



UNITED REPUBLIC OF TANZANIA

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

MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

MARCH 28, 2010

PREFACE

DRAFT

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Table and figures (to be added soon)

ACRONYMS

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CHAPTER I INTRODUCTION AND BACKGROUND

1.1. Introduction

The National Strategy for Growth and Reduction of Poverty (NSGRP II or MKUKUTA II) is an organizing framework to rally national efforts in accelerating poverty-reducing growth. It is a second in series of results – based national strategy. Like its predecessor – MKUKUTA I, the strategy puts emphasis on role of governance and growth for poverty reduction high on the country's development agenda. It will also continue to put emphasis on mainstreaming cross cutting issues in sector strategies and LGAs development plans. MKUKUTA II will be implemented for five years (2010/11 – 2014/15).

MKUKUTA II is informed by the aspirations of Tanzania's Development Vision (Vision 2025) for high and shared growth, high quality livelihood, peace, stability and unity, good governance, high quality education and international competitiveness. The government is in the process of preparing the Long Term Growth and Development Plan, which is the Government implementation framework for the remaining 15 years of the Tanzania's Development Vision 2025. MKUKUTA II therefore implements the first 5-years of the Long Term Growth and Development Plan.

MKUKUTA II builds on and broadens the space for country's ownership of the development agenda by fostering effective participation of civil society, private sector, and other stakeholders while also forging fruitful local and external partnerships and boosting its commitment to regional and other international initiatives for social and economic development, such the Millennium Development Goals.

1.2. National Policy Context

MKUKUTA II is a continuation of the long standing national commitments to fighting poverty initiated at independence in 1961. This commitment has been consistently implemented through a series of strategies and plans ranging from sector specific strategies to multi-sectoral strategies starting with the National Poverty Eradication Strategy (NPES) formulated in 1998 which was operationalised by the Poverty Reduction Strategy Paper (PRSP) towards the end of 1990s and early 2000s

After three years (2001/02 – 2004/05) of successful implementation of PRSP the government adopted a results and MDG-based strategy commonly known as (National Strategy for Growth and Reduction of Poverty – NSGRP) or popularly known in Kiswahili MKUKUTA. NSGRP was adopted to sustain and scale up

achievements as well as addressing the challenges to growth and poverty reduction agenda.

The adoption of results-based strategy brought forward a number of prerequisites in its implementation. These included:-(i) Recognition of cross-sectoral contribution to outcomes and inter-sectoral linkages and synergies; (ii) emphasis on mainstreaming cross cutting issues; (iii) integration of MDGs policy actions into cluster strategies; (iv) adopt a five-year implementation period to give ample time for the implementation and monitoring; (v) greater emphasis on role of economic growth and good governance in poverty reduction; and (vi) recognition of the need to address vulnerability, human rights and social protection issues. Thus MKUKUTA broadened the content given the enlarged view of poverty which better informs the policy mix and it spells out a clear framework for effective stakeholder participation/engagement. In this regard, the design of MKUKUTA II has been informed by this paradigm change.

1.3. External economic context

Recent development in the global economic conditions, such as increases in oil and food prices, and global financial and economic crisis, will continue to have ramification to Tanzania's economy. Such shocks impact Tanzania's economy through several channels, with trade (especially exports) and financial flows (especially foreign direct investment) being the main transmission channels. Slowdown of growth, reduction in financial and capital flows, were the results of the first round effects of the crisis. The second round effects take place with a lag, especially in the real sector. Effects of increase in food and oil prices are reflected in surge for large scale land acquisitions for bio-fuel and food production. Much as such shocks threaten Tanzania's economy, they also open several opportunities, e.g. in terms of increased demand for bio-fuel and food production.

Besides the shocks, policy developments at the global and regional levels have continued to shape the way Tanzania interact with other economies. There are opportunities, and sometimes, constraints associated with WTO, EPA, policies related to global climate change, etc. Development in regionalism, e.g. the East African Common Market, SADC, etc also among the forces that will continue to have significant impact Tanzania's economy. Their effects on trade, movement of labor and capital will be important factor in the national development. All these developments have provided lessons that informed the strategic positioning of MKUKUTA II.

1.4 Fundamentals of NSGRP

The Strategy is built on four key fundamentals to ensure forward looking interventions to achieving targets set out in the Vision 2025 and other long term policy initiatives. The four key fundamentals are:

(i) Efficient use and development of factors of production, including human capital/resources

The basic factors that are essential for production are land (including water recourse, minerals deposits, and other natural resources such as wildlife, fishery, and forestry), labor, capital and technology. The strategy aims at the enhancing efficient use of these factors of production for enhanced productivity gains and value addition. It also aims at developing these factors by investing in them, e.g. land development in terms of surveying, zoning, exploration and extraction of minerals, etc; expansion of capital stock such as plants and machinery; technology advances through R&D, and labor in terms of education, training, and health provisioning. As with regards to human capital, this strategy aims at going beyond basic education to improving quality of education and skills development and ensuring that education and training systems produce skills demanded by the markets.

(ii) Strengthening and establishing well functioning institutions and markets

The Strategy asserts that institutions are central to the way a country is governed. Well functioning institutions are key to efficient functioning of markets, policy implementation, service delivery and governance. The strategy recognizes that institutional changes are required for an evolving and dynamic economy, for policies pursued are to have the desired consequences. Thus, the Strategy ensures that such an institutional change takes place and the institutions and markets function efficiently.

(iii) Provision of infrastructure

The Strategy reaffirms that infrastructure development is at the center stage of economic development process. Functioning infrastructure reduces cost of doing business, attracts private investment, enables production and service delivery, links markets, and helps sustain improvement of the quality of life through redistribution of wealth. Infrastructure augments factors of production in (ii) in enhancing economic growth by increasing the productivity of labour and capital thereby raising profitability, production, income and employment. Thus, critical infrastructures such as energy, roads, and ports, and strategic airports will continue to be priority areas for rapid economic growth and development.

(iv) Ensuring good economic governance

It is the objective of the Strategy to facilitate the development process by ensuring good economic governance. Economic governance encompasses

policies and institutions for economic management, market regulation and governance of public goods. Thus, the Strategy calls for a stronger role for the state in ensuring policies are designed in a participatory manner, implemented efficiently, and that critical decisions are made in a transparent manner and plays a critical role in basic services delivery. To make that happen, the Strategy directs efforts to building capability for implementing such policies and initiatives effectively through deepened implementation of core public reforms.

1.5. Review and consultation processes

The review aimed at providing critical analysis and identify reasons for under- or non- achievement of the targets. Thus, the review focused on development impacts and analysis of processes and implementation effectiveness of MKUKUTA. Given, the existence of wealth of information generated from the institutionalised consultation process:- MMS, Sector Reviews, Poverty Policy Week, GBS, PERs, Surveys, the review was deepened and mainly focused on analytic studies on issues with concerns such as growth and distribution, financing, quality of social services delivery, and implementation effectiveness.

This section therefore, provides a brief account of how the entire process of review, consultations, development of MKUKUTA II was conducted and how the results from review process influenced the development of the strategy. . Details are provided in a separate report.

Preparatory Phase: This entailed internal consultations on issues for the joint review;-MKUKUTA and MKUZA, the scope and nature of the review as well as the process. This phase produced a Guideline for the Development of the next generation of MKUKUTA and MKUZA 'The Guideline'. This document drew out a road map for review, the concept Note, methods of consultations as well as management and engagement of key players. The document identified substantive issues for review including: - General Assessment of Development Impact, Growth and distributional issues, Review of growth agenda, Review of Institutional factors in implementation, Review of budget composition and execution, Effectiveness of M&E Framework and Implementation, Issues in external resources, Issues in Domestic Resource Mobilization, Health Service coverage. These issues formed the basis for the analytic works and studies for the assessment phase. This document guided the review activities in terms of road map, issues for review, the analytic works and studies,

Assessment Phase: This phase covered analytical studies, including reviewing the existing analytical works and consultations on results of the studies through CWGs and research and academic institutions. For deeper understanding of issues the secretariat developed technical notes on each of the substantive issue

to guide lead institutions and CWGs identify specific studies. Based on the technical notes CWGs identified information requirements for specific studies. Between June and July 2009, lead institutions through their respective CWGs identified 26 studies for which specific TORs were prepared and studies approved by the PER Main. Commissioning of studies through the procurement procedures ran through July – December, 2009 and up to March 2010 all the studies were completed with results for use in the drafting of the strategy.

Drafting and Dialogue Phase: This phase covered the work of drafting the successor strategy by tapping further on the results of the assessment phase. The phase dwelt on and dialogue with key stakeholders on the design issues.

Preparations for the drafting phase went concurrently with the assessment phase. Between June and July, 2009, the Secretariat produced the Concept note on the design of MKUKUTA II with the view of stimulating debate and therefore guiding dialogue on the design issues for the next strategy (MKUKUTA II). Based on the available evidence, the note identified strategic options for the next strategy with emphasis on growth and implementation effectiveness.

On August 29, the process of drafting MKUKUTA II was formally launched and the Drafting team of 20 experts with extensive expertise and experiences on developmental issues was formally inaugurated to spearhead the drafting process. Before study results were out, the team performed the following; reviewing and synthesizing existing information; developing baseline and framework for MKUKUTA II strategic direction. The strategy outline and framework for the design of the next strategy (MKUKUTA II) was shared to key stakeholders' and consensus reached on the broad and strategic direction. Actual Drafting of sections of the next strategy progressed as study results were coming out.

Consultations: The Consultation process was led by stakeholders under the management of the secretariat. For systematic engagement of all stakeholders for useful views and feedback the secretariat prepared a Consultation Guide shared with key groups; the Civil Society Organization, TUCTA and Research and Academic institutions. Based on the guide Institutions developed work plans and budget for undertaking the consultations within their networks. There were two levels of consultations: one on the results of commissioned studies and the other level on the draft strategy.

Given the nature of the results of studies, the consultations were limited to CWGs and a few CSOs, the academic and research institutions. Consultation on the draft strategy was broad covering all sections and perspectives of the society.

It took place after draft one of the strategy was produced. The findings from the consultation have been included in the final draft.

1.6. Layout of the document

The MKUKUTA II is presented in seven chapters and xxxxx appendixes. Chapter II presents the status of poverty, challenges and opportunities ahead. Chapter III spells out the framework of the strategy. Chapter IV outlines the strategy in details. Implementation arrangements are discussed in Chapter V and monitoring and evaluation in Chapter VI. Chapter VII presents the financing modalities for the strategy. Appendix 1 is the Result Matrix, Appendix 2 is the Glossary of terms, and Appendix xxxx is xxxxxx.

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CHAPTER II

STATUS, CHALLENGES, AND OPPORTUNITIES

2.1. Introduction

This chapter reviews the performance of the economy in relation to growth and reduction of poverty, mainly during MKUKUTA period. It discusses broad and specific achievements, challenges, and opportunities. The analysis is organised around the three pillars of MKUKUTA, namely, growth, wellbeing and good governance. Highlights on implementation, monitoring and evaluation, and financing have also been presented.

2.2. Growth and Reduction of Income Poverty

2.2.1. Income poverty and challenges of income distribution

During the last ten years, Tanzania's GDP growth rate has been impressive. However, between 2000/01 and 2007 the incidence of income poverty did not change significantly. As Table 2.1 shows, out of every 100 Tanzanians, 36 were poor in 2000/01 compared to 34 in 2007. Income poverty (basic needs and food poverty) was also variable across geographical areas, with the rural areas containing 83.4 percent of the poor in 2007 compared to 87 percent in 2000/01. Households engaged in farming, livestock keeping, fishing, and forestry, were the most poor.

Rural growth per annum in the period, as proxied by growth of the agricultural sector was about 4.5 percent. When this growth is contrasted with the national population growth rate of 2.9 percent the rural per capital income becomes small thus perpetuating poverty situation in rural areas.

Table 2.1: Incidence of Poverty in Tanzania

Incidence of poverty					
	Year	Dar es Salaam	Other Urban Areas	Rural Areas	Mainland Tanzania
Food					
	2000/01	7.5	13.2	20.4	18.7
	2007	7.4	12.9	18.4	16.6
Basic Needs					
	2000/01	17.6	25.8	38.7	35.7
	2007	16.4	24.1	37.6	33.6

Source: URT, NBS, Household Budget Survey 2000/01, and 2007.

Employment is the main link between growth and reduction of income poverty. On average, 630,000 new jobs have been created annually since 2001, mainly in the informal sector, which matches with labour force growth. Hence the unemployment rate has tended to remain unchanged at about 11.7 percent. However, gender variations were more pronounced: Women constituted 24.7

percent of paid employees, 42.3 percent of unpaid helpers, and 53.9 percent of agricultural labour force and only 20 percent of self employed; moreover, the unemployment rate was higher for females than for males, except in the rural areas. In Dar es Salaam, the unemployment rate for females was 40.3% in 2006, as contrasted to 19.2 percent for males.

In terms of sources of livelihood, the share of household farm income declined from 51.4 percent in 2000/01 to 39.7 percent in 2007. Correspondingly, the share of non-farm incomes increased although not to the extent of leveraging people out of poverty. Poverty incidence among government or parastatal employees is around 10 percent, and it is 20 percent among other paid employees. A higher percentage in the latter indicates inadequate decent jobs in those sectors, particularly in the private sector.

