement of domestic revenue collection mechanism;

ensuring that revenues from retention schemes are collected appropriately and remitted to the Consolidated Fund Services; allocating resources to areas that stimulate economic growth; and accelerating implementation of Public Private Partnership Act in order to widen opportunities for co-financing development projects.

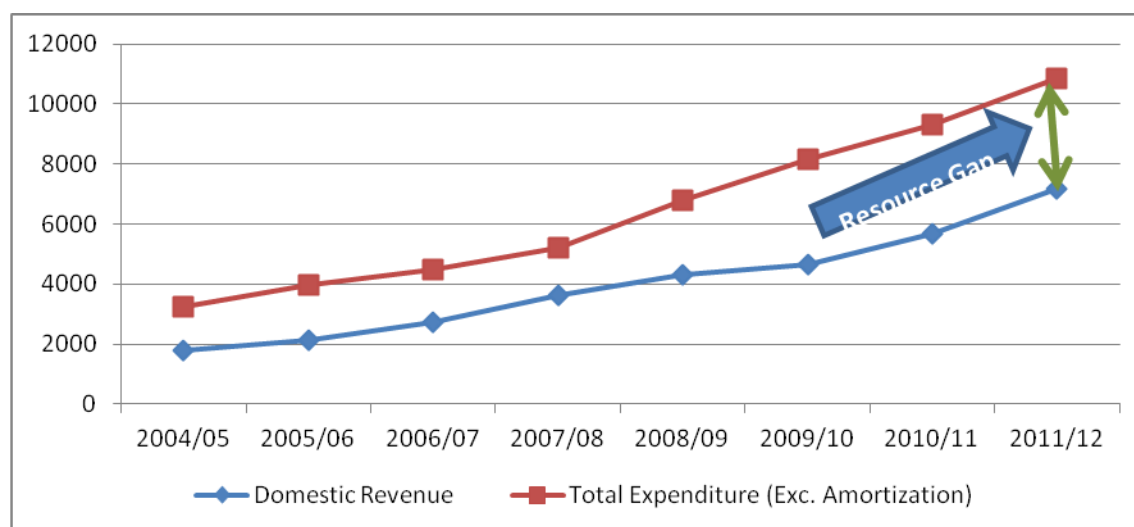
Budget preparation tools and processes such as the Medium term Expenditure Framework (MTEF), the Strategic Budget Allocation System (SBAS) at the MDAs level and PlanRep at LGAs level continued to be strengthened and realigned with MKUKUTA II to guide budget allocation and transparency.

5.3. Resource Mobilization and Financing Gap

Mobilization of financial resources is an important aspect of effective implementation of Plans. For a considerable period of time, the Government has relied on traditional or conventional sources of revenue to finance its recurrent and public investment expenditures. Those conventional sources include: domestic tax revenue; non tax revenue (dividends, fees, and licenses); domestic borrowing; grants and concessional and non concessional loans from both bilateral and multilateral sources.

The Government made concerted efforts to maximize tax revenue collection and management by implementing Tax Modernization Programme and TRA Third Corporate Plan in order to ensure adequate mobilization of domestic resources. Tax Modernization Programme and Corporate Plan focused on: a) broadening the tax base (b) strengthening TRA to increase the efficiency and effectiveness of Tax Administration (c) improving tax administrative infrastructure and (d) curbing tax evasion and minimizing revenue loss through tax exemptions and informal sector. As a result of the above mentioned measures, domestic revenue has been increasing. However, Government expenditure on the other side has been increasing even faster, thus causing widening of the resource gap as depicted in Figure 5.1. Detailed Government Budgetary Operations are summarized in Table 5.1.

Figure 5.1: Resource Gap (2004/05 – 2011/12) in TZS Billion



To curb the widening of the financing gap, new innovative sources to finance Government expenditure are needed, beyond the traditional sources. The Government has proposed other innovative sources of finance which include: Infrastructure and Savings Bonds; Diaspora Bonds; Domestic Bonds; Foreign Market Bonds; Pension and Social Security Funds; Strategic Partners' Grants and Donations; Government Guarantee through PPP arrangements; Regional Economic Arrangements and South-South Cooperation; Taxation on financial transactions, Carbon Trading and Carbon Tax; Voluntary Based Initiatives; and Super Profit Tax on Minerals.

5.3.1. Domestic Resource Mobilization

Total domestic revenue collections for 2011/12 (including collections from LGAs) amounted to TZS. 7,182,927 million, equivalent to 101 percent of estimated TZS. 7,126,448 million, a 23.5 percent increase compared to collection of the previous year. The overall performance means that there are adequate domestic resources to finance MKUKUTA II implementation as envisaged. On monthly basis, total revenue collection has been increasing consistently from an average of TZS 228.25 billion per month in 2006/7 to a monthly average of TZS 598.58 billion in 2011/12.

The performance in revenue collection was mainly due to improvements in tax revenue whose collection was 4.0 percent above the target in 2011/12. While this increase may be an indication of strong growth in economic activities, it is important to note that administrative measures such

as introduction of Electronic Fiscal Devices (EFDs), renegotiation of mining contracts and enhancement of tax audits may have contributed to the observed performance. Total collections from non-tax revenue in 2011/12 was 97.2 percent of the target of collecting TZS 561,238 billion while LGAs own sources was TZS 157,042 billion, equivalent to 44.8 percent of the target of collecting TZS 350,497 billion for the same time period. The performance at LGAs level is a reflection of weak revenue forecasting capacity and inadequate revenue collection management.

5.3.2. External resource mobilization and deficit financing

The General Budget Support (GBS) continued to be the Government's preferred aid delivery modality due to its comparative advantages over other modalities, in terms of predictability and strengthening Government ownership over resource allocation across MDAs, Regions and LGAs. The GBS disbursement in 2011/12 decreased by 1.3 percent from TZS 928.3 billion disbursed in 2010/11 to TZS 916,381 billion. Nonetheless, the total budget support disbursed was 5.4 percent higher than the budget estimates of Shillings 869,414 billion for 2011/12. Surpassing budget estimates has not only increased the level of Development Partners (DPs) in terms of meeting their commitment but also increased the level of discretionary resources available to the Government for MKUKUTA II implementation. The actual disbursement for 2010/11 surpassed the estimate mainly due to increase in budget support loans as well as exchange rate depreciation.

Table 5.1: General Budget Support (GBS) Million TZS

	2006/07		2007/08		2008/09		2009/10		2010/11		2011/12	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
Budget Support Grant	471,025	502,913	610,181	601,324	577,591	608,724	625,445	629,540	631,835	726,524	700,791	673,062
Budget Support Loan	333,529	287,422	271,139	362,073	234,521	331,923	368,464	585,125	189,837	201,806	168,623	243,318
Total Budget Support	804,554	790,334	881,320	963,397	812,113	940,646	1,193,909	1,214,665	821,672	928,336	869,414	916,381
% of the Budget		98.2%		109.3%		115.8%		101.7%		113.0%		105.4%

Source: Ministry of Finance

Out of the actual total budget support (GBS) received in 2011/12, TZS 676,062 million was budget support grant, equivalent to 73.4 percent of the total GBS for the period and 4.0 percent below the estimate for the period. The underperformance was on account of Euro zone debt crisis. Budget support loan accounted for 26.6 percent of the total budget support and was also above the period estimates by 44.3 percent as depicted in the Table 5.1

5.4. Resource Allocation

Total resources allocated (as approved by Parliament) for the implementation of MKUKUTA II increased by 20.2 percent from TZS 8,494.3 billion in 2010/11 to TZS 10,207 billion in 2011/12.

This allocation covers recurrent and development budgets passed by the National Assembly for MDAs, RSs and LGAs. Recurrent budget allocated for MKUKUTA II interventions in 2011/12 increased by 8.0 percent to TZS 5,420.7 billion from TZS 5,017.7 billion allocated in 2010/11. In addition, the budget allocated to implement MKUKUTA II development programs increased significantly by 37.7 percent in 2011/12 to TZS 4,786.3 billion from TZS 3,476.5 billion in 2010/11. Out of this, the local component of the total development budget increased to TZS 1,799.6 billion, equivalent to 37.6 percent up from 30.3 percent share of the total development budget in 2010/11. This not only shows increased commitment by the Government to boosting the share of development budget for implementing MKUKUTA II, but also efforts towards reducing donor dependency. Further analysis of MKUKUTA II allocation within each Cluster reveals a number of encouraging trends in terms of strategic budget alignment.

Resources allocated to Cluster I, amounted to TZS 4,914.0 billion in 2011/12, equivalent to 36.3 percent of the total budget compared to 32.8 percent in 2010/11. This is equivalent to 29.0 percent increase and is consistent with Government policy of promoting economic growth by improving economic infrastructure services and productive sectors. As the share of Cluster I increases, the share of the other two clusters and non MKUKUTA II activities decreases. There was a substantial decline in the share on non-MKUKUTA allocation.

The Government resource allocation to Cluster II increased by 14.3 percent to TZS 3,857.4 billion from TZS 3,374.9 billion in 2010/11. The allocation represented 28.5 percent of the total budget in 2011/12 compared to 29.1 percent in 2010/11. The slight decline of the percentage allocation to Cluster II was attributed by Government decision to shift resources to Cluster I after completion of heavy investments in education and water sectors.

Resources allocated to Cluster III increased from TZS 1,181.6 billion in 2010/11 to TZS 1,313.1 billion in 2011/12, an increase of 11.1 percent. This allocation also accounted for 9.7 percent of the total budget allocation in 2011/12 compared to 10.2 percent in 2010/11.

Within MKUKUTA cluster allocation, the pattern was the same with cluster I accounting for 48.1 percent of total MKUKUTA II budget in 2011/12 up from 44.9 percent in 2010/11. This was followed by Cluster II, which accounted for 37.8 percent of the total MKUKUTA II budget down from 39.7 percent in 2010/11. Cluster III allocation in 2011/12 also decreased to 12.9 percent compared with 13.9 percent in 2010/11.

Table 5.2: Government Expenditure by Strategic MKUKUTA II Allocation – including transfers to LGAs (Billion TZS)

	2010/11					2011/12					% change Total
	Recc	Development			Total	Recc.	Development			Total	
		D-L	D-F	Total			D-L	D-F	Total		
MKUKUTA	5,017.7	1,054.1	2,422.5	3,476.5	8,494.2	5,420.7	1,799.6	2,986.7	4,786.3	10,207.0	20.2%
Cluster I	1,611.8	823.6	1,375.0	2,198.6	3,810.4	1,861.4	1,375.9	1,676.7	3,052.6	4,914.0	29.0%
cluster II	2,384.0	113.7	877.2	990.9	3,374.9	2,494.8	201.3	1,161.3	1,362.6	3,857.4	14.3%
Cluster III	1,022.0	82.7	77.0	159.7	1,181.6	1,060.7	169.9	82.4	252.4	1,313.1	11.1%
Cross Cutting	-	34.0	93.3	127.3	127.3	3.8	52.5	66.2	118.7	122.5	-3.8%
Non-MKUKUTA	2,772.8	311.1	31.4	342.5	3,115.3	3,179.6	71.9	67.4	139.3	3,318.9	6.5%

Source: Ministry of Finance

Table 5.3: MKUKUTA Allocations in Percentage of Total Budget (Incl. LGA transfers)

	2010/11					2011/12				
	Recc	Development			Total	Rec	Development			Total
		D-L	D-F	Total			D-L	D-F	Total	
MKUKUTA	64.4	77.2	98.7	91.0	73.2	63.0	96.2	97.8	97.2	75.5
Cluster I	20.7	60.3	56.0	57.6	32.8	21.6	73.5	54.9	62.0	36.3
Cluster II	30.6	8.3	35.7	25.9	29.1	29.0	10.8	38.0	27.7	28.5
Cluster III	13.1	6.1	3.1	4.2	10.2	12.3	9.1	2.7	5.1	9.7
Cross Cutting	0.0	2.5	3.8	3.3	1.1	0.0	2.8	2.2	2.4	0.9
Non-MKUKUTA	35.6	22.8	1.3	9.0	26.8	37.0	3.8	2.2	2.8	24.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Finance

Furthermore, the government increased its commitment towards attaining the operational targets aligned within the Strategic Plan of the specific sectors. In 2011/12 budget, the government considered among others, water, transport and transportation infrastructure (railway, ports, roads, airport etc), agriculture and irrigation as the main priority areas. At the same time, in the same fiscal year, the government budget was set towards meeting among others, the following objectives;

- i. Protecting and sustaining achievements in education, water and health sectors;
- ii. Improving balance of payments by processing products, especially agricultural products, minerals and other products before exporting;
- iii. Allocating resources to areas with high multiplier effects such as infrastructure for electricity, water, roads, ports, agriculture, irrigation schemes, and Information and Communication Technology (ICT).

With the above objectives and priority areas, further sector-wise analysis reveals the following:

Infrastructure: Recognizing the role played by railways, ports, roads and airports in supporting economic growth and ultimately reduction of income poverty, the government continued to allocate more funds to these sectors. The sectors were allocated TZS 2,781.4 billion in 2011/12 compared to TZS 1,505.1 billion in 2010/11. This is a significant increase of about 85 percent. Of the allocation in the infrastructure sector, the road sector had the larger share with an allocation of TZS 1,105.1 billion for the year 2010/11.