2.2.2. Growth patterns

Overall GDP Growth and the GDP Structure:

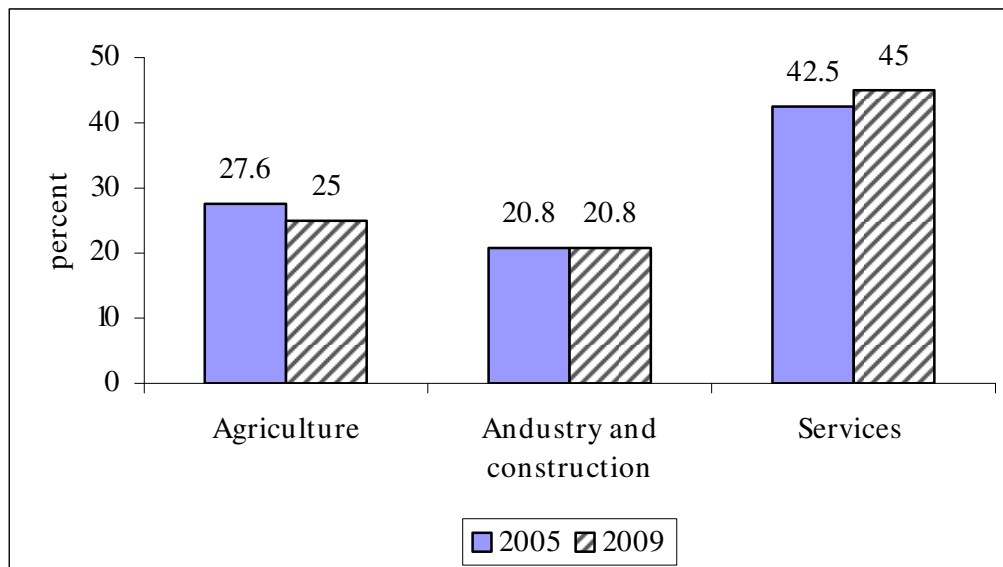
The GDP growth trend since the 1990s has been rising, except for a few shocks such as drought, power crisis and lately, the global economic and financial crisis. Since 2005, Tanzania's GDP annual growth rate averaged 7 percent, which is in line with MKUKUTA target of 6 – 8 percent per annum. In 2009 however, GDP growth was estimated to be 5.0 percent, the decline being partly due to the global financial crisis. As a result of the crisis, volume and prices of exports went down, flows of capital and investment fluctuated, tourist and demand for tourism products were reduced. These effects worsened balance of payments and exerting inflationary pressures on the economy.

The structure of the Tanzania's economy in terms of GDP composition has been changing gradually (which is also the case with sectoral employment proportions, as per the Integrated Labour Force Survey 2006). The share of agriculture in total GDP (Figure 2.1) and its proportion in total employment have been declining relative to the services sector, and manufacturing and construction (taken together), which is accounted to the slower growth of the agriculture sector, even as the majority of Tanzanians still depend on agriculture for their livelihoods. Services constitute the main sector of the economy, and its growth will continue to be critical for sustaining higher economic growth.

Agriculture: Agriculture is still dominated by small-scale farmers; about 70 percent of farming is dependent on the hand hoe, 20 percent on ox-ploughs, and 10 percent on tractors. This state notwithstanding, the sector has been identified as a growth driver. Due to its diverse climatic zones it has potential for many crops, livestock and forestry products, sufficient water for both irrigation and livestock, and large size of arable land. Thus, given its role in supporting the

rural poor, it promises a high chance of lifting many of them out of poverty. Moreover, food demand from the neighbouring countries indicates opportunities for increased food exports to these countries.

Figure 2.1: Shares of Major Sectors in GDP 2005 and 2009



Source: MOFEA (2010) Guidelines for the Preparation of Medium Term Plan and Budget Framework for 2010/11 -2012/13.

The Agriculture growth averaged about 4 percent between 2005 and 2008. The sector's sluggish growth is a result of a combination of many challenges. These include poor infrastructure to support agriculture, inadequate extension services, poor technology of production, low value addition, lack of appropriate financing mechanism for agriculture, absence of reliable market and prices and environmental degradation.

Fisheries Sector: The fisheries sector has maintained a modest growth since 2000, attaining a rate of 5.0 percent in 2008, which was estimated to fall to 3.0 percent in 2009. Tanzania has immense fishery resource potentials – both in fresh and marine waters, which if unleashed would contribute to improving the stakeholders' livelihoods, including their nutrition. The main challenges include illegal fishing and trafficking of fish and fisheries products across borders, which reduce the sector's contribution to growth and reduction of poverty and undermine its sustainable development. Specific constraints for small and medium scale fishing include credit facilitation and resource degradation.

Manufacturing sector: Manufacturing development constitute an integral part of industrial transformation to facilitate growth and employment generation. The sector's forward and backward linkages facilitate improvements of other sectors,

for example, agriculture and mineral sectors; in turn, these linkages will spur more growth in the manufacturing sector itself. Hence, manufacturing has been identified as a growth driver. Between 2005 and 2008, it grew at about 9 percent annually, with the highest growth being 9.9 percent in 2008, despite the global financial crisis. However in 2009, growth was estimated to fall to 6.6 percent. Despite this relatively good performance, the sector is constrained by high costs of doing business, mainly due to unreliable supply of utilities (water, power, etc), leading to capacity underutilization; ineffective transport networks and other ICT&STI infrastructure; and small domestic markets, with intense import competition, and inadequate export drive.

Mining sector: Tanzania has deposits of gold, diamond, tanzanite, ruby, tin, copper, nickel, iron, phosphate, gypsum, coal, natural gas and potential for petroleum extraction. Mining involves large and small scales, both of which are important. Before 2007, the sector grew at about 15 percent annually, which dropped to 2.5 percent in 2008 due to the ceasing of export of diamonds and decreased gold production (as the largest gold mine faced serious infrastructural problems). Such wide fluctuations in growth are one of the challenges facing the sector. Other challenges include weak linkages between the sector and local supply chains, hence low domestic value addition; limited multiplier effects and employment creation; environmental-related conflicts; and technical and institutional capacities for effective management of the sector. Nevertheless, the vast mineral deposits in the country point to a high potential of the sector's contribution to growth and socio-economic transformation. Hence, the sector has been identified as a driver of growth.

Tourism sector: Tanzania has some of the world's finest tourist attractions and game reserves. Equally famous are trekking expeditions (notably Mount Kilimanjaro) and coastal tourism. These attractions, among others, qualify tourism as a growth sector, as they offer immense opportunities for expansion of the sector.

Growth of tourism was 1.9 percent in 2009. This explains the risks of its reliance on foreign tourists, which makes it susceptible to swings of the global economy. The sector also faces inadequate technical, managerial, and entrepreneurial skills for a modern tourism industry and infrastructural bottlenecks and poor tourist supporting services (health, finances, insurances, ICT, etc), which have resulted in substantial under-exploitation of the nation's tourism potential. Addressing these constraints will lead to expansion of not only natural resource based tourism, but also cultural tourism.

Infrastructural development: There have been modest improvements in growth-related infrastructure such as roads, ports (sea and air), energy, etc. The

percentage of roads in fair and good conditions has increased since 2005, the time taken to discharge cargos at the ports has declined, installed energy production capacity has increased, and exploration of fossil fuel continues. However some challenges still need to be addressed, including frequent power shortages, port congestion, and poor conditions of rural roads. Tanzania could act as a regional trade and logistic hub if it were to exploit its advantageous geographical location and immense potential for power generation.

2.2.3 Macroeconomic Management

Tanzania's macroeconomic management during MKUKUTA was geared at improving public finance management, keeping spending in line with the national development priorities, and instituting supportive monetary policy to ensure macroeconomic stability.

Inflation: The inflation rate, which had dropped to just below 5 percent during the early years of 2000s, gradually started to rise in 2005, and kept on an upward trend to 12.2 percent by December 2009. This rise was due to drought-instigated food shortages in Tanzania and in the neighbouring countries; shortage in electricity supply, which increased production costs as producers shifted to using generators; and increase in petroleum prices, which raised the import bill and production costs. However, even though inflation targets were not realized, the economy recorded high and sustained growth rate and revenue mobilization increased. Toward the end 2008, global oil and food prices declined, but domestic prices remained high, partly because of weaknesses in regulatory capacities for ensuring fair competition and consumer protection.

The national debt stock: The national debt stock has been growing (in absolute terms) mainly due to new disbursements, particularly through issuance of new government bonds to finance long term investments; exchange rate fluctuations, specifically the depreciation of the shilling; and accumulated interest arrears, particularly to Non- Paris Club Member Countries.

Credit to the private sector: The ratio of domestic credit to the private sector as a percentage of GDP evidences efforts to foster the private sector. Though this proportion has been rising from 4.6 percent of GDP in 2001 to 13.8 percent in 2007, it is still relatively small because small- and medium-scale enterprises (SMEs) and the agricultural sector are under-served by banks, for commercial viability reasons, in particular the weaknesses in legal and regulatory systems, especially with respect to enforcement of contracts and property rights. This is reflected slow decline in interest rate spread (lending vs. deposit rate) between 2005 and 2008.

Foreign Direct Investment (FDI): The value of Foreign Direct Investment (FDI) has been increasing since 2005, averaging to USD 603.3 million annually, although the global economic crisis effects may reverse this positive trend. The largest share of FDI inflows went to mining and tourism. The mining sector, despite the benefit of large FDI inflows, is yet to substantially trigger domestic processing and make use of local supply chains. FDI has also been affected by the low level of human resource development in terms of quality and skills, which limit the exploitation of advantages associated with FDI. Indeed, improvements in the business environment can unleash the investment potentials in all sectors, including agriculture.

External balance: Since 2005, the exchange rate has been fluctuating, with negative effects on the import bill, official reserves, and macroeconomic stability. Moreover, the import bill has been expanding faster than export earnings, thereby causing increases in the trade deficit. Since 2005, the proportion of exports as a percentage of GDP has ranged between 21.7 percent and 23.1 percent, mainly sustained by increases in exports of non-traditional commodities – largely minerals and a modest increase in the export of manufactured goods. The rapid increase in gold price, which accounts for a considerable share of non-traditional exports, is largely driven by the global financial crisis; hence it is likely to be short-lived. Likewise, the decline in gold production signals the danger of relying heavily on a single product. Unlike gold, other main export goods and services have been adversely affected the global financial crisis

2.3. Quality of Life and Social Well Being

The implementation of MKUKUTA interventions in Cluster II focused on achieving two broad outcomes, namely: (i) improved quality of life and social wellbeing, particularly of the poorest and most vulnerable groups in the population; and (ii) reduced inequalities (e.g., in education, survival, and health) across geographic areas, income, age, gender and other categories. To that effect, the interventions have recorded considerable improvements on the delivery of social services—notably education, health, water, sanitation and social protection. The investments in education and health in the recent past have enabled Tanzania to record improvement on Human Development Index (HDI) ranking, from position 163 in the pre-MKUKUTA period to 151 in 2009, thereby moving from low human development group of countries to mid human development group of countries. The most formidable challenge now rests with further extension of the reach and improvement in quality.

2.3.1. Education

The interventions in education sector were guided mainly by Primary Education Development Programme (PEDP), Secondary Education Development Programme (SEDP), vocational education and higher education policies. The

main result has been increased access to education in terms of enrolments at all levels. The rapid increase in enrolment has also thrown challenges with regard to quality because of overstretched educational infrastructure as well as human resource capacity.

The issue of quality at the primary education level manifested itself by high pupil/teacher ratio (52:1 in 2006 and 54:1 in 2009); the percentage of pupils passing the primary school leaving examination (PSLE) (70.5% in 2006 and 52.7% in 2008).

Inequity in resource allocation was another challenge that faced the primary education sub-sector. For instance, teachers were unequally distributed both between and within regions, and between and within districts. Poorer regions had fewer teachers than wealthier regions and schools in remote areas had fewer teachers than schools in urban centres. Other challenges include low, though improving, transition rates to secondary education and high drop out rate which stands at around 33 percent. Although enrolment rate of girls in secondary schools is similar to that of boys, the drop outs are significant for girls. As a result, a clear gender gap in enrolment emerges during the last years of secondary education. Drop out due to pregnancy increased from 6.5 percent in 2006 to 10.3 percent in 2008 of the total reasons for drop out.

The challenges of quality at secondary education are reflected in declining pass rates at both ordinary and advanced levels, dropping from 89.1 percent in 2006 to 83.7 percent in 2008 and 96.3 percent in 2006 to 89.6 percent in 2009, respectively. Variations across subjects were also high; only a quarter of candidates passed basic mathematics. The pass rate for science subjects was also low.

School inspection – at pre-primary, primary, and secondary levels, is a crucial area for monitoring inputs, processes and learning outcomes in school. Inspectorate services were low at less than 25 percent of the target over the years due in part to a lack of adequate resources. The consequence is a reinforcement of other forms of inequity; schools that probably are mostly in need of regular inspection and support in 'hard to reach' areas, happened to be the least visited (supervised). This aspect has made it difficult to verify routine data.

There has also been significant expansion in enrolment at teacher training colleges, higher education and vocational and technical levels. Like in other education levels, expansion of enrolment overstretched available resources, with the potential of compromising quality. Moreover, vocational and technical training were allocated a declining share of public funding, despite the increased enrolment and the critical role it plays in human resource development. As a

result, many youth were left behind with low basic skills and reduced employability. Currently there are large inequities in enrolment geographically, and by gender. Monitoring and evaluation of vocational and technical training was less developed compared to other education levels.

Gender imbalance at post secondary school level remains a challenge. During 2008/09, for example, females made up only 32.1 percent of total enrolment in public universities and university colleges compared to 32.2% in 2006. Low participation rate of women in tertiary education does deprive women in terms of level and nature of their participation in decision making processes.