Energy and minerals: The government continued to allocate comparatively sufficient resources to energy sector to boost investment capacity of power generation, transmission and distribution in order to reduce the major country challenge of power rationing. Moreover, some amount has been allocated toward the mineral sector in order to boost the sector capacity to contribute to government revenue and employment generation. In 2011/12, the energy and mineral sector was allocated TZS. 539.3 billion compared to 327.2 billion in 2010/11.

Water: During the period under review, there was a significant increase in the amount allocated to the water sector. The increase was about 56 percent. In absolute terms, the sector's budget increased from TZS 397.6 billion in 2010/11 to TZS 621.6 billion in 2011/12.

Agriculture and Irrigation: The budget allocation for agriculture sector increased from TZS 903.8 billion in 2010/2011 to TZS 926.2 billion in 2011/12. This represents an increase of 2.5 percent. The main focus like in the previous budget continued to be on implementing *Kilimo Kwanza* initiative and its subsequent programmes such as TAFSIP and SAGCOT.

Education and Health: The Government is committed to improving performance of education sector especially the learning and teaching environment. The sector's budget allocation increased slightly from TZS 2,227.3 billion in 2010/2011 to TZS 2,283.0 billion during 2011/12 . This was only a 2.5 percent increase from previous year allocation. As with the education sector, there was a slight increase in the allocation in the health sector. The government in 2011/12 allocated TZS 1,209.1 billion from TZS 1,205.9 allocated in 2010/11 to support the health sector. However, slight increase in resources allocated to education and health sectors is not surprising as overtime the national priorities have been fine tuned given the prevailing situation.

5.5. Budget Execution

Total expenditure for 2011/12 stood at TZS 10,870.7 billion, equivalent to 86 percent of budget estimate of TZS 12,639,939 billion. Though below the budget, actual expenditure was 16.9 percent higher than the amount spent in 2010/11. There was a relative increase in development budget and corresponding decrease in recurrent budget whereby actual development expenditure was 36.3 percent of the total budget compared to 28.5 percent in 2010/11. Further, development budget as a percent of GDP increased from 7.6 percent in 2010/11 to 9.5 percent in 2011/12 implying concerted Government commitment to increase development budget for the implementation of development projects.. On the other hand, recurrent budget declined to 16.8 percent of GDP from 19.0 percent recorded in 2010/11 as indicated in Table 5.4.

Actual development expenditure for 2011/12 was TZS 3,941.1 billion, equivalent to 80.0 percent of the period estimates of TZS 4,925,609 billion. Overall recurrent expenditure amounted to TZS 6,929.6 billion, equivalent to 90 percent of the estimate. Total development expenditure was below estimate due to shortfall in disbursement of foreign funds. Despite shortfall in realization of external non concessional borrowing, domestic resources to finance development projects were fully disbursed (100 percent) due to savings from recurrent spending. Development expenditure for 2011/12 was aligned with the Five Year Development Plan, which envisages scaling up the implementation of strategic development projects and promotion of private sector participation through public private partnership (PPP).

Table 5.4: Government Budgetary Operations

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Actual in Billions TZS						
Total Revenue	2,739.0	3,634.6	4,293.1	4,661.5	5,816.7	7,182.9
Tax Revenue	2,529.4	3,359.2	4,043.7	4,427.8	5,295.6	6,480.5
Total Expenditure	4,474.7	5,209.0	6,811.8	8,173.7	9,300.2	10,870.7
Recurrent Expenditure	3,137.5	3,398.0	4,681.5	5,562.4	6,650.3	6,929.6
Development Expenditure	1,337.2	1,811.0	2,130.4	2,611.3	2,649.9	3,941.1
O/W Local	503.3	567.4	906.0	1,004.5	885.4	1872.3
Foreign	833.9	1,243.6	1,224.3	1,606.8	1,764.5	2,068.8
Ratio to GDP (%)						
Total Revenue	14.1	15.9	16.2	15.4	16.6	17.4
Tax Revenue	13.0	14.7	15.3	14.6	15.1	15.7
Total Expenditure	23.0	22.8	25.7	27.0	26.6	26.3
Recurrent Expenditure	16.1	14.9	17.7	18.3	19.0	16.8
Development Expenditure	6.9	7.9	8.0	8.6	7.6	9.5
O/W Local	2.6	2.5	3.4	3.3	2.5	4.5
Foreign	4.3	5.4	4.6	5.3	5.0	5.0
Monthly Revenue Collection	228.25	302.88	357.76	388.46	484.73	598.58
Nominal GDP (Bil)	19,444.8	22,865.0	26,474.2	30,321.3	35,026.7	41,364.0

Source: Ministry of Finance

Budget execution in some selected sectors/MDAs is discussed below:

Agriculture: Agriculture continued to be among the main priorities of funding in Tanzania. As of 30th June, 2012, the Actual total recurrent expenditure disbursed for the Ministry of Agriculture Food Security and Cooperatives was TZS 116 billion equivalent to 75 percent of the approved budget. Of the total recurrent expenditure, TZS 86 billion were for ring fenced areas

(i.e. AGITF, NFRA, Inputs Subsidy, external and internal subventions and Training for extension).

With regard to development expenditure, the amounts disbursed up to the end of the year were TZS 129.2 billion of which TZS 9.3 billion were local funds and TZS 119.9 billion were foreign funds. The areas that attracted more funding were Inputs Support Programme (62.04 percent), National Food Reserves (10.67 percent), Research development (5.60 percent) and Irrigation development (4.01 percent).

Works: The approved recurrent budget for the Ministry of Works for financial year 2011/12 was TZS 245 billion, out of which TZS 221 billion was allocated to cover activities under the Road Fund. Up to the end of the year, the government released 117 percent of the approved annual recurrent budget.

With regard to development expenditure, the Government in 2011/12 financial year approved TZS 1,156 billion, of which TZS 526 billion was from local sources and TZS 629.9 billion was foreign contribution. By the end of the financial year, development fund released amounted to TZS 467.5 billion which is equivalent to 89 percent of approved local budget. Also during the same period, TZS 200.6 billion equivalent to 32 percent of foreign funds were released directly to fund the projects.

Water: The overall financial performance for implementation of WSDP for the financial year 2011/2012 was TZS 428.6 billion. The total expenditure for the year was TZS 153.4 billion equivalent to 36 percent of the total budgeted fund. Furthermore, total funds made available for the year amounted to TZS 311.9 billion (TZS 241.2 billion was total fund disbursed while TZS 73.0 billion was total funds carried forward and the rest was exchange rate loss) equivalent to 73 percent of the total budget. Therefore, the overall fund expenditure for the financial year 2011/2012 was at 49 percent of the total funds made available.

Transport: The actual budget disbursed for the implementation of transport-related activities in 2011/2012 was TZS 184.5 billion, equivalent to 55.3 percent of the approved budget of TZS

333.4 billion. Out of this, the amount released for recurrent expenditure was TZS 64.7 billion, equivalent to 91.9 percent of the approved recurrent budget. The development fund released amounted to TZS 119.8 billion which was equivalent to 45.5 percent of approved development budget. Out of disbursed development budget, TZS 110.7 billion was local component which is equal to 58.3 percent of the local approved budget and TZS 9.0 billion was foreign component equal to 12.4 percent of the foreign approved budget. The area that attracted more resources was the Railway sub sector which received 63.9 percent (TZS 65 billion) of the approved sub-sector budget of TZS 101 billion in 2011/12. The Air transport subsector received TZS 49.0 billion as of end June 2012, equivalent to 34.5 percent of the approved sub-sector budget of TZS 142.2 billion during the same time period.

Industry and Trade: The approved budget for the sector amounted to TZS 57.7 billion out of which TZS 30.1 billion were for recurrent budget and TZS 27.7 billion for development budget. The development budget was mainly of two types, local funds and foreign funds. Local funds constituted 59 percent (TZS 16.4 billion) while foreign funds 41 percent (TZS 11.3 billion). At the end of financial year, on 30th June, 2012, a total of TZS 21.2 billion was disbursed which was equivalent to 76.4 percent of the total development budget.

5.6. Budget Reporting and Transparency

Policy and Budget transparency is a prerequisite for public participation and accountability in achieving common national development agenda as stipulated in Tanzania Development Vision 2025 and its subsequent implementation strategies (including MKUKUTA II and FYDP I). Improving and enhancing budget transparency is key in building up trust between the government and other stakeholders (the donor community, Parliament and the general public). In that regard, the Government made significant progress in reforms that are geared towards enhancing budget transparency especially in the areas of budget formulation, implementation and reporting. In fact, Tanzania meets most of the international fiscal transparency standards (as stipulated in IMF and OECD manuals); the most important being timely delivery of relevant budget documents to relevant stakeholders. Such documents include, pre-budget statements; the executive budget proposal; yearly monitoring reports; mid-year review; end of year evaluation reports; and an independent audit report (by CAG).

During budget formulation, LGAs develop their priorities through O&OD and PRA bottom-up approaches to ensure transparency at local level, taking into consideration existing national strategies such as MKUKUTA II which was widely availed to the general public. Further, stakeholders such as DPs, MPs, CSOs, FBOs, etc are involved through the PER process which provides inputs into the Planning and budgeting process. Indeed, PER dialogue fora facilitate implementation of MKUKUTA II through Cluster Working Groups. During preparation, MDAs, RS and LGAs link their institutional targets with relevant MKUKUTA II cluster strategies. The linkage enables one to generate reports containing resource allocations to MKUKUTA II clusters.

Generally, as a means of enhancing transparency, budget documents and implementation reports are discussed at District Full Councils, RCC, IMTC, Cabinet, Parliamentary Sectoral Committees, PER fora, etc/. The documents (policy documents such as MKUKUTA II and budget briefs such as speeches, Medium Term Budget Background, Citizen's budget digest, etc) and reports (such as BER, monthly and quarterly disbursement of funds) are also published in newspapers, Government websites for access to the general public. Main achievements in enhancing transparency is the public sharing of CAG report which was discussed in the National Assembly and brought up accountability measures among public leaders.

CHAPTER VI MONITORING AND EVALUATION

6.1. Introduction

This chapter provides an implementation status of MKUKUTA-II Monitoring Master Plan (MMMP-II), which is implemented through MKUKUTA-II Monitoring System (MMS-II). MMS-II is structured around government structures based on institutions with solid experiences in Monitoring and Evaluation activities. These institutions with their own mandates coordinate and execute functions previously carried out by technical working groups. These functions include data and information generation, research and analysis and stakeholders' engagement through communication. Data and information generation is coordinated by NBS and research and analysis function is coordinated by REPOA under the chairmanship of COSTECH.

MKUKUTA communication component of MMS is divided into three categories: first, involving stakeholders at high level, in particular, central ministries, Parliament, Development Partners and national level CSOs. Second, community organizations such as Community-Based Organizations (CBOs), Faith-Based Organizations (FBOs), Civil Society Organizations (CSOs), local government and private sector organizations at local or grassroots level. The third component constitutes research and academic institutions. All these three components are coordinated by PED in collaboration with institutions which have in-built communication expertise. The day to day coordination functions of MMS are undertaken by MKUKUTA Secretariat.

The implementation of Monitoring activities for the period under review was through new MKUKUT Monitoring System though some institutions were still embracing features of the old MKUKUTA Monitoring System. The two categories of communication themes i.e Communication at the level of Research and Academic Institutions and at the grassroots did not take place as they were not engaged in advance. This was partly, due to lack of funds to finance MMS-II and timely procurement and engagement of the respective institutions. To address this, MKUKUTA Secretariat has designed Procedures and Financial Manual which provide guidance

to all stakeholders involved in implementing MMS-II. It is expected that this Manual will be a working tool to facilitate all players in MMS-II to carry out their Monitoring activities well.

Overview of Performance	
i	MKUKUTA-II Monitoring Master Plan (MMMP-II) was printed, launched and distributed to stakeholders;
ii.	MAIR 2010/11 was produced and distributed;
iii.	PHDR 2011 was printed, launched and distributed;
iv.	Procedures and Financial Manual was developed to facilitate implementation of MMMP-II;
v.	The Annual National Policy Dialogue 2011 was conducted and report produced;
vi.	MKUKUTA II Communication Strategy was printed, launched and distributed among stakeholders;
vii.	National Panel Survey Report 2010/11 was prepared;

6.2. Progress in Implementation

This section presents performance review of data generation, research and analysis, communication and coordination issues. The performance review provides an assessment of the progress made in the implementation of the three components of MMMP-II- Research and Analysis, Data generation, Communication and Coordination for financial year 2011/12 assessed against approved work plans.