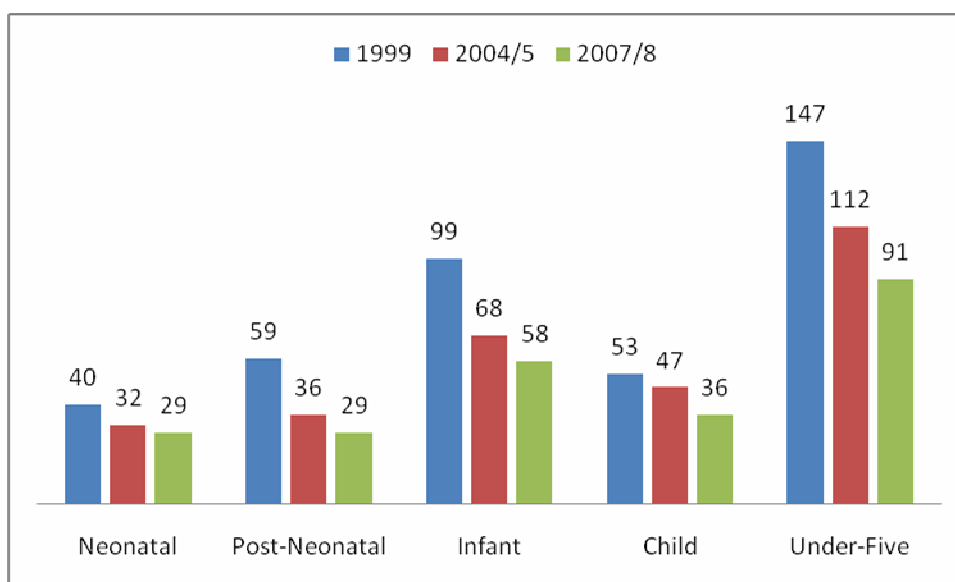
Generally, there has been substantial increase in education funding during MKUKUTA implementation, with students from the wealthiest wealth quintiles benefiting disproportionately from public spending in tertiary education spending.

2.3.2. Health

MKUKUTA implementation scaled-up interventions in health with positive results.

Life expectancy and mortality rates: Life expectancy has increased to 55 years (54 years for male and 56 years for females), mainly due to declines in HIV and AIDS prevalence and child mortality. The neonatal mortality rate has improved only marginally (Figure 2.2). This is partly due to little improvements in maternal health, Factors contributing to poor maternal health include: long distance to delivery facilities, high costs (including purchase of medical materials), poor nutrition, high workload of expecting mothers, malaria incidences, poor quality of service at the delivery facilities (particularly, quality of obstetric care – in terms of access to skilled assistance at delivery capable of providing life-saving procedures), poor referral systems, and teenage pregnancies (which carry a higher risk of maternal death). The challenge is that maternal mortality is characterized by wide disparities across regions, and between rural and urban areas, education groups, and wealth groups.

Figure 2.1 Infant and Under-Five Mortality, 1999, 2004/05 and 2007/08



Sources: PHDR 2009.

Improvement in infant and under-five mortality rate has been largely due to gains in malaria control through improved diagnosis and treatment of malaria, as well as prevention through increased use of insecticide treated nets. In addition, success of other preventive measures, such as measles vaccination, vitamin A supplementation, and implementation of Integrated Management of Childhood Illnesses (IMCI) have enhanced child survival. However, disparities persist, between and within regions and districts, urban and rural areas, and by wealth status. Children living in rural areas and those in poverty stricken families are more disadvantaged both in terms of service uptake and outcomes than those in urban areas and wealthier households. Thus, challenges to sustain the gains which have been achieved in child health include addressing these disparities and focusing on strengthening health systems and early childhood nutrition to improve maternal and neonatal health.

Other challenges include dealing with malnutrition, which accounts for more than 50 percent of child mortality. Four out of every 10 children under five years of age are stunted and about one out of every five is underweight. For children under the age of two years, evidence suggests that food security per se is not the most critical determinant of the high prevalence of under-nutrition, but rather breastfeeding practices. Child malnutrition fuels illnesses, undermines learning, erodes human capital and reduces labour productivity, ultimately affecting growth and labour market outcomes at the adult age.

Malaria, TB, and HIV and AIDS: Malaria, TB, and HIV and AIDS continue to affect Tanzanians in many dimensions, in particular health and economic dimensions. In 2007/08 malaria prevalence in children (6-59 months of age)

ranged between 5 percent and 30 percent. However, there has been a decline in malaria transmission, severe anaemia, fever incidences, malaria inpatient admissions and the proportion of fever cases due to malaria. This is partly explained by improvements in the coverage of insecticide-treated nets (ITNs), even though the coverage is still lower in rural areas than urban areas. Other malaria interventions include the introduction of highly-effective artemisinin-based combination therapy “ALU”, Rapid Diagnostic Tests (RDTs), larviciding, and indoor residual spraying.

HIV and AIDS continue to be a national challenge even though there has been a decline in HIV prevalence in 15-49 yrs age group in both males and females, and across most age groups and regions since 2003/04. However, the decline has been slower for females than for males and different across regions. An estimated 1.8 million people in Tanzania are living with HIV and AIDS, with over 200,000 new infections per year (particularly affecting women and young adults); an average of 80,000 people die from HIV and AIDS-related illnesses per year; and orphans and vulnerable children are estimated to be 2.2 million (a majority of them orphaned due to HIV and AIDS). More than 60 percent of the demand for ART is not met, and there are serious weaknesses in service delivery, particularly in rural areas. The coverage of the program for Preventing Mother-to-Child Transmission (PMTCT) of HIV has increased since 2005, but it still remains fairly low, in spite of the rapid increase in the number of sites in the program. For example, only 37% of pregnant women attending Antenatal Clinics (ANCs) were reached by PMTCT services in the first half of 2009. These problems coupled with fewer than 600 Counselling and Testing Centres (CTCs) for the whole country have contributed to more than 60 percent of adults remaining untested for HIV. Yet, many people die of HIV and AIDS-related opportunistic infections without ever knowing their HIV status.

There has been an increase in a number of people that have taken HIV tests, following the national campaign for voluntary counselling and testing (VCT). However, self-reported sexual behaviour (age at sexual debut, condom use, multiple partners, and higher-risk sex) between 2003 and 2007 has only changed marginally as compared to larger changes between 1999 and 2003. This lack of inertia in behavioural change is constraining the sustenance of further decline in HIV prevalence rate.

Progress has also been recorded in controlling other diseases, such as TB and leprosy, through the National TB and Leprosy Control Program. Encouraging results in controlling these diseases emanates from increased coordination between in the National TB and Leprosy Control Program and HIV and AIDS interventions, because TB case-load is also AIDS-related (following a modest decline in HIV prevalence and the introduction of ARV treatment).

Human resources in health sector: Although medical schools and enrolment have increased over the years, there is still a shortage of health professionals, especially the more skilled cadres. The shortage of skilled health professionals, which is most felt in rural areas, is estimated to be 65 percent. This shortage poses a challenge to the implementation of the Primary Health Services Development Program (PHSDP, or MMAM in Swahili) in terms of addressing the human resources constraint. Moreover, existing health professionals are unevenly distributed, with significant disparities within regions and within districts, with remote districts having less health professionals.

2.3.3. Water and sanitation

Water supply: Available indicators show that progress in the water sector has been slow, which is explained by a history of under-investment in water infrastructure. As a result, access to clean and safe water sources is declining, according to the Household Budget Survey (HBS 2007). Between 2000/01 and 2007, households' access to clean and safe water sources, in both urban and rural areas, declined from 90 percent to 79 percent and from 46 percent to 40 percent, respectively, particularly because investment in water supply infrastructure did not keep pace with population increase. Also, existing water points have not been sustained - over a third of the rural water points are not functioning any more two years after installation.

The infrastructural and sustainability problems are coupled with high levels of disparity geographically, by wealth status, and by social groups. The equity in access is heavily skewed against the poor. Consequently, the poor spend a significant share of labour (especially in rural areas) and income (especially in urban areas), on accessing water.

The water sector reforms such as decentralization and the introduction of an independent regulator in urban areas provides opportunities for increasing participation and accountability. .

Sanitation and Hygiene: Hygiene practices are constrained by lack of basic latrine, together with shortages of water and soap, unsanitary latrines and poor waste disposal. Households that have access to improved latrines, , constitute only 34 percent; hence, water-borne diseases, especially diarrhoea and dysentery, have not been put under control. Dehydration caused by severe diarrhoea is a major cause of morbidity and mortality among Tanzanian children.

Sanitation-related problems are also prevalent at institutional level, particularly schools. About 58 female pupils share one latrine against the target of 20 per latrine and 61 male pupils share a latrine against the target of 25 per latrine.

There are major geographical variations in pupil-latrine ratios across districts, ranging from a high ratio of over 100 pupils per drop hole to an average of less than 30 pupils per latrine. School children in the poorest urban areas are at a higher risk due to high population density, coupled with poor water and sanitation infrastructure.

2.3.4. Decent shelter and human settlement

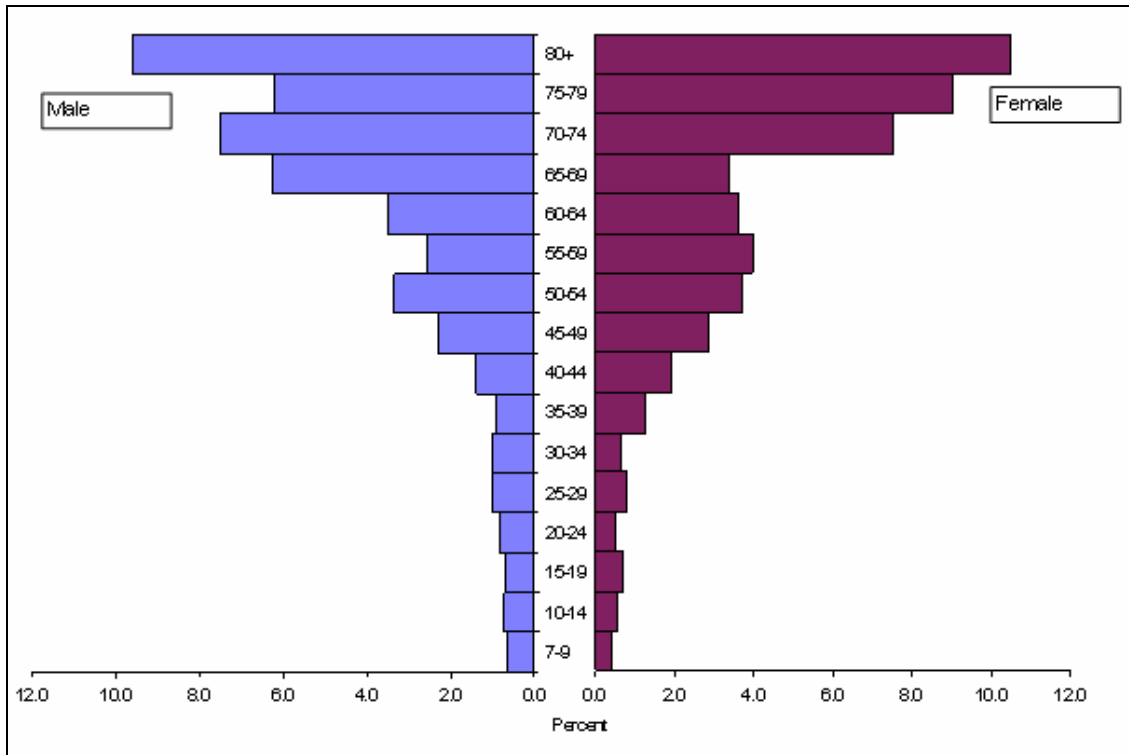
Tanzania urban centres are experiencing high population increase, which is outstripping increase in the provision of services. Hence, most urban settlements are increasingly developed outside the formal planning and management system. Peri-urban areas are increasingly being sub-divided into smaller plots by land owners and development takes place without paying regard to plans for provision of basic community facilities and services. Unplanned settlements have increased tremendously as to include developments on hazard-prone lands such as steep slopes, flood plains, river valleys, and dumpsites. Also, Commercial Business Districts (CBDs) of most urban centres are increasingly becoming congested.

The challenges facing settlement planning and management in Tanzania include inadequately serviced land for shelter and human settlements, especially for women, youth, the elderly, disabled and disadvantaged. Other challenges include poor infrastructure and poor social services, inability to create employment opportunities, low capacity for training professionals for land use planning and technical, financial and managerial responsibilities.

2.3.5. Social protection and wellbeing of vulnerable groups

The National Social Protection Framework (NSPF) identifies vulnerable groups, whose rights are unprotected, to include street children, widows, people living with HIV and AIDS, youths, orphans, young mothers, people with disabilities, and eligible elders over the age of 60. Based on the definition according to the Convention 61/106 of the United Nations on the Rights of Persons with Disabilities, disability prevalence was 7.8 percent in 2008. The prevalence is higher in rural areas (8.3 percent) than in urban areas (6.3 percent) and tends to increase with age (Figure 2.3). People with disabilities have difficulties in accessing access transport; information, problems with attitudes of others at home; and the attitudes of others at work or school. Thus, directly or indirectly, these factors reduce the chances of vulnerable groups to accessing standard/traditional social services relative to other groups. These point to the need for interventions for addressing customized social protection issues include 'unemployability' of women and youth with disabilities.

Figure 2.3. Overall Percentages of Persons with Disabilities by Age and Sex (7 Years and older)



Source: 2008 Tanzania Disability Survey Key Results and Last Year GBS Review

There are practices that have adverse effects on vulnerable groups. These include outdated customs, norms, taboos and values, unhappy marriages and polygamy; domestic and gender-based violence, drunkenness and drug abuse. Other factors causing poverty and vulnerability include natural calamities, HIV and AIDS; low incomes; lack of education and skills; lack of access to clean and safe water; and indecent shelter.

2.4.1. Structures and systems of governance

Following the implementation of numerous political, economic, legal, and social reforms over the past decades, Tanzania is now considered a functioning democracy with political stability, peace, respect for human rights and rule of law. This has enabled Tanzania to get a satisfactory good-governance rating by experts, international agencies, and its own citizens, including those in the private sector.

Several initiatives have been undertaken in good governance and accountability under the National Framework on Good Governance and other relevant policies. Notable progress has been made. For instance, investigations of 706 cases associated with corruption were completed. The number of convicted corruption cases increased. This assessment, however, is constrained by weak monitoring indicators. For example, it is difficult to conclude whether or not the increase in corruption cases is due to greater diligence in prosecuting corruption, an increase

in corruption itself, or increase in the reporting of corruption. With regard to public procurement, the percentage of procuring entities complying with the Procurement Act was only 39 percent in 2006/7 and 43 percent in 2007/08. Also, significant development in the effectiveness of Parliamentary oversight function has been recorded; as well, the roles of the media, civil society, and other watchdogs have risen.