6.2.1. Coordination

During the period under review, MKUKUTA Secretariat continued to coordinate the implementation of MMMP-II activities in order to achieve the proposed outputs based on the approved Work plan and budget for the period of July 2011 – June, 2012. MKUKUTA Secretariat continued to facilitate functioning of the Technical Committee by accomplishing the task of scrutinizing and approving work plan and budget (July 2011 – June 2012) for the three components of MMMP-II and MKUKUTA secretariat. Likewise, MKUKUTA Secretariat finalized MKUKUTA-II Monitoring Master Plan (MMMP-II) in December 2011, printed, launched and distributed among a wide range of stakeholders. MMMP-II elaborates the institutional set up, budget projections for each institution involved in MMS-II activities as well as Indicators' Framework to assess progress against MKUKUTA-II set targets.

MKUKUTA Secretariat also produced MKUKUTA (MAIR 2010/11). MAIR (English version 2010/11) was printed, launched and distributed during National policy dialogue held on January 26-27, 2012. As a means of operationalizing MMMP-II, during the period under review, MKUKUTA Secretariat embarked on designing Procedures and Financial Manual which elaborate roles and responsibilities of key players in implementing MMMP-II.

6.2.2. Communication

During the period under review, PED accomplished its plan based on its functions as articulated in the Communication Strategy. These were: Production of documentary on Mbarali paddy irrigation scheme and drafting of *Mapambano* magazine for the period of January- June 2012. As a way of raising awareness of MKUKUTA II and MMS outputs to various stakeholders, PED also participated in national events such as *Sabasaba* and *Nanenane*. During the events, distribution of MMS outputs was done including such documents like MKUKUTA II, MAIR, MKUKUTA II Communication Strategy and *Mapambano* magazine. Feedback from general public was recorded for further use in financial year 2012/13.

The other major achievements included: (i) preparation and organization of the Annual National Policy Dialogue (MKUKUTA/PER/GBS Annual consultative meeting 2011); (ii) participating in the event by preparing and presenting papers on MMMP-II and MAIR for sharing with stakeholders and further improvements; and (iii) translating MKUKUTA II Communication Strategy into Kiswahili (abridged version) for wide use by the public.

6.2.3. Research and Analysis

Like in the previous system, REPOA continued to coordinate the implementation of research and analysis work during the period under review. Implemented activities included the following.

Commissioning Research

The Research on Poverty Alleviation commissioned one background paper on employment, productivity and social economic security in Tanzania to inform the preparation of Poverty and Human Development Report (PHDR 2011).

Conducting open sessions

The purpose of the open sessions is to provide space for research works which have a bearing on MKUKUTA II implementation. During the reference period, REPOA conducted four open sessions as follows:-

- i) Presentation and discussion of the findings of a study on transformation and property rights in Tanzania;
- ii) Presentation and discussion of the findings of a research project on achieving income security in old age for all Tanzanians: A study into the feasibility for universal social pension;
- iii) Presentation and discussion on the study titled “Advancing Social Protection in Tanzania: Lessons from cash transfers and public works programs from around the world” and
- iv) Presentation and discussion of the proposal for research and publication titled, “Learning from Experiences: Agriculture and Rural Development in Tanzania”.

Views of the People Study

REPOA conducted the Views of the People study as a follow up to a previous study conducted in 2007 on same subject. The analysis and report writing are ongoing and are expected to be finalized by November 2012.

Poverty and Human Development Report (PHDR 2011)

During 2011/12, REPOA produced PHDR 2011 through undertaking a number of activities including commissioning background papers, reviews of draft materials and overall synthesis of the main document. PHDR 2011 is composed of three chapters namely the status of poverty, productive employment and inclusive growth, and business environment.

6.2.4. Data and Information Generation

The National Bureau of Statistics continued to implement various surveys under the TSMP particularly the Data Development and Dissemination component. During the reference period, planned activities were to conduct Household Budget Survey (HBS) 2011/12 (Mainland Tanzania), Tanzania HIV-AIDS and Malaria Indicator Survey 2011/12, National Panel Survey

2010/11 (United Republic of Tanzania), Integrated Business Survey (Mainland Tanzania) and Employment and Earnings Survey 2011 for the United Republic. The Tanzania HIV-AIDS and Malaria Indicator Survey 2011/12, is the third in a series of health surveys, focusing on malaria and HIV. The survey will produce, among others, indicators and information on HIV prevalence in adults, malaria seroprevalence in children, and child and infant mortality.

As of May end, 2012 data collection for the HIV-AIDS and Malaria Indicator Survey from all 585 clusters was completed. Data processing was completed by end of July 2012 and preliminary results are to be launched before end of 2012. With respect to HBS, fieldwork started on 1st October 2011 and by June, 2012 the 16th household out of 26 households for each selected enumeration areas were accomplished. Also, data processing started in April, 2012 and by the end of June, a total of 2,318 households were entered.

During 2011/12, the major activities undertaken with regard to National Panel Survey 2010/11 included: Tracking of households and individuals for year 2 and production of Final report for year 2. As for Integrated Business Survey (IBS-Tanzania Mainland), field work and data processing was completed and the final report will be out by the end of 2012. The IBS covers Distributive Trade and Construction statistical activities in Mainland Tanzania. Likewise, implementation of the Employment and Earnings survey 2011 for both the Mainland and Zanzibar started early in 2012 whereby printing and distribution of questionnaires, sampling of establishments and part of data collection were conducted between February and March 2012. Completion of data collection, manual data editing and data entry were conducted and completed by June 2012. Data validation and tabulation was progressing and final report expected to be out in December, 2012.

6.3. Challenges and Lessons

Despite the good performance recorded during the year under review, there were many challenges to be addressed. Some of the challenges are as follows:

6.3.1 Inadequate M & E capacity at all levels:

During the first phase of MMS implementation, the government took measures to strengthen Monitoring and Evaluation functions at both MDAs and LGAs levels. A number of M&E units were established to specifically carry out M&E activities throughout government machinery. However, challenges remain on capacity development. Inadequate capacity has constrained the implementation of the Strategic Planning, Budgeting and Reporting Manual designed with the intention to generate information for indicator reporting at the national level.

6.3.2. Funding for MMS

Since 2001, implementation of MMMP has largely relied on the contribution of Development Partners and Government through pooled funding system. However, with time, contribution has trended downwards. While data generation is supported by TSMP other functions namely research and analysis, and communication, as well as coordination are not adequately funded.

6.3. 3 Uneven data quality and accessibility

Both availability and quality of data vary by sector. Lack of a standardized and harmonized format has led to uneven quality of Sectoral Reports. Data analysis, interpretation and use remain relatively weak. The recent approved Tanzania Statistical Master Plan (TSMP) provides an opportunity for addressing this challenge.