Accountability for the use of public funds has also improved during the MKUKUTA period. The percentage of ministries, departments and agencies (MDAs) that received a clean (unqualified) audit certificate was 71 percent in 2007/08, whereas about LGAs that received clean audit certificate were 54 percent. However, accountability to general public was lower - only 40 percent of LGAs had posted fiscal information on public notice boards. Moreover, there is a need to strengthen 'value-for-money' audits at all levels to assess whether expenditures correspond with the outputs or outcomes achieved.

2.4.2. Gender -balanced inclusion

Constitutional amendments in 2005 set a target of 30 percent for women's participation in Parliament, as per SADC benchmark. The number and percentage of female members of parliament increased from 21.5 percent in 2000 Elections to 30.3 percent in the 2005 Elections. Out of the 323 seats, women held 97 seats, out of which, 18 were elected from the constituencies which is (an increase from 12 in 2000 and compared to only 8 in 1995). Another 75 were elected for the special seats (an increase from 48 in 2000). Furthermore, 3 women were appointed by the president (as compared to 2 in the 2000 Elections). More women were appointed to the cabinet, with some of them holding very strategic positions such as Minister of Finance, Minister for Justice and Constitutional Affairs, Minister of Education and Culture and Minister of Foreign Affairs.

Thus, gender balance has improved; but there are still avenues and need for further improvement. The percentage of women in leadership positions (including MPs) in public service has only increased marginally from 20 percent in 2004/05 to 22 percent in 2008/09; only 5 percent of the LGA councillors are women. As Decentralization by Devolution (D-by-D) continues to be implemented, more development interventions will be under the oversight of the LGA councillors; hence, gender balance at the LGA level will be critical for sustainable development.

2.4.3. Effective Public Service Framework

To ensure governance for growth, systems for quality and efficiency of service delivery (e.g., certificates, property rights, etc.) have continued to improve. . In 2007, only 7.1 percent of rural households reported having certificates for rights of ownership and use of land; birth certificates in 2007/08 constituted only 20

percent of all births, with regional variations ranging from 5 percent to 75 percent. Assigning property rights (e.g., land ownership, etc.) is critical for economic governance and high and sustained growth. Vital registration need to be improved, by strengthening linkages and communication between families and service delivery points, particularly local government authorities and health services.

The participation of citizens in local government institutions and other community groups, has improved, for example, in specific local committees - school committees, water committees, public works committees, farmers' groups; and in preparation of village/ward plans. Citizen involvement in local leadership rose from 17.3 percent in 2003 to 22.9 percent in 2006. However, only about 53 percent of citizens participate in the village assembly, despite being one of the most important decision-making organs; hence, more effort is required in broadening and sustaining the participation in the village assembly.

2.4.4. Equitable allocation of national resources

Equitable resource allocation has two sides: the collection and expenditure sides. The collection side involves good tax (and non-tax) systems (which observe equity principles, fairness, progressivity, and ability). The expenditure side focuses on the distribution of the collected revenues. The current level of tax revenues (15 percent of GDP) are collected from a narrow base, mainly due to wide spread informal sector, thereby causing substantial distortions in the economy. The informal sector continues to be largely outside the tax net, which affect many issues of good economic governance. On the expenditure side, the need-based formula allocation of resources to LGAs has been effective in many areas. However, the issue still remains with allocation of staff, as disparities exist between urban and rural LGAs. For instance, most urban LGAs have relatively more agricultural extension staff, teachers, and health workers than rural LGAs. There is a need to rationalize allocation of staff in line with the existing facilities and staff requirements.

2.4.5. Governance in natural resources

Sound economic governance of natural resources is critical for poverty reduction, not only for the communities in the locality, but also for the whole nation. Despite their abundance, natural resources have had limited impact on the livelihoods of the poor and the economy in general due to weak management. The economic value of revenues received from concessions and licenses from mining, forestry, fishing and wildlife commodities is low. Tanzania's recent joining in the Extractive Industries Transparency Initiative (EITI), is timely, since it will avail opportunities to enhance governance in natural resources.

2.4.6. Human rights

Protection of human rights has continued to improve, but more needs to be done to speed up and sustain the gains. Between 2004 and 2008, the percentage of cases pending for two years or more was 24 - 29 percent. A number of cases for infringement of human rights filed at the Commission for Human Rights and Good Governance increased from 2,789 cases in 2004/05 to 4,948 in 2006/07, a consequence of an outreach program by the Commission. In 2008/09, the number of cases declined to 2,341 which may be due to the Commission's active outreach work or a real decline in cases of human rights violations. Moreover, overcrowding in prisons has decreased from the baseline of 196.3 percent set in 2004/05 to 151 percent in 2007/08. Progress on juvenile detention is constrained by inadequate reporting on it.

Women's movements, under the civil society umbrella, have been key players in pressing the Government to abide by human rights, as per international frameworks, by preparing Shadow Reports to the Progress Reports on CEDAW, among other means. These reports have worked to enhance awareness and capacity of law enforcers on issues related to women's rights, particularly in dealing with gender-based violence. However, sexual abuse and harassment are still common violations of human rights in Tanzania, against especially women and children. Data on the extent of gender violence, sexual abuse and prosecution of these offences are not available because many cases of gender violence and sexual abuse are either not reported or not referred to the courts.

Legal and regulatory environment for ensuring access to justice by all, particularly women, faces a number of challenges that encumber the realization of these rights. These include the following: inadequate capacity of justice institutions in timely and fair delivering of justice to all, inadequate human resources, weak physical infrastructure, knowledge gaps of justice officials on human rights issues, restrictions of the freedom of the press (as per the Newspapers Act of 1976), the fear that the powers granted to the registrar of political parties could be abused, and social and cultural norms and values that discriminate against women.

2.4.7. Culture and development

There was significant progress in many cultural aspects, such as language, cultural festivals, games and sports, even though there are no agreed indicators to measure them. Some of these achievements include expansion in the usage of Kiswahili, preservation of historical sites, capacity building, funding of research studies and infrastructural development related to culture and sports. It is imperative to adopt a wider definition of culture as enshrined in Development Vision 2025, which include changes of mind sets, environmental conservation, the reading culture, work ethics, entrepreneurship, savings, and adherence to

ethical conduct, with a view to assessing fully the contribution of culture to development.

2.5. Implementation Arrangement

The implementation arrangement for MKUKUTA has been marked by several improvements, including harmonization of planning and budgeting, introduction of Strategic Budget Allocation System (SBAS), strengthening of the Integrated Financial Management Systems (IFMS), and monitoring and evaluation. However, the implementation of MKUKUTA also faced several challenges. These include:

- i. ***Inadequate prioritization and coordination of interventions:*** By design, coordination and prioritization of interventions should have been done at sector and cluster levels; but this could not be adequately achieved because the actors did not fully comply with the implementation guidance; hence, implementation was weak and unsatisfactory, especially because MDAs' contributions to a particular outcome tended to be inadequate. Guidance on the implementation of various interventions by sectors within a cluster setting was also inadequate. Furthermore, collaboration in planning, budgeting, and implementation at MKUKUTA Cluster, sectors, and MDAs levels was weak.
- ii. ***Inadequate complementary strategies and plans:*** MKUKUTA spelt out the need for a clear growth strategy and a human resource development plan. These plans were not prepared, with the consequence that growth issues were treated inadequately. In addition, implementation was limited by capacity issues – technical and human – that remained weak. In many cases, capacity depended on Technical Assistance (TA) interventions, many of which have not enhanced the local capacity. With weak human capacity, the knowledge economy envisaged in the Vision 2025 remained farfetched.
- iii. ***Weak emphasis on implementing PPP Modality:*** The Public Private Partnership (PPP) was not well coordinated. The government continued to be both the financier and provider of socio-economic services. The PPP implementation arrangement was not guided by a policy or comprehensive plan; it was limited to a few areas. In the absence of PPP policy, the existing Partnership has been largely guided by the requirements of the Public Procurement Act (2001 and 2004) and other initiatives. The capacity to design, develop and implement PPP projects continued to be limited.
- iv. ***Incomplete reform processes:*** MKUKUTA proposed several processes and reforms for enhancing implementation effectiveness. However, there has been inadequate complementarities between and alignment among the processes and reforms. To that effect, implementation is still characterized by

weak collaboration and poor linkages in tapping synergies embedded in both core and sectoral reforms.

Due to the above weaknesses, coordination, prioritization and implementation of MKUKUTA were weak, characterized as less focused and too broad. Resource allocation and utilization has not been optimal because of weak collaboration and inadequate linkages to tap on synergies within clusters.

2.5. Monitoring and Evaluation

MKUKUTA Monitoring System (MMS) recorded significant achievements in terms of production, analysis and utilization of data, which promoted the reliance on evidence in decision making. The establishment of a multi-year survey plan has rationalized the work of the National Bureau of Statistics and made survey activities much more strategic and responsive to national information needs and priorities. The multi-year survey plan now forms the basis of Tanzania Statistical Master Plan (TSMP).

Moreover, analysis and reporting on data sets has also been strengthened through analytic reports such as Poverty and Human Development Reports (PHDRs). MMS also has been strengthened through national consultative processes, which have evolved over time. The current dialogue structure – the National Annual Policy Dialogue, which covers discussions on the budget, poverty reduction, resource mobilization and accountability continue to improve (e.g., also PAF is used as a monitoring tool). From 2008, the event has been comprehensively combined with the Public Expenditure and the General Budget Support (GBS) reviews. More effort on monitoring include strengthening the use the Medium Term Planning and Budgetary manual to provide guidance to Ministries, Departments and Agencies (MDAs), and Regions and Local Government Authorities on how to monitor and report implementations.

However, a number of the monitoring and evaluation (M&E) challenges remain. The incentives for the production of robust data, its analysis, interpretation and use are still relatively weak for some MDAs. As a result, the evaluation function is rather underdeveloped, which is critical in terms of linking outcomes and expenditure. The introduction of Expenditure Tracking Unit in 2007/08 is one of the steps to address this challenge. The capacity constraints in all MMS Secretariats are pervasive.

Another challenge relates to funding arrangements for MKUKUTA M&E. The pooled fund system was supposed to significantly simplify the administration of development partner contributions for the MMS, but it has not achieved this. Thus, the Tanzania Statistical Master Plan is expected to lead to the establishment of a new pooled fund.

2.6. Status and Challenges of Financing

Resource Mobilization: Government played a leading role in ensuring that the intended policy interventions and targets were fulfilled as planned through strengthening mobilization of resources. During MKUKUTA, efforts to improve tax collection through improving tax policy and administration were continued, including widening the tax base by partly bringing the informal sector into the tax net. Other measures for enhancing tax collection include registration of large tax payers and identification and correction of deficiencies in the collection and management of non-tax revenue.

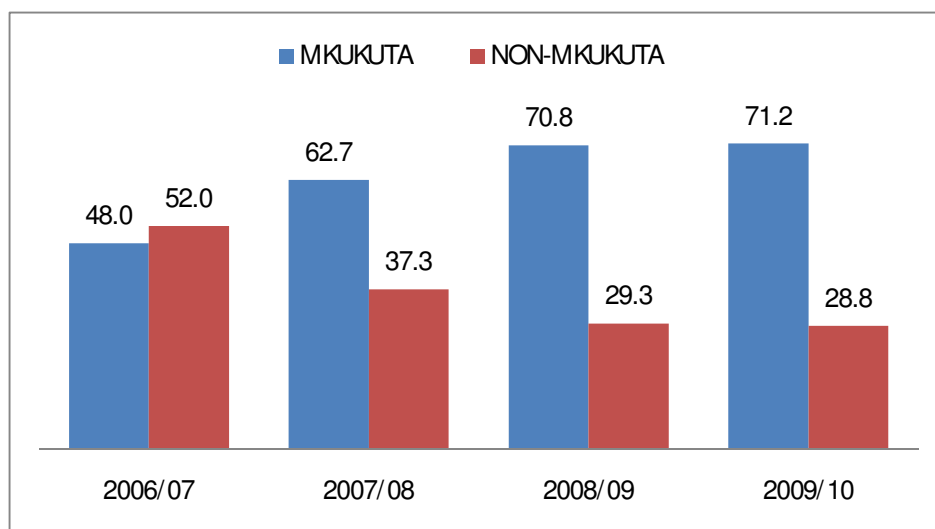
Domestic revenue collection significantly increased from Tshs. 1,284.6 billion annually during the pre-MKUKUTA period to an annual average of TShs. 3,605.1 billion during MKUKUTA implementation. As a ratio to GDP, domestic revenue collection increased from 11.8 percent of GDP in 2004/05 to 15.9 percent of GDP in 2008/09, despite the consequences of the global financial and economic crisis. The impact of the global crisis on the economy is estimated to have reduced the target of domestic revenue collection by 10 percent and the expected nominal revenue growth rate of 30 percent to only 18 percent.

Moreover, Tanzania has continued to benefit from concessional foreign borrowing from multilateral financial institutions and other international organizations. These sources, together with foreign grants, complemented favourably the domestic resource mobilization efforts. However, the composition of capital vis a vis non-capital components has not been in favour of long term and sustainable growth. Thus, it is imperative to review the JAST and examine the various financing modalities: GBS, World Bank/IMF/ADB financing instruments – PRBS/PRSC.

Consistent with the need to promote private sector growth, zero domestic borrowing was envisaged for budget financing. However, the government resorted to domestic borrowing in 2008/09 and 2009/10 as part of the countercyclical measures to address the impacts of the global financial crisis and the need to protect expenditures for key sectors/interventions.