6.3.4 The Evaluation function is underplayed

The Poverty and Human Development Reports (PHDRs) have, to some extent, been providing evaluative outputs. However, other elements of outcome evaluations, such as impact assessments by comparing indicators before and after (without attributing the change) and comparison of targeted values to actual values are still limited.

CHAPTER VII

AREAS FOR FURTHER DIALOGUE AND PRIORITIZATION

7.1. Introduction

This chapter identifies key areas that require priority in terms of financing due to their unique roles in generating rapid social and economic transformation. Like in the previous MAIR, these areas are underpinned by three major reasons. First, they are embedded in the Tanzania National Five Years Development Plan: 2011/12-2015/16. Secondly, they have a great deal to unleash growth potentials and thereby contributing to employment creation and poverty alleviation. Thirdly, the likelihood of these areas to accelerate inclusive growth is very high.

7.2. Energy

Strengthening the Energy sector could play a catalytic role in the production process and service delivery. Given the significant role of the energy sector in the economy, more efforts in enhancing production, regulation and distribution of energy should be at the heart of government fiscal stance. One way of doing that is to continue motivating other investors to participate in financing energy projects within the framework of PPP as well as private investments in energy production to supplement efforts of existing Government companies such as TANESCO.

Prioritization could focus to include the Tanzania Energy Development and Access Expansion Project (TEDAP), which aims at improving quality and efficiency of the electricity service provision on Grid in the main three growth centers of Dar es Salaam, Arusha, and Kilimanjaro and to establish a sustainable basis for energy access expansion and renewable energy development in Tanzania.

Other projects include: i) construction of natural gas processing plants in Mtwara and Songo Songo with a transportation pipeline to Dar es Salaam, ii) construction of Natural gas distribution network in Dar es salaam, ii) establishment of Strategic Petroleum Reserve (SPR), iii) increasing electricity generation through installation of: 150 MW Natural Gas Fired Project at Kinyerezi

(Kinyerezi I), 240 MW Kinyerezi gas fired plant (Kinyerezi II), 300 MW Kinyerezi gas fired plant (Kinyerezi III), iii) cross-border Electrification Project (Murongo – Kikagati), iv) electrification of rural areas, v) construction and Upgrading of Power generation, transmission and distribution system.

7.3. Railways

The government recognizes the importance of railway infrastructure in supporting reliable transport of goods and passengers in Tanzania and across the borders. The challenge is under-capitalization in the railway infrastructure and therefore more concerted efforts are required to improve the situation. More resources should be directed towards repair and procurement of rolling stock, new coaches, locomotives, equipment, and reconstruction of gang camps in order to rejuvenate the railway infrastructure. It is recommended that more than TZS 2,097,359 million be allocated to this sub-sector. Certainly, this will help the government to reduce the amount of resources allocated for rehabilitation of damaged roads caused by heavy loads.

7.4. Ports

The strategic location of Tanzania's ports can radically transform the economy if adequate resources are allocated in those areas to revamp and enable them to operate ports more efficiently. The investment in Tanga port is envisaged to boost trade links with Uganda, while Mtwara port could serve the same purpose in neighboring countries such as Malawi and beyond. Massive investments in these two ports could leave Dar es Salaam port serving few countries such as Rwanda, Burundi and Democratic Republic of Congo, in addition to serving domestic users.

It is acknowledged that the Government through the Tanzania ports Authority (TPA) has, in the recent past, implemented a number of development projects which have been designed to modernize ports. However, more investments should be directed to the following areas of critical importance: (i) expansion of gates 13 and 14 at Dar es salaam port, (ii) expansion of Mtwara port in order to serve gas and oil sector among others, (iii) expansion of Mbegani port at Bagamoyo, (iv) construction of Mwambani port Tanga, (v) construction of New Kampala port, Lake Victoria, and (vi) construction of dry port at Kisarawe in an effort to decongest Dar es salam port.

7.5. Airports

Well developed airports enable an economy to facilitate transport of passengers, especially tourists and promotion of domestic and international trade in goods and services. Despite this recognition, the present condition of basic airport infrastructure in many airports in Tanzania remain unsatisfactory.

The Government, in collaboration with development partners is renovating and constructing airports and airstrips. For the coming years, priorities in terms of allocation of scarce resources should focus on plans and designs for airport infrastructure for new airports at Bagamoyo (Coast Region), Msalato (Dodoma), Omukanjuguti (Bukoba), Kisumba (Sumbawanga), Isaka (Shinyanga) and Ngungungu (Manyara). This strategic allocation of funds should consistently be increased and sustained.

7.6. Agriculture and irrigation

Agriculture remains one of the key priority areas due to its dominant role in the economy but more so in terms of food security. Any intervention(s) that can (i) facilitate increased productivity in the sector, (ii) add value to its products, (iii) reorient its activities from being largely subsistence-based as they currently are towards commercially viable ventures, (iv) create an enabling environment for agriculture (access to land, taxation reform, change of mindset in favour of agriculture), and (v) incentivise the middle class to engage in agriculture will have a significant impact on the net worth of a significant proportion of the population.

Increased productivity in the sector will also make it possible to increase food production and hence achieve food security. It should also facilitate price stability through the reduction of food inflation. Moreover, the agricultural sector has high backward and forward linkages with other sectors of the economy such as industry, transport, tourism and trade in general. The development of agriculture should therefore catalyse the development of these other sectors. Besides, two agro-development approaches will be given special emphasis during the plan implementation: (i) the agriculture corridor development approach, with participation of Government, international partners and domestic and international firms, exemplified by the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), and (ii) the promotion of

specific crops for specialisation in each region, which will promote enclave development of agro-processing industries attached to each crop in these regions and will help to target delivery of crop-specific inputs and supportive infrastructure to these regions.

In order to make food shortage history, there is urgent need of scaling up *KILIMO KWANZA* and increase the budget to the agriculture sector. The irrigation master plan of 2002 should be accorded top priority. Further, the use of ground water and water harvesting technologies should be given special attention. Moreover, the government will continue to put in place sound infrastructure that attracts and retains large scale commercial farmers in order to modernize agricultural sector and increase productivity. Improved marketing infrastructure, value addition and rural financing should also be strengthened and sustained.

7.7. Water and sanitation

The availability of water in its different forms of use is very important for social, economic and wellbeing of the society. Tanzania is abundantly endowed with water bodies and rivers that are suitable for fishing, irrigation; hydropower generation, industrial and domestic use. Prudent management of water resources in agricultural sector through irrigation is likely to guarantee food security throughout the year. Likewise, power interruptions that the economy witnessed in the recent past are partly a result of inefficient management of water resource. It is thus recommended that deliberate efforts be put in place to enhance management and conservation of water sources in order to foster and sustain the desired trajectory of economic growth and poverty reduction.