Allocation: The Government continues to strengthen the link between budgetary resource allocation and MKUKUTA priorities through cluster-based expenditure programming, with emphasis on programs, activities and measures that have the highest impacts on MKUKUTA strategic objectives. Figure 2.3 provides an overview of budget shares for both MKUKUTA and Non-MKUKUTA interventions from 2005/06 to 2009/10

Figure 2.4: Composition of Annual Budget Allocation



Source: Macroeconomic Frame 2010/11 – 2013/14

Cluster-wise, Cluster I has been a leading recipient of MKUKUTA budget allocation, followed by Cluster II. Out of the total budget allocation for implementing MKUKUTA between 2006/07 and 2009/10, an annual average of 41.5 percent went to the implementation of policies, programs and projects under cluster I. During the same period, Cluster II was allocated, on average, 38.2 percent a year, while an average of 20.4 percent annually was allocated to Cluster III. During the second half of MKUKUTA, the share of Cluster II has been scaled up, to the extent of dominating and compromising the share of Cluster I. This is explained by the government's commitment in enhancing the provision of social services to the public, especially education and health services. The SBAS has been helpful in resource allocation.

The following are the major challenges in MKUKUTA financing:

- i. *Five year costing of implementing MKUKUTA:* The financing framework spell out the procedures needed to prepare the costing estimates for implementing all interventions of MKUKUTA, but it could not come out explicitly with the figure on the total cost of carrying out MKUKUTA in five years
- ii. *Delay in costing:* The costing of MKUKUTA was delayed and hence the three-year rolling MTEF was used as a proxy. This did not give a comprehensive picture of what it would take to fully implement MKUKUTA and thus establish the resource gap.
- iii. *Omission of important items:* The exclusion of wages and salaries and transfers to LGAs in MKUKUTA budget led to understating the magnitude of resources allocated for MKUKUTA clusters. . In this regard, wages and salaries to civil servants are the real cost of service delivery to the public.

- iv. *Global financial and economic crisis:* Tanzania was not spared by the adverse effects of global financial and economic crisis, which affected negatively the key sectors of economic growth, especially trade flows, capital inflows, natural resource sectors and agricultural exports.
- v. *Non-state actors' financing:* It has been rather difficult to ascertain the actual amount spent by these bodies to implement MKUKUTA.
- vi. *Insufficient resources for MKUKUTA implementation:* Resources to fund MKUKUTA activities have often fallen short of the approved allocations. This necessitated reallocation of resources and in some instances phasing out some of the activities, disregarding their levels of priority.

CHAPTER III FRAMEWORK OF THE STRATEGY

3.1 Introduction

This chapter presents the key elements of the conceptual and organizing framework of MKUKUTA II in terms of (i) the guiding principles; (ii) major interventions within and across clusters (iii) design and implementation inter-dependencies; and (iv) conceptualization of relative priorities to ensure a more focused strategy.

3.2 Principles of the Strategy

The principles guiding MKUKUTA II are:

- i. National ownership (the people, GOT, CSOs, Private Sector, etc);
- ii. Political commitment;
- iii. Commitment to stabilize macroeconomic variables and continue structural reforms;
- iv. Macro-micro linkages;
- v. Sector strategies, linkages and collaboration;
- vi. Local partnerships;
- vii. Harmonized assistance; Equity; and
- viii. Sustainable human development.
- ix. Sharper and focused prioritization (whereby prioritization of the interventions is based on the extent to which they contribute to implementation effectiveness of the growth and human development).

3.3 Organizing Framework for a Cluster Approach

3.3.1. Long term policy perspective

Tanzania has addressed the development challenge through articulating guiding framework for policies and strategies. The overall framework is provided by the Tanzania Development Vision 2025. The Vision, crafted in 1999 articulate the overall long term goal of socio-economic development for Tanzania over the next generation (up to 2025) as attainment of sustainable human development (*Composite Development Goal*). The attributes are: peace, stability and unity; good governance, a well educated and learning society and, a strong, diversified, resilient and competitive economy capable of producing sustainable growth and shared benefits. Socio-economic transformation is critical and is envisioned to move the country to medium human development countries achievements.

The implementation of Development Vision 2025 (the remaining 15 years) will be operationalized through the Long Term Growth and Development Plan (LGDP).

LGDP is based on the need to have a longer term development perspective and is informed by lessons learned from experiences of successful countries which have managed to achieve significant social-economic development in the last 30 years. The overall aim of the LGDP is to ensure achievement of aspirations of the Development Vision 2025, through a strong, resilient and competitive economy. These will be achieved through:

- Identifying key areas and their requisite propellers/enablers that will drive the economy towards strong and competitive economy
- Providing an articulation of policies and strategies to promote growth in the identified areas and strategic anchor for other supporting strategies
- Inform the investment requirements and pattern for attaining the envisaged growth
- Providing an enhanced coordination and harmonization mechanism of growth initiatives at different levels
- Providing a mechanism for ensuring growth translation into wellbeing and quality of life.
- an institutional framework for effective coordination of the implementation, monitoring and evaluation, of both the LGDP and DV2025.

The implementation of MKUKUTA II marks the first five years of the Long Term Growth and Development Plan (LGDP) spanning 2010-2025, as part of meeting the aspirations of Development Vision 2025. LGDP addresses issues which have longer term perspective/horizon identified during MKUKUTA review process. Such issues include drivers of growth, savings-investment rates, population dynamics, institutional changes, etc.

3.3.2. Structure of MKUKUTA II

MKUKUTA II maintains the three organizing clusters to depict three interrelated development outcomes. Broadly these include as in MKUKUTA I:

Cluster I: Growth and Reduction of Income Poverty focusing on equitable growth, sustainable development principle, food security and affordable and reliable energy and adequate infrastructure for production purposes;

Cluster II: Improvement of Quality of Life and Social Well-Being focusing on quality of life of the poorest and most vulnerable groups, reduced inequalities in access to social services such as education, survival, health across geographic, income, age, gender and other groups, and provision and access to clean and safe water, sanitation, decent shelter and a safe and sustainable environment and thereby, reduced vulnerability from environmental risk.

Cluster III: Governance and Accountability - to ensure the poor have access to and control over natural resources for lawful productive purposes, checking waste and diversion of public financial resources, ensuring democratic participation in the monitoring of public resources, rule of law, human rights and in total, a conducive business environment for encouraging investments.

Cluster I: Growth and Reduction of Income Poverty

MKUKUTA II will avail income opportunities across social groups, regions and sectors through pro-poor public investment and empowerment arrangements in order to bring about more equitable participation in the production and the sharing of outcomes.

Concentration of effort will be guided by the country's growth drivers that take into account natural endowments (comparative advantage) and acquired (competitive) advantages. Growth is to be driven by "enablers/propellers" in the identified growth areas in agriculture, infrastructure, tourism, manufacturing and mining. These sectors have been identified based on the following criteria:

- i. income generation especially for the poor sections of society;
- ii. creation of productive and decent employment especially for women and youth;
- iii. Natural resource fit – maximization of national resource endowments to generate revenue and employment;
- iv. Potential for increasing growth especially rural growth, paying particular attention to environmental sustainability issues and those of enhancing agriculture sector productivity;
- v. Potential human development impact: whether a particular sector employs large number of people, especially poor people; is a potential important source of employment of the poor or produces key products consumed by the poor;
- vi. Broadening existing economic base in order to enhance domestic supply and demand capacity;
- vii. Potential for exports (both in terms of current export performance and potential demand in world markets); and

viii. Potential for industrial development.

With vast natural resources – rich agro-climatic zones, minerals and water resources, potential irrigable land, forestry and wildlife resources and above all, its population size - rural development and particularly *agriculture* stands out as a sector that requires priority attention since the rural sector accommodates the majority of the poor population. Poor rural communities mean a small effective internal market, which constrains industrial sector expansion. This combines with low technological base to make Tanzania dependent on the variability of fortunes in the external markets. Apart from addressing the well-understood constraints to agriculture and rural development, choice of crop sub-sectors within agriculture will be guided by analyses of competitive advantage and domestic capacity to supply the markets are among the key steps that MKUKUTA II will attempt to do more about.

Besides agriculture, manufacturing and service sectors, in particular tourism will continue to play their role in economic transformation. These sectors have significant potentials, especially due to their forward and backward linkages. Sustainable exploitation of mining, fishing and forestry resources will be made to benefit the country better than is the current situation. For all these productive sectors, efforts will continue to address the constraints related to lack of requisite infrastructure, weak innovation capacity and linkages with the domestic economy.

The growth enablers in the above sectors are identified in three levels: at the macro level (such as policy environment, paradigm shift, international dimensions of change, finance, insurance, efficient communication), at sub-national level (such as an efficient property rights structure, functioning domestic markets) and at the micro level (such as skills and knowledge, right attitude and values, healthy labour force, larger loans).

The enablers will be linked to the existing instruments such as the Medium Term Public Investment Plan, MPIP (2010/11-2014/15) that provides strategic public investment interventions for unlocking potentials and scaling up Tanzania's growth. In addition, the Tanzania Mini-Tiger Plan 2020, drawing on the model of ponds (SEZs) and birds (FDI) sets targets for growth, exports, per capita income, and job creation.

In addition, the implementation of the enablers will be mobilized while taking into account the four distinct clusters of development corridors identified for enhancement of growth: East-West Development Corridor, North-South Development Corridor, TAZARA Development Corridor and Complementary and Supportive Development Corridor.

Cluster II: Quality of life and social well being

MKUKUTA II focus is on how better to deliver quality social services (education, survival, health, clean and safe water, sanitation, decent shelter and a safe and sustainable environment) that are better in quality and reach more of the targeted majority poor.

Therefore, interventions that pointedly seek to bring about quality improvements will be emphasized. Apart from wellbeing, the essential target of this cluster is to create human capital out of a learning population. Gaps in the low-to-medium level technical cadre in all sectors have identified for improvement.

Cluster III: Governance and accountability

This cluster also maintains the best practices and motives as in MKUKUTA I; but an effort will be made to address a variety of governance constraints that have been experienced. The MKUKUTA will keep pressing for provision of sound policy environment including protection and enforcement of property rights, human rights, provision of an efficient regulatory regime, absence of corruption and appropriate institutions to support peaceful human co-existence as they go about their livelihoods activities. Apart from loss to the country, lapses in governance around the natural resources activities such as mining and tourism can severely hamper production and productivity through time and energy lost in conflict/industrial dispute resolution.

Interdependence of Clusters and Cross-cutting Issues

Although growth is more easily identified with Cluster I type of activities, the two other clusters and cross-cutting issues are important each in their own way for growth. A healthy and well-educated population (Cluster II) is a vital human resource input for long-term growth whilst, in turn, growth makes possible generation of financial resources for the country to spend on health care, good education system, social protection and infrastructure. Growth and welfare are not possible if resources are misappropriated, or if the policy environment is characterized by lack of law and order, injustice or intolerance, which are not reassuring for investors; hence the significance of Cluster III for growth.

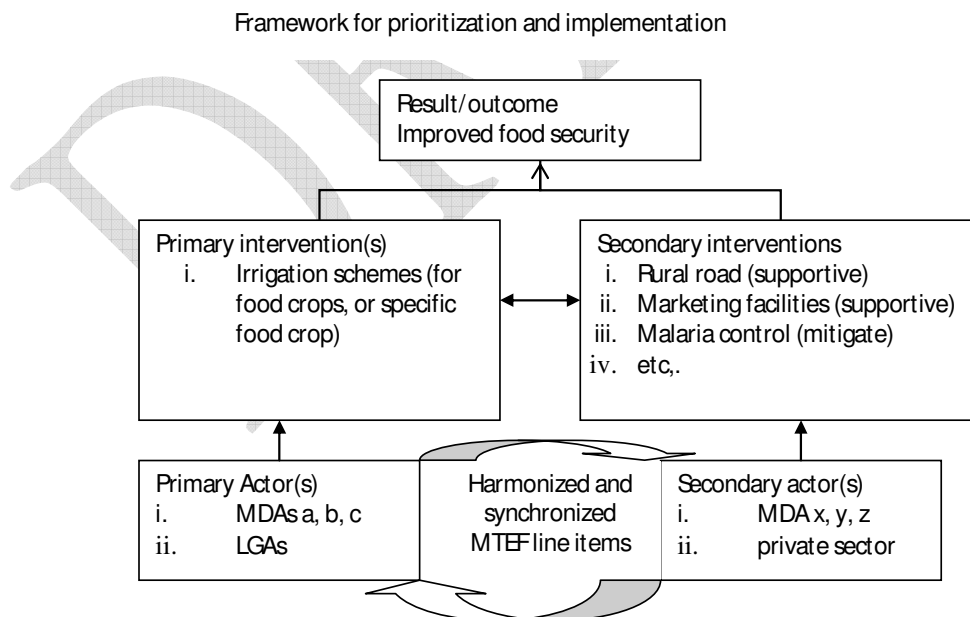
Further, it has been expedient to define *cross-cutting issues* as themes, factors and kinds of policy interventions which could improve the delivery of outcomes in the three clusters. For example, environment-growth (or environment-poverty) linkages show how extractive productive activities affect the natural resource base, and quality of life through pollution; that growth and welfare outcomes

improve with balanced distribution of work-load and productive assets, education etc. among men and women or boys and girls; that HIV/AIDS erodes human capital, removing from the workforce the trained and most productive age-sets and diverting resources to care for the ill. Policy attention to other cross-cutting issues will continue to aim at enhancing the positive and reducing the negative effects on growth, welfare and good governance.

The Strategy notes that the existence of interdependence of goals within and across clusters poses challenges in the way some of the operational targets are specified. For instance, the operational target of reducing fertility rate appears under the goal dealing with health. However, this is an outcome which is attributable to many other interventions outside the health sector, e.g. education, participation in labor markets, etc.

3.4 Prioritization and Implementation

Joint planning and execution of activities among the MDAs will be emphasized. The planning will explicitly show who are the primary actors and who the secondary actors i.e. those whose interventions are prerequisites to achieving the desired results.



Interventions will be prioritized in line with the objective of achieving the expected results, a large part of which are growth related results. This further

implies resource allocation to few, but key interventions that support drivers of growth and eventually attainment of desired poverty reduction results.

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CHAPTER IV THE STRATEGY

4.0. Overview

This Chapter presents details of strategies in terms of how the outcomes will be achieved. The Chapter is organized in three sections matching the three Clusters. These are Cluster I: Growth for Reduction of Income Poverty; Cluster II: Improvement of Quality of Life and Social Well-being; and Cluster III: Governance and Accountability. The narrative for each cluster is supported by the annexed Results Matrix.

4.1. Cluster I: growth for reduction of income poverty

The broad outcomes of interventions for growth for reduction of income poverty are stated as follows:

- i. Inclusive and accelerated growth achieved and sustained,
- ii. Employment opportunities for all, including women and youth created,
- iii. Good economic governance ensured and enhanced.

Strategies in this cluster emphasizes on accelerating growth of the economy to levels that increases in per capita income (given the current and envisaged decline in population growth – targets in Cluster II). Thus, the thrust of Cluster I is sustaining high growth rate of the economy in an inclusive and substantially poverty-reducing manner. This thrust is in line with the target of 8 – 10 percent per annum as envisaged in the Development Vision 2025. Interventions under Cluster I aim at achieving the following goals:

1. Pursuing sound macroeconomic management
2. Reducing income poverty through promoting inclusive, sustainable, and employment-enhancing growth
3. Ensuring creation of productive and decent employment, especially for women and youth
4. Ensuring food security and climate change adaptation and mitigation
5. Allocating and utilizing national resources equitably and efficiently for growth and poverty reduction, especially in rural areas

What follows is a description of operational targets and cluster strategies under each goal. Where relevant, explanation of how the goals, operational targets, and cluster strategies are interrelated, chain of actions, outputs, and outcomes of cluster strategies is provided. This explanation helps to remain key actors the kinds on cross-sector collaborations in designing and executing their plans. It also helps to interpret the contents of the annexed Results Matrix.

Goal 1: Pursuing sound macroeconomic management

Operational target

- Macroeconomic stability maintained, with:
 - not higher than 4 percent
 - at least six months of imports

Sustained economic growth requires stable macroeconomic environment. Macroeconomic stability calls for interventions which address balance in fundamental macro variables such as inflation rate, exchange rate, interest rates, balance of payment, fiscal deficit and external debt. Stability can be ensured by effective demand side management and the supply side management. The interventions for supply side management are subject of Goal 2 below. The demand side strategies and intervention packages to support this target hinge around the following main areas:

Inflation: In order to restore confidence of economic actors, there is need to return to and maintain inflation at single digit and as far as possible, close to the inflation rate in Tanzania's major trading partners (not higher than 4 percent), especially in the East African Common Market. The following interventions will be made:

- Pursuing and sustaining non- inflationary/prudent fiscal and monetary policies,
- Strengthening preparedness capacity to address exogenous shocks to macroeconomic variables

Balance of payments: Reducing the deficit in the balance of payments requires a multi-pronged approach. The interventions to be undertaken include:

- Pursuing measures that lead to an increase in both the volume and value of exports, especially non-traditional (such as through value addition and negotiating better prices). The interventions include sustaining production, improving competitiveness including maintaining a competitive exchange rate; trade related services e.g. quick clearance of goods and increased transit trade to make Tanzania a logistic hub for the region, business capacity enhancement, quality assurance and packaging,
- Addressing the import side prudently in order to reduce the import bill. Interventions in this area relate to promoting consumption of locally produced goods and services to out-compete imports, and curtailing dumping of imports, such as counterfeits known to be of poor quality and in some cases unfit for human consumption;

- Strengthening external market opportunities, especially regional, in order to create more export opportunities.
- Implementing other complementary measures: curbing capital flight, policies encouraging remittances from abroad, and prudent pursuance of trade liberalization.

Official (foreign) reserves: The target is to maintain a level of reserves equal to at least six months of imports. The measures to achieve this level of reserves include:

- Undertaking measures that lead to build-up of reserves (export drive, including transit trade and trade logistics for the regional markets and globally)
- pursuing prudent measures on imports in order to built-up and sustain reserves

Exchange rate: To ensure appropriate exchange rate, efforts will be directed to:

- Pursuing prudent foreign exchange operations,
- Increasing supply of foreign exchange by promoting of exports; measures to increase competitiveness of exports and market access regionally (especially in EAC and SADC)and globally,
- Undertaking trade policy-related measures that promote exports

Interest rate and efficiency financial markets- Efforts will be directed to maintain an interest rate structure that encourages financial savings and leads to greater mobilization of deposits (private sector savings), while encouraging borrowing (credit to the private sector). Measures that are required to realize these multiple objectives include:

- More prudent conduct of Bank of Tanzania's Open Market Operations
- Deepening financial sector reforms through full implementation of Second Generation Financial Sector Reform Programme
- Improving efficiency of commercial bank operations as well as operations of capital markets taking into account development of the same in EAC Common Market, SADC and beyond
- Implementing measures that minimize borrowing risks (such as through insurance schemes), especially in strategic sectors such as agriculture and SMEs.

Fiscal deficit: Efforts will be directed at both components of budget – i.e. revenue and expenditure.

On the revenue side the interventions will include:

- Improving revenue yield out of expected recovery of both global and domestic economies through improving efficiency in tax administration
- Widening the tax net in order to collect more revenue, especially from the extractive sector, as well as incomes of the informal sector
- Enhancing collection of non-tax revenue, especially rents from natural resources
- Strengthening the role of PPP in relieving the budget constraints

With respect to expenditure, efforts will be directed at:

- prioritizing expenditure in order to support implementation of MKUKUTA II and realize the intended outcomes,
- improving efficiency and effectiveness in the use of both financial and human resources,
- Improving public financial management and accountability.
- emphasize value for money

External debt: this accounts for about 80 percent of the national debt and its large share in total (stock) and burden of servicing (flow) requires better and more prudent way of managing (from contracting to monitoring). Unsustainable external debt is a threat to macroeconomic stability. Measures to address the external debt problem will include:

- an enhanced export drive to be able to generate sufficient foreign exchange for meeting timely debt service obligations and avoid fiscal stress in Government budget,
- prudent debt management through improved monitoring and coordination, in order to avoid future debt burden,
- timely servicing of the debt in order to avoid accumulation of arrears on non-serviced debt,
- improving data base, especially in capturing information on private category borrowers

Goal 2: Reducing income poverty though promoting inclusive, sustainable, and employment-enhancing growth

The operational targets

○ GDP growth accelerated from 5.5% in 2009 to 8%-10% per annum by 2015 especially in areas where the poor have strong links
○ Income poverty incidence reduced (national: from 33.6 percent 2007 to 19.3 percent in 2015; rural area: from 37.6 % in 2007 to 20.4 percent in 2015).
○ Unemployment and underemployment reduced (unemployment from 10 % in 2008 to 5% by 2015)
○ Working poverty reduced (from 36% in 2007 to 20% in 2015)
○ Growth of Manufacturing sector in real terms increased from 6.6% in 2009 to 9.6 % by 2015
○ Growth of mining sector increased in real terms from 2.0 in 2009 to 12.7 % by 2015
○ Growth of tourism in real terms increased from 1.9% in 2009 to 8.9 % by 2015
○ Agricultural growth increased (from 2.7 % in 2009 to 6.3 % by 2015)
• Growth of livestock sub-sector increased from 2.5% in 2009 to 5.9% by 2015
• Growth of crops sub sector increased from 2.3% in 2009 to 6.5% by 2015.
• Growth of hunting and forestry sub-sector increased from 1.6% in 2009 to 5.6% by 2015
• Area under irrigation increased (from 370,000 ha in 2009 to 740,000 ha by 2015)
• Agro-processing in key result areas scaled up to enhance value chains
○ Growth of fisheries sub-sector increased from 3.00% in 2009 to 5.3% by 2015.
○ Generation of electricity, utilization of capacity and coverage increased <ul style="list-style-type: none"> ▪ Double electricity generation by 2015 ▪ Use of renewable increased
○ Supply of water for production use increased and environmental management strengthened <ul style="list-style-type: none"> ▪ integrated water management and water use plans in basins in place by 2015
○ Different parts of the country linked and connected to regional and global networks by efficient transport systems; Growth of transport sector raised from 5.01% in 2009 to 9.12% by 2015.
○ Integration into regional and global markets promoted by strengthening

The thrust of this goal is to achieve poverty reduction through quality (inclusive) and employment-enhancing growth. In this medium term, interventions are directed to ensure that GDP growth is mainly propelled by growth sectors, namely agriculture, manufacturing, tourism, mining, and infrastructure. Such interventions should also implements in a manner that the resulting growth generates decent employment (self employed or employees) able to lift the majority of the poor out of poverty. Thus, strategic interventions have to be directed to promote growth where the poor are major beneficiaries (inclusive growth), taking into account the structure of the labor force (population), where the youth have the highest rate of unemployment.

GDP growth: The GDP is targeted to increase in real terms, from 5 percent in 2009 to 8 -10 percent per annum by 2015. Since this is the overall outcome of all growth related interventions, here are general intervention packages contributing to achieving this target while detailed descriptions of interventions in the selected areas of growth are provided under their respective captions. Supportive interventions for growth are:

- Instituting measures to promote conducive and enabling business environment and reduction in the cost of doing business, including business environment legal and regulatory reform, easing registration and license requirements in order to promote both domestic and foreign investors, improved market facilities and business infrastructure for small scale operators.
- Implementing district and regional level inclusive/pro-poor (decent job-creating) growth which takes into account respective comparative and competitive advantages.
- Expanding and strengthening the role of financial markets, banking sector and capital market in enabling growth
- Promoting interventions to harness opportunities and address challenges posed by regional integration (EAC Common Market, SADC FTA) and international trade arrangements (WTO/DDA, EAC/EU EPA) for Tanzanian trade.
- Mainstreaming HIV & AIDS issues into the core activities of key economic sectors.

- Integrating, harmonizing and coordinating environmentally sustainable policies and strategies for growth in key growth sectors, include climate change adaptation and mitigation

Manufacturing: Manufacturing sector has a key role of transforming the economy. Robust growth of manufacturing sector lead to the creation of new spin-off companies catalyzing product diversifications, enhanced productivity. Its forward and backward linkages are essential for improvements in a number of other sectors such as agriculture. As such, the sector stands as an important node in the input and output lines of critical value chains identified in Kilimo Kwanza. Hence, manufacturing has been identified as a growth driver. In playing that role, the role of R&D, S&T and ICT is vital. Coordinated industrial researches carried out by the R&D institutions, universities and technical institutions will have to focus on availing technological solutions to local manufacturers and promoting new innovations through IP management.

Manufacturing sector is targeted to grow from 6.6 percent recorded in 2009 to 9.6 percent by 2015. In this medium term, selective interventions are needed to ensure that there is provision of at least 10 industrial parks served with adequate supportive infrastructure for efficient and productive manufacturing sector. In the medium term, manufacturing will prioritize agro-processing for value addition, promotion of SMEs, use of environmental friendly technologies, development of basic industry and harnessing the competitive and comparative advantages associated with the Economic Development Zones (EDZs). This will ensure that manufacturing sector produce products which are competitive in the domestic, regional markets, particularly the EAC Common Markets and the SADC, as well as in the global markets.

Interventions that will transform the manufacturing sector include:

- Provision of industrial parks served with adequate supportive infrastructure for efficient production and international competitiveness
- Improving the business environment further in order to reduce the cost of doing business for both large scale manufacturers and MSMEs
- Improving supporting systems such as reliable supply of energy and water, supportive physical infrastructure (road and railway transportation systems, ports and harbors), marketing infrastructure.
- Promoting technological innovation programs (incubators and clusters) and instituting Intellectual Property Right (IPR) regimes in order to propel creativity
- translating R&D results into productive activities (product development)
-

- Establishing manufacturing industries and financing of research and technological developments.
- Availing capital, credit guarantees to the private sector, and other supporting services, especially for MSMEs, through implementation of various empowerment policies, such as the National Empowerment Policy of 2004.
- Promoting agro processing in order to deepen value addition, including MSMEs.
- Availing technological information and support to entrepreneurs to enhance productivity MSMEs and enable them to compete in local, regional and international markets
- Promote selective (based on comparative and competitive advantages) manufactured exports to regional and global markets
- Scaling up role of informal sector through formalization
- Supporting complete value chains in agriculture
- Promoting branding of manufactured products in domestic, regional, and international markets.
- Enhancing industrial property rights system.

Agriculture: Agriculture offers growth opportunities due to diverse climate in Tanzania, availability of fresh water for irrigation, and size of cultivable land. Agriculture as a growth driver sector supports the majority of the poor rural population and has the potential of lifting the majority population out of poverty. Besides crop and livestock husbandry, Tanzania has immense fishery resource potentials – both in fresh and marine waters, which if unleashed would contribute to improving the stakeholders’ livelihoods, including their nutrition and attainment of other results (e.g. health and education), in Cluster II.

Robust growth of agriculture requires a multi-pronged approach as articulated in the Agricultural Sector Development Program (ASDP) and *Kilimo Kwanza*. The focus will be modernization and commercialization of small, medium and large scale agriculture for increased productivity, employment, profitability and incomes, especially in rural areas. In order to have impact, emphasis needs to go to interventions that address bottlenecks along the value chains of strategic agriculture produce – selected crops and livestock as per *Kilimo Kwanza*). This needs strategies that address the input side of agriculture, the production processes of the selected produce, agro-processing, as well as marketing strategies – focusing on domestic, regional, and global market niches. To improve efficiency and profitability of each chain, adequate for R&D, S&T and use of ICT will be required. Equally important is lessening of dependence on

rain-fed agriculture for large scale and small scale farmers, as well as development of rural feeder road.

Agricultural growth is targeted to increase from 2.7 % in 2009 to 6.3 % by 2015, with corresponding sub-sectors growing accordingly. In this medium term, emphasis will continue to be on small scale agriculture, with gradual shift to medium to large scale farming. The tendency to shift away from small scale farming, thus release of agricultural labor to non-farm sectors is one of the outcomes of increases in agriculture productivity (due to use of modern inputs – fertilizers and improved seeds and breeds; mechanization (thus, reduction in hand tools), reliable water for irrigation, etc). Therefore, strategies to ensure the economy absorb labor released from farming, especially the rural non-farm activities, become an integral part of rural development strategies.