7.8. Science, Technology and Innovation

Science, Technology and Innovation (STI) positively influences economic growth via raising the productivity of labor and other factors of production, increasing efficiency and lowering transaction cost. Establishment of a well functioning STI infrastructure and more so in Information Communication Technology (ICT) remains paramount in order to spur rapid social and economic development. Information and communication technology has received significant attention in various sectors in the economy. It has played a crucial role in the transformation process from a skill-based to technology-based economy in order to increase productivity. The current ICT system, however, is inadequate to cater for domestic demand. In

various sectors and especially in urban areas, the network systems are not adequately equipped while in rural areas the communication network remains unsatisfactory, despite the presence of National Fibre Optic Network.

In addition, ICT sector is plagued by unreliable power supply, inadequate skilled human resources to cater for increasing demand for ICT and inadequate resources for Research and development. The main challenge therefore is to establish, strengthen and sustain investment in ICT, training in ICT and use of modern ICT by availing communication network to meet domestic and international demand. Moreover, more efforts for the years ahead should be targeted at two issues: strengthening and sustaining ICT backbone infrastructural capacity, and developing ICT infrastructure of adequate capacity with high speed and country wide coverage.

7.9 Road Transport

Despite government efforts to improve its road network, extending this network to rural areas where the majority poor people sustain their livelihoods, remains a challenge. Only 24 percent of Tanzanians in rural areas live within two kilometers of an all-weather road. This makes the flow of goods and services from rural to urban areas more problematic. In urban areas, traffic congestion has become a chronic and costly transport impediment as the investment in urban roads has not been in line with increase in population. It is therefore recommended to strengthen investment in trunk, regional and district roads leading to areas with highest economic potentials.

7.10 Education and Skills Development

The government of Tanzania recognizes the importance of education in facilitating economic development. Various initiatives such as Higher Education Development Program (HEDP II) and Secondary Education Development Programs (SEDP II) are being implemented to enhance skills, knowledge and attitudes that are envisaged to prepare Tanzanians to engage efficiently in the production process and delivery of services in an orderly and timely manner.

The priority in the coming year should focus on: i) improving accessibility and equity at all levels of education, ii) increasing student enrolment in science, engineering, agriculture and health professions, iii) improving learning and teaching environment for Folk Development Colleges/Centres, iv) training in diploma and Grade A teachers in colleges.

7.11 Health

The government recognizes the vitality of expanding health services based on equity and gender balanced needs. This goes hand in hand with improving the quality of services and management of health system. Equally, capacity building amongst the health and social workers is paramount.

In this case, priority in the coming years should focus on: i) improvement in district health services, ii) curbing maternal and mortality rate, iii) prevention of HIV/AIDS, iv) improving social welfare, iv) prevention of non-communicable diseases, v) Tuberculosis and leprosy control, iv) malaria control, and v) human resource development.

7.12: Financing:

Financing MKUKUTA II/FYDP I is a real challenge, due to rapid increase in population, with overall increase in demand for social services such as Education, Health, Water and infrastructure. Policy measures in some of the following critical areas could ease the tensions on MKUKUTA II financing:-

- i) **Enhancing domestic revenue mobilization:** This needs widening the revenue base and tax net, e.g. in line with MKURABITA which aims at formalizing informal sector; and modernization of tax collection and administration especially computerization of all revenue collection systems to eliminate all forms of revenue leakage/losses and tax evasion;
- ii) **Effective and efficient implementation of PPP Act** and increased contribution of the private sector in resource mobilization will also provide another avenue for financing MKUKUTA II;
- iii) **Effective and efficient use of other financing windows:** in this case, prudent borrowing decisions should be at the heart of Government fiscal policy. Strategic use of non-concessional borrowing for key infrastructure projects designed to ensure efficiency gains including those aimed at increasing capacity for energy generation, and construction and rehabilitation of roads and railways that are critical for improving the integration of

transportation networks within the country and in the region is crucial for financing MKUKUTA II and other strategies. It is also expected that in the medium term, more infrastructure projects will be developed through Public Private Partnership (PPP) arrangements.

- iv) **Enhancing effective and efficient Aid coordination:** This could address the long lived challenge of low predictability of foreign funds. Unpredictability of Basket and Project funding modalities poses immense challenges to the government's strategic planning and effective prioritizing of development projects. The unpredictability of funds through such modalities is due to multiple donor conditionality and capacity constraints.

MATRIX
MKUKUTA CLUSTERS: GOALS, INDICATORS, AVAILABLE DATA AND 2015 TARGETS

Goals	Indicators	Trends				Targets MKUKUTA 2015
		2009	2010	2011	2012	
MKUKUTA CLUSTER I: GROWTH AND REDUCTION OF POVERTY						
Goal 1: Pursuing sound macroeconomic management	-Annual rate of inflation	12.1%		10.9% june	5%	Not higher than 4%
	-Proportion of actually disbursed amounts of AID compared to the total commitment in a financial year	-	-		56:84	TBD
	-Number of months of foreign reserves available in the country	-	5.3			6 months of imports
	-GDP growth per annum by major economic growth drivers (Agriculture, Mining, Industry, Energy)	6.0%	7.0%		8.0%	8.0% – 10%
	-Percentage reduction in the deviation of actual national expenditure from approved national budget	-	55.7		53.0	10
Goal 2: Reducing income poverty through promoting inclusive, sustainable, and employment-enhancing growth	-% of rural population who live within 2 km of an all-season passable road (Rural access indicator)	5.01	-		5.24	9.12
	-Gini Coefficient	-	0.34%			TBD
	-Head Count Ratio for basic needs poverty line by rural/urban	-	-			20.4%

Goal 3: Ensuring creation and sustenance of productive and decent employment, especially for women, youth and people with disabilities	-Proportion of working age population not currently employed by gender	-	-			-
	-Unemployment Rate	-	-			5%

Goal 4: Ensuring food and nutrition security, environmental sustainability and climate change adaptation and mitigation	-% of households in rural and urban areas using fuel wood (including charcoal), gas, solar and electricity as their main source of energy	HBS 2007	HBS 2007	HBS 2007	HBS 2007	HBS 2007
	-Number of projects with Environmental Impact certificates and Environmental Audit certificates					80%
	-% increase of tonnes of solid waste collected in urban areas					2010
	% increase of plants with waste water discharge permit					80
	-% of household with basic awareness level on climate change.					50
	-% of household who have adopted new farming , animal husbandry and fishing practices in response to climate change					50
	-Proportion of households who take no more than one meal per day					TBD
	Proportion of under-fives moderately or severely stunted (height for age)			35%		22%
	-% of small holders using farming technologies (irrigation, fertilizers and hybrid seeds/breeds and vaccination)	370,000 ha	-	-		740,000 ha
	-% of households whose main income is derived from agro-based enterprises (traders, processors, agro dealers)					5.6

	- Percentage of smallholders farmers who accessed formal credit for agricultural purposes					TBD
	-Increased productivity of crops (maize and rice) and livestock (dairy)			12.32 Million tons	34.1 Millions tons	TBD

	-% of increase of communities in participatory forest and wildlife management regimes (PFM and WMAs)					TBD
	Proportion of households whose main income is derived from agro-based enterprises (traders, processors, agro dealers)	1.6%				5.6%

SOURCE: NBS, MOF, BOT, NPS, HBS, ILFS, Agriculture Census, MEM, TIC

Goals	Indicators	Trends				Targets MKUKUTA 2015
		2009	2010	2011	2012	
MKUKUTA CLUSTER II: QUALITY OF LIFE AND SOCIAL WELL BEING						
Goal 1: Ensuring equitable access to quality education at all levels for males and females, and universal literacy for adults, both men and women	-% of cohort completing Compulsory Primary education		53.0	62.6	66.4	100
	-Transition rate from Compulsory Primary Education to Secondary Education	51.6%	69.3	66.4		-
	-Qualified Teacher/Pupil ratio	1:54	1:59	1:48		Below 1:40
	-Adult illiteracy rate	31%	31% AS of 2009	31% AS of 2009		16%
	-% of schools having adequate sanitation facilities as per policy					

	<i>males</i>			1:64		1:25
	<i>females</i>			1:51		1:20
	-Net secondary enrolment	27.8	29.9	32.1		TBD
Goal 2: Ensuring expansion of vocational , technical, polytechnics, and higher education, and improving non-formal and continuing education	-Annual enrolment in vocational , technical, polytechnics, and higher education, and in -non-formal and continuing education categories		72938	102,217	112,447	Higher
	-Total annual enrolment in degree programs	118,951 (2009-2010))	139,638 2010-2011		166,484	Higher
	-Transition rate from Primary School to vocational , technical and polytechnics		72938	102,217 (40.1%)		60%
Goal 3: Improving survival, health, nutrition and well-being, especially for children, women and vulnerable groups	-Total Fertility rate	5.4%				5.0%
	-Infant mortality rate	51/1000				38/1000
	-Under-five mortality rate	81/1000				54/1000
	-% change in mortality attributable to malaria among children under five		27			TBD
	-DPTHb3 coverage					TBD
	Proportional of under-five moderately or severely stunted (height for age)	35%				22%
	-Maternal Mortality Rate	454/100,000				265/100,000
	-% of persons with advanced HIV infection receiving ARV combination therapy		337,854 By March 2010	388, 947	564,723	80
	-TB treatment completion rate					100%
	-Proportion of population reporting to be satisfied -with health services					80%

Goal 4: Increasing access to affordable clean and safe water; sanitation and hygiene	-Proportion of population with access to piped or protected water as their main drinking water source					
	<i>Urban</i>	84%	84%	86%		95%
	<i>Rural</i>	58.7%	58.7%	47.9		65%
	% of households with basic sanitation facilities		93			99
Goal 5: Developing decent human settlements while sustaining environmental quality	-% of households with decent houses (walls of brick, foundation of cement, floor, roof frame of timber and roof of tiles or corrugated iron sheets).	55 (2007)	55 (2007)			75
	-% of households in surveyed and unsurveyed areas by rural/urban		53.6 (Surveyed)			High
	-% of decrease of households in disaster prone and ecological sensitive areas					As 2010
	-% of villages with land use plans					40
Goal 6: Providing adequate social protection and rights to the vulnerable and needy groups	-Proportion of children in child labour					Below 10%
	-Proportion of children with disability attending primary school	29,287	0.35%		0.34%	10%
	-Proportion of orphaned children attending primary school		10.33%		25%	Higher
	-Proportion of elderly accessing medical exemptions at public health facilities		6,582			100%
	-% of child headed households				0.1	TBD
SOURCE: MoEVT, MIS, Population Census, DHS, MOHSW, NBS, ARDHI, LGAs, PMO-Disaster Management, HBS, ILFS, MOEVT						

Goals	Indicators	Trends				Targets MKUKUTA 2015
		2009	2010	2011	2012	

CLUSTER III: GOOD GOVERNANCE AND ACCOUNTABILITY

Goal 1: Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption-free at all levels	-Proportion of villages assemblies holding quarterly meeting with public minutes	50				Higher
	-Proportion of LGAs posting public budgets, revenue and actual expenditures on easily accessible public notice boards	94.7	93.2%	87%	86.2%	80%
	-% of MDAs who have their annual Performance Reports posted on their Websites (Baseline 3% (2004) target 80% (2012))					80
	-% of female small holder farmers with land ownership or customary land rights				5%	Higher
	-Corruption practices as expressed by public perception in key selected public service sectors (lands, education, health, judiciary systems, police, tax administration)		2,258		1,476	Higher
	-Percentage of MDAs and LGA with Clean Audit Certificate from CAG		86-MDAs 48.5% LGAs			90
	-Number of corruption cases convicted as % of number of investigated cases sanctioned for prosecution	40				Higher
Goal 2: Improving public service delivery to all, especially the poor and vulnerable	-% of population reporting satisfaction with basic services ,(including older people)		50			80
	-% of older people accessing free medical treatment at public health facilities.					Higher
Goal 3: Promoting and protecting human rights	-% of court cases outstanding for two or more years	23.1		40,316 (43%)	57%	80%

for all, particularly for poor women, children, men and the vulnerable, including people living with HIV/AIDS	-% of prisoners in remand for two or more years compared to all prisoners in a given year	5.6	15		5.2%	Higher
	-% of detained juveniles accommodated in juvenile remand homes					Higher
	-% of districts with a team of trained Paralegals					Higher
	-Number of cases filed on infringement of human rights	2,341 (08/09)		8,875	8,719	TBD
Goal 4: Ensuring national and personal security and safety of properties	-Number of cases of crimes reported by type		543,358			TBD
	-% of cases of sexual abuse reported that resulted in a conviction					Higher
Goal 5: Promoting and preserving culture of patriotism, hard work, moral integrity, and self-confidence	-Number of International conferences where Kiswahili is used		41			More than 10
	-% of Institutions that have functioning Integrity committees					100%
	-% Government leaders and of MPs who have abided by the leadership code by filling in wealth declaration forms.					100%
SOURCE: PMO-RALG, LGAs, PCCB, PSDA, NOA, PSDA, Perception Survey, MoHA						