Interventions for raising growth in agriculture are:

- Improving existing and expanding agriculture irrigation infrastructure, and developing rain water harvesting infrastructure, including water for livestock
- Increasing proportion of small holder farmers using mechanization and improved seeds
- Strengthening infrastructure to support growth of employment generating and profitable agriculture, including small scale agriculture
- Implementing a comprehensive approach to agriculture development for accelerated growth, employment, and incomes, especially for youth and women.
- Undertaking further land reforms to support access and expansion of land for agriculture and livestock development, balancing the demands for large scale and small scale farmers.
- Introducing and strengthening investment incentives in agriculture, including mechanization, firm level irrigation facilities, and farm level agro-processing, and large scale crop storage facilities.
- Strengthening agro-processing, and service sector and marketing baseline information to support agricultural growth
- Promoting and adopting the use of science and technology in agriculture, including R&D for quality and nutritious food crop, high value cash crops, as well as ICT to provide information on prices and markets, advisory services
- Developing and equitably deploying human resources especially agriculture extension workers.

- Strengthening financing for agriculture (and increasing budget allocation to 10% of the Government Budget), including links to capital markets and specialized banking.
- Mitigating and adapting to climate changes by supporting research programs to improve and develop new technologies, quality seeds, pest control, information collection and dissemination for early warning systems.
- Promoting measures to cushioning farmers from famine/droughts impacts, including piloting and scaling up farm crops/livestock insurance.
- Implementing of the National Strategy on Agriculture and HIV & AIDS to support increased agricultural production;
- Linking farmers to markets
- Increasing proportion of exported processed agricultural commodities
- Facilitating conformity to EAC and other regional agriculture marketing related standards, certification, sanitary and phytosanitary, hazard analysis and critical control point, maximum residual limits, traceability, organic certification, and other international standard certification.

Tourism: Tourism is a sector which has potential for driving growth. Tourist attraction sites such as the Serengeti National Park, Ngorongoro Wildlife Conservation and Selous Game reserve still offer opportunities for substantial expansion of tourism. Likewise, famous are trekking expeditions (notably Mount Kilimanjaro), coastal tourist sites, and cultural tourism offer immense opportunities for expansion of tourism as a growth sector. These attractions, among others, qualify tourism as a growth sector, as they offer immense opportunities for expansion of the sector. To have full impact from the sector (besides foreign exchange earnings), strategies to strengthen and raise the multiplier effects are critical. A tourism sector, well linked to the domestic economy (mainly backward linkage by procuring supplies from domestic producers), is vital in creating decent employment, stimulation improvement in infrastructure, and public services. Well functioning infrastructure is thus critical in promoting tourism sector that is fully integrated to the domestic economy.

The target growth rate for tourism is 8.9 percent by 2015 (from 1.9 percent in 2009). In line with the Tourism Master Plan, the interventions required for achieving this target are:

- Stepping up marketing and promotion (product development and innovation, market information, market intelligence, research), including products of MSME operating in the tourism industry.

- Human resource development (knowledge, skills and attitude) in the sector through training, coaching and internship;
- Increase compliance to labor laws and human rights in the tourism sector;
- Strengthening of private sector tourism associations / organizations of large and small scale operators, to ensure effective leadership and stewardship of the sector;
- Instill better management of risks, legal regime and property rights (e.g. ownership of beach plots for tourism purposes);
- implementing measures that lead to an increase in earnings from tourism magnets and from concessions and licenses;
- improving basic infrastructure particularly roads connecting to existing tourist and potential destinations and communication technology,
- improving the quality of services (value for money), including service provided by small scale operators;
- diversification of tourist attraction, including the cultural tourism and promotion of domestic tourism;
- Forging stronger linkages with the local economy in terms of supply of goods and services.
- Addressing issues of HIV and AIDS

Mining: The mining sector has a great potential to contribute to GDP if it is well exploited and managed. These potentials include economically proven deposits of gold, diamonds, tanzanite, ruby, tin, copper, nickel, iron, phosphate, gypsum, coal and natural gas. The vast mineral deposits in the country point to a high potential of the sector's contribution to growth and socio-economic transformation. Hence, the sector has been identified as a driver of growth.

The existence of vast deposits of mineral resources presents opportunities for growth and therefore a need for strategic investment in the mining sector in order to generate the needed wealth to leverage the economic development in a sustainable manner. If properly managed, mining sector has potential to invigorate growth of the economy, expand employment opportunities and benefits to accrue to the wider society. The forward and backward linkages of the mining sector act as catalyst for growth in other sectors such as agriculture, manufacturing and infrastructure, and service sector. The effectiveness of these linkages requires strategies that ensure value addition to the minerals for domestic and foreign markets. Furthermore, Tanzania's membership to the Extractive Industries Transparency Initiative (EITI) avails opportunities to enhance governance in natural resources.

Mining sector is targeted to grow from 2.0 percent recorded in 2009 to 12.7 percent by 2015. To achieve this target following areas of are identified for implementation. They include:

- promoting and establishment of domestic mineral based value adding activities in order to increase earnings and create employment and wider linkages to the rest of the economy particularly the manufacturing, and service sector.
- empowering artisan miners to acquire equipment and appropriate mining and processing skills and technologies as well as start-up capital,
- promoting joint ventures between large foreign mining companies on the one hand and land owners, small scale miners, communities and local experts on the other hand in order to improve access to external markets and technologies by the latter,
- improving the fiscal regime for enhancement of revenue from mining activities,
- enforcing security and adherence to the laws, regulations and environmental considerations,
- Improving infrastructure (both physical and infrastructural inputs),
- enforcing intergenerational equity to ensure that future generation benefits from proceeds derived from mining,
- completing exploration studies of currently known mineral deposits to enable beneficial procurement and awarding of contracts for extraction,
- ensuring sustainable extraction, maintaining health and safety standards, and equitable distribution of proceeds to the many stakeholders
- Charting strategies for exploitation and utilization of mineral discoveries for economic development.
- Availing technological information and support to small scale entrepreneurs in the mining sector to enhance productivity and enable them to compete in local, regional and international markets
- Increasing the number of lapidaries for value addition
- Addressing HIV and AIDS issues

Provision of infrastructure

Infrastructure plays an important role in economic growth by attracting private investment, linking markets, ensure timely delivery of services. As growth enabler, infrastructure reduces the costs of production, increase productivity of labor and capital, and raise profitability, production, income and employment. Therefore, the effectiveness of the interventions in the above growth sectors is contingent upon well functioning basic infrastructure such as roads, ports, etc as well as service infrastructure, largely energy and water.

Basic infrastructure, especially transport infrastructure: Expansion and modernization of roads, especially rural roads; seaports, airports, railway systems, is needed in order for the country to realize its full potential necessary for accelerating growth and increasing incomes. The debottlenecking of basic infrastructure constraints requires the following interventions:

- Construction and upgrading of road network in order to increase current/volume tonnage of cargo that is transported through Tanzania's roads to neighboring countries
- Construction and upgrading existing railway lines by widening their gauge sizes to regional standard and extension to strategic area,
- Improving urban transportation network (especially Dar es Salaam) in order to improve mobility
- Expanding cargo volume handling capacity at sea ports and lake ports
- Expanding Tanzania's air cargo and passenger freight handling capacities
- Implementation of the respective Master Plans
- Implementing strategic PPPs in road (or infrastructure) sector
- Implementing efficiency enhancing measures such as rationalization of use of the existing systems as well as continuous maintenance of such systems.
- Enforcing compliance with contractual requirements for HIV & AIDS gender responsive prevention and service provision in the infrastructure sector and implement guidelines for Implementing HIV/AIDS Interventions in Road Construction.

Energy: A sufficient and reliable supply of electricity is one of the key priorities for companies doing or considering doing business in Tanzania. Thus, reliable energy supply continues to be of critical importance as an enabler of poverty-reducing growth. With current emphasis on Kilimo Kwanza, reliable energy supply is also an important input factor for efficiency in the agriculture (e.g. for milling machines, irrigation pumps etc.). However, for cost effectiveness, grid extension is the most economical solution in not so remote areas, while renewable off-grid or household solutions are optimal in remote areas.

The medium target is doubling power generation capacity in order to enhance power availability, and reliability by 2015. With this, the strategy recognizes that the global climate change has resulted in search of cleaner and renewable energy resources. Thus, solar, wind and bio fuel are among the alternative resources to be promoted. These will be achieved through implementation of the following interventions:

- Development of new power plants (hydro, gas, and coal fired);
- Exploitation of renewable energies (solar, wind, mini-hydro and biogas) for off-grid areas where distribution costs are very high, especially the rural areas;
- Promoting PPP under the independent power generation schemes;
- Promoting rural electrification through supporting the Rural Energy Agency (REA);
- Expansion and strengthening of the National grid which also carries the fiber optic cable up to the district level;
- Exploitation of bio-fuel potential without compromising food supply (food security), promote use of energy efficient appliances and equipment, use of natural gas for industrial heating and domestic cooking.
- Promote energy serving technology, at household, firm, institutions, and community levels.

Water Supply: Water supply for productive activities (agriculture and industries), domestic use, and for ecosystem. Despite having abundant sources, the supply of water, especially in urban areas is erratic thus affecting both domestic and industrial consumers. Rural coverage with potable water is less than half. Improvements in management of water security are necessary to satisfy the water needs of all users and to stimulate economic growth. With focus on growth in the medium term, large scale irrigation schemes, basin water management structures are critical areas for consideration. Priority needs to be on improvements in water basin management, in order to satisfy the water needs of all users and to stimulate economic growth. In this medium term, priority will focus on the following interventions:

- Strengthening water basin management structure and institutions to effectively and efficiently support productive activities.
- Aligning the identified water resources to user requirements,

- Implementation of the Water Sector Development Program (WSDP) for urban and rural needs,
- Enhancement of supporting infrastructure, including construction of large dams for multi-purpose use.
- Institutional development,
- Resolving disputes in water basins and catchments.

Goal 3: Ensuring creation of productive and decent employment, especially for women and youth

Operational targets

○ Effective enforcement of labor laws and standard ensured
○ Labor Market Information System strengthened
○ Consequences of migration on population distribution, urbanization, and implications for employment addressed
○ Employable skills, particularly for youth and women enhanced

Growth and reduction of income poverty are mainly linked through employment. Since the private sector is the engine of growth, substantial share of job creations occurs in the private sector (under Goal 2). But the Government and other actors play a facilitation role to ensure that created jobs are decent. This facilitation role includes, among others, interventions to correct labor market failures in order to ensure that growth is inclusive and pro-poor. Given the youth form largest share of labor force, facilitating the youth in accessing employment opportunities is critical to ensure pro-poor growth. High proportion of young population, migrating from rural areas, needs proper planning and sound policies to enable them to access decent jobs in the formal and informal sectors in urban areas. Likewise, strategies are needed to enable rural women to participate fully in productive activities, through addressing discriminatory practices, limited access to property rights and inheritance, excessive time lost in water and fuel fetching, and young age dependency. Thus, linking individuals, men and women, to productive and decent employment is the principal route out of poverty. It is also expected that access to decent jobs will also have bearing on other outcomes, such as the change in fertility rate. This will be achieved through:

- Enforce labor laws, standards, and develop a framework to protect jobs for Tanzanians, taking into accounts regional (e.g. East African Common Market) and global economic integrations
- Improving labor market information systems, including labor exchange centers in order provide employment services to job seekers, employers and other stakeholders,
- Strengthening institutional framework for efficient coordination of employment creation and streamlining of institutions dealing with employment issues
- Implementing affirmative action in employment creation for youth, women, people with disabilities as well as other disadvantaged sections of the society; increasing number of vulnerable economically active population reached with social protection in order to enable them engage effectively in economic activities.
- Providing selective and customized investment in human capital to inculcate appropriate skills (production, processing, quality, marketing) and entrepreneurship, promotion and development of skills for productivity enhancing employment and self employment especially for women (expansion of VET and other polytechnics training, Folk Development Centers, ICT/Resource Centers, etc).
- Stepping up financial sector support for creation of decent employment: credit schemes for businesses, start-up capital to enhance capacity and capability, taking into consideration structure of population pyramid and enhancement of opportunities for young people
- Addressing underemployment in rural areas through establishing production clusters and promoting non-farm income generating programs.
- Promoting entertainment, cultural, and creative industries such as crafts, film and music, including expansion of fine and performing arts training, as sources of employment and income generation.
- Implementing comprehensive gender responsive and rights-based HIV & AIDS programs for employees and families, in both formal and informal sectors, public and private (Workplace Programs (WPPs).
- Supporting special entrepreneurship and mentorship programs for women, youth, and vulnerable groups

Goal 4: Ensuring food and nutrition security and climate change adaptation and mitigation

Operational targets

○ Food security at household, district, regional, and national levels ensured (through increasing food crop production)
○ Strategic Grain Reserve of at least 4 month of national food requirement maintained
○ crop and livestock varieties suited to adverse conditions brought about by climate change introduced and adopted
○ Early warning and natural disaster response, coordination framework strengthened

While strategic interventions for food crop production fall under Goal 2, the nation needs specific strategies for ensuring food and nutrition security, i.e. access to adequate quality food by all people at all times. This entails availability of enough grains (usually mainly maize, rice and sorghum) by all people at all times as well as access and utilization of other foods to ensure balanced nutritional intakes. Food availability, especially at localized levels, will be affected by impacts of climate change. Thus, there is need to adapt and mitigate these changes in order to sustain growth and social well being. This entails strengthening environmental management, enhancing infrastructure, supporting research and technologies for climate change mitigation and adaptation in both rural and urban areas to ensure food security. Therefore, adaptation and mitigation of the adverse impacts of climate change will be given priority through concrete short-term and long-term interventions. In order to improve and sustain food stocking as a measure of food security, and mitigate adverse impacts of climate change, the following interventions will be implemented:

- promoting skills among farmers for adoption of new farming practices, including crops with high nutritional contents, and agro-processing technologies for extension of shelf life on site (as well as value addition),
- Awareness creation on climate change and adaptation strategies
- continuous monitoring management of food stocks at household, village, and ward levels,
- maintaining strategic Grain Reserve of at least 4 month of national food requirement,
- Supporting research in introducing and promoting adoption of crop and livestock varieties suited to adverse conditions brought about by climate change.

- Application of new technologies in pest management (IPM, breeding, biotechnology)
- improving monitoring of plant and livestock health
- increasing farmers' awareness on the full impacts of climate change on agriculture;
- Designing sustainable crop production and farming systems reflective of climate change scenarios. For instance breeding crop and livestock for drought and pest tolerance
- increasing carbon sequestration on farms through reduced tillage high carbon crops and agro forestry;
- Improved soil and water conservation measures
- Providing regional specific adaptation and mitigation options according to regional conditions.
- Strengthening early warning systems
- Facilitate the development of market-based financing mechanisms for climate change mitigation and adaptation and leverage private sector resources;
- Support accelerated development and deployment of new technologies that ensure adaptation and mitigation actions and
- Enhance policy research, knowledge and capacity building in areas of climate change and its impacts
- Enhancing storage facilities and food preservation technologies
- Promoting private sector investment in cold storage facilities for perishables and other commodities.

Goal 5. Leveraging returns on national resources (both within and outside) for enhancing growth, and benefits to communities

Operational targets

○ Sustainable exploitation of natural resources ensured with benefits to local communities
○ Optimal contribution of human resources ensured

Tanzania is endowed with industrial minerals and energy resources. Beyond borders, Tanzania resources include skilled Tanzanians, and many other sources of investible resources. These need to be explored fully so that they contribute to growth and increased incomes inside Tanzania. Exploitation of natural resources will focus on business transparency, value addition before export, skills development, innovation and technology acquisition and proper management. As for the non-renewable resources (natural capital), it is strategic to ensure that

collected proceedings are transported to another form of long national capital such as basic infrastructure.

The areas of intervention in achieving the operational targets include:

- Strengthening institutions capacity for administration and monitoring of natural resources, including earmarking revenues from national resources for development of specific national capital.
- Strengthening the capacity of TRA in capturing taxes from natural resources rents,
- Enforcing corporate governance and responsibility for beneficiaries of licenses in exploitation of natural resources, especially extractive activities,
- Improving skills especially in the identified growth sectors of agriculture, tourism, mining, and manufacturing.
- Strengthening mechanism for capturing contribution of diaspora resources.
- increasing local participation in ownership for mineral investment
- Supporting the private sector in the exploitation of natural resources while monitoring and regulating the business in a transparent manner.
- support and promote development of small scale mining
- Improving the institutional framework to effectively manage the mineral sector
- promoting investment in the fabrication and manufacturing sectors to stimulate minerals beneficiation;
- promoting investment in lapidary, stone carving and jewelry making;
- Promoting clean development mechanism project (CDM) for electricity generation and environmental conservation
- encouraging Tanzanians in the Diaspora to invest in Tanzania
- Enhancing community based natural resource management arrangements
- Improving legislation on ownership/access to environmental and natural resources

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

Social services are central in achieving the goals of improved quality of life and social well-being which in turn is essential for economic growth. Tanzania has recorded significant achievements in improving access to social services such as education and health in recent years, though challenges on quality and disparities across regions and population groups remain. Investment to improve

access to quality social services will take centre stage in order to provide the labour force with skills and adaptability to meet the challenges of today and future. Such investment will play an important role in promoting development and competitiveness of the country both in the medium and long terms.

Two broad outcomes have been identified under Cluster II. These are:

1. Quality of life and social wellbeing for enhancing capabilities, with particular focus on the poorest and most vulnerable groups, improved;
2. Inequities in accessing economic opportunities, environment and natural resources, and social services along geographical areas, income, age and gender reduced.

Strategies to achieve these outcomes are structured under following six goals.

- Goal 1: Ensuring equitable access to quality education at all levels for males and females, and universal literacy for adults, both men and women
- Goal 2: Ensuring expansion of higher, technical and vocational education to support growth
- Goal 3: Improving survival, health and well being of all children, women and vulnerable groups
- Goal 4: Increasing access to affordable clean and safe water, sanitation and hygiene
- Goal 5: Developing decent human settlements while sustaining environmental quality.
- Goal 6: Providing adequate social protection and rights of the vulnerable and needy groups with basic needs, services and protection

Under each of the six goals operational targets and strategies have been designed to guide implementation.

Goal 1: Ensuring equitable and inclusive access to quality education at all levels for boys and girls

Efforts will be made to improve quality of pre-primary, primary and secondary education while sustaining gains achieved in expanding access to education in order to produce skilled workforce to support the growth and development agenda. Furthermore, increased access to secondary education, especially for girls is expected to be one of the most effective measures to address issues of population dynamics, including reduction in fertility rate. Quality education encompasses issues related to improved, physical infrastructure, teaching and learning materials, human resources and school governance; quality teaching and learning environment to motivate learning, and development of reading, strategic thinking, communication and problem solving skills and culture. It is

also important to strengthen monitoring of budgetary allocations and accountability through Public Expenditure Reviews, Value for money audits and other initiatives such as Public Expenditure Tracking Surveys (PETS).

The operational targets:

- Early Childhood Development and number of young children prepared for schools increased
- Primary and secondary school enrolment increased (primary NER to 100% by 2015)
- Primary school completion rate improved (to 100% by 2015)
- Completion rate for secondary school improved (form IV/Form VI)
- Improved pass rate at primary and secondary schools
- Improved primary and secondary school transition rates
- Universal access to quality pre-primary and primary education and lower secondary achieved;
- Quality teachers trained, deployed and retained to achieve recommended students – qualified teacher ratio) at all levels;
- School feeding programs coverage increased

Achieving universal access to quality pre-primary, primary, and lower secondary education

Appropriate training at pre-primary, primary and secondary education enables a child attain education and skills for individual and national progress which in turn leads to reduced early marriages and pregnancies and fertility..In order to improve the quality of education, school inspection – at pre-primary, primary, and secondary levels, is crucial for facilitates monitoring of inputs, processes and learning outcomes in schools.

The interventions to ensure universal access to quality pre-primary, primary, and lower secondary education, include:

- i. Rehabilitating and expanding school infrastructure, especially the need to construct laboratories and dormitories for secondary school
- ii. Providing school materials in the required ratios and mix;
 - i. Ensuring achievement of subject specific recommended textbook-student ratios;
 - ii. Ensuring achievement of recommended classroom density, student-desk ratio, (pit) latrine ratio;
- iii. Reviewing curricular regularly in order to accommodate new and emerging issues for addressing skills gaps;

- iii. Equipping classrooms with ICT facilities and promoting use of ICT in teaching and learning, Training and recruiting qualified school inspectors for education delivery;
- iv. Supporting periodic school inspection for monitoring inputs, processes and learning outcomes;
- v. Strengthening quality assurance;
- vi. Effective implementation of the HIV and AIDS and life skills education components of the national education strategy including building it into teacher training
- vii. Provision of a safe education environment free of sexual abuse for all children and teachers and free of stigma and discrimination for children and teachers from households with HIV & AIDS
- viii. Provision of school feeding programs

Quality teachers trained, deployed and retained to achieve recommended students-qualified teacher ratios at Pre-primary Primary and lower secondary education

Teachers are an important input in the education process. As such, training appropriate number of teachers to the required mix of subject competencies is necessary. Deployment of such quality teachers has to ensure equity across regions, districts, and schools in the area. This goes hand in hand with appropriate incentives measures retention of teachers at schools. Cluster strategies required for implementing this include:

- i. Training adequate teachers in the appropriate mix of subjects, with emphasis on science subjects;
- ii. Promoting regular and inclusive pre-service and in-service training programs;
- iii. Deploying qualified, competent and motivated teachers in an equitable and appropriate manner;
- iv. Devising and strengthening incentive structure to ensure recruitment and retention of highly qualified teachers, especially in underserved areas;
- v. Promoting use of ICT in teaching and learning.
- vi. Rights based and gender responsive HIV & AIDS workplace programs for all staff and families in all education institutions

Goal 2: Ensuring expansion of vocational, technical, polytechnics and higher education to support growth

This goal aims at preparing skilled and competent professionals in various trades. It aims at generating the required number and skills for the growth drivers in agriculture, manufacturing, tourism, mining, services and trade logistics. It is in these two education sub-sectors (vocational, technical and higher education) that labor force is prepared for entrepreneurship, and the job

markets and employment at large. There are two operational targets for realizing this goal, namely:

- Enrolment expansion, quality, and relevance in Vocational, polytechnics and Technical colleges ensured;
- Enrolment expansion, quality, and relevance of Higher education ensured;

Vocational, polytechnics and Technical Education

This level of education is complementary to higher education. Expansion of access to vocational and technical education is necessary in order to absorb secondary school leavers, instill the necessary skills that young people need for enhancing employability and mobility. In view of this, there is need to strengthen technical and vocational training, expand apprenticeship schemes and mentoring systems in strategic partnership with the private sector. The required interventions are:

- i. Expanding and improving infrastructure in order to expand enrolment especially of girls;
- ii. Reviewing curricular regularly and up-dating the range of courses offered in order to provide knowledge and skills relevant to the job market and the national growth and development agenda;
- iii. Strengthening PPPs for the delivery of vocational and technical education;
- iv. Improving quality of teaching and learning environment;
- v. Strengthening inspectorate services;
- vi. Promoting adaptation of Science & Technology to Tanzania's conditions;
- vii. Promoting use of ICT in teaching and learning.

Increased emphasis on vocational and technical training needs to be supported with strengthening of M&E in order to monitor, in particular, acquisition of the desired competencies.

Higher education

To complement the role played by vocational and technical training, interventions are needed to increase enrolment and quality delivery in higher learning institutions. It is also critical that the education provided is relevant by producing skills and competences needed for economic growth and enhanced social wellbeing. To achieve these, interventions need to focus on the following areas:

- i. Strengthening and expanding enrolment while ensuring equitable access by gender;
- ii. Reviewing curricular to accommodate new and emerging issues and challenges, nationally, regionally and globally;

- iii. Reviewing Higher Education Loans Policy with a view to exploring other sources of financing and increasing accessibility to higher learning institutions;
- iv. Strengthening accreditation and monitoring as a measure of safeguarding quality;

Goal 3: Improving survival, health, nutrition and well being of all children, women and vulnerable groups

In order to achieve this goal, strategies need to be geared towards improving the health of mothers and children. It entails, addressing the prevalent illnesses such as malaria and HIV and AIDS which are major causes of deaths. The goal also focuses on the human resource crisis which constrains provision of adequate health care. Further, given the strains placed on available resources by high population growth rate, effective measures are deployed in order to promote access to education on reproductive health and appropriate mix of family planning methods. Improvements in health condition result in a healthy workforce, productive and thus able to support growth.

Operational targets for achieving this goal have been identified based on the strategic areas and targets defined in the *National Road Map Strategic Plan to Accelerate Reduction of Maternal, Newborn and Child Deaths in Tanzania* (also known as 'One Plan' and Health Sector Strategic Plan III (2008-2015). The strategies for achieving this goal are identified under the four major areas: human resources for health; addressing fertility, maternal and neonatal health, improving child health and nutrition and addressing HIV and AIDS.

Ensuring appropriate human resources are trained and deployed

Human resources development for health is one of the important factors in health delivery improvements.

The set operational target is

- Appropriate number and mix of health professionals trained, deployed and retained.

In order to achieve this target, several interventions are required, including:

- Improving human resources capacity and management at all levels of health delivery system;
- Strengthening private sector engagement in training;

- Enhancing capacity of training institutions, and improving Zonal training centers to support Regions and Districts and training institutions in delivering quality health care and training;
- Deepen and accelerate the implementation of Local Government and Public Service reforms to address the fundamental challenges in public health, including the need to improve availability and productivity of human resources, equitable deployment of *existing* personnel to underserved areas; revisiting staffing norms to take into account actual workload; and improving staff productivity;
- training low skill workers to undertake certain procedures in case of absence of more skilled staff (task shifting);
- addressing inequitable distribution of human resource across Regions, as well as within Regions and districts, with incentives for staff to work in less preferred districts;
- Administering performance and result-based rewarding through Pay for Performance (P4P) schemes;
- Promoting use of ICT in teaching and learning processes;
- Improve human resource planning and policy capacity at all levels by.
- Improve Human resources performance management and reward systems and monitoring indicators

Addressing Fertility, Maternal and Neonatal Health

Three operational targets have been set to guide strategic interventions in the medium term.

The set operational targets

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| <ul style="list-style-type: none"> ▪ Total Fertility rate slowed down from 5.7 (2004/05) to 5.0 by 2015; ▪ Maternal mortality rate reduced from 578 per 100,000 live births (2004/05) to 193 per 100,000 live births by 2015; ▪ Neonatal mortality reduced from 29 per 1,000 live births (2007/08) to 19 per 1,000 live births in 2015. o ▪ Population growth reduced from 2.9% pa to 2.7% pa by 2015 ▪ Proportional of births attended by skilled health personnel increased from 46% - 80% |
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Addressing these issues effectively depends on interventions in many other areas beyond the health sector, including development of infrastructure, education levels, nutritional status, etc. Thus, achieving these targets requires adequate investments in maternal and childhood health and nutrition, slowed/prevented

onset of chronic diseases, improved education and awareness. These interventions need to consider challenge posed by wide disparities across regions, and between rural and urban areas, education groups, and wealth groups. The interventions required include:

- improving access to quality maternal and antenatal care; basic and comprehensive emergency obstetric care, and post-natal care;
- addressing disparities in health outcomes and services delivery by socio-economic groups and by urban/rural and districts;
- strengthening Public Private Partnerships (PPP) in health care delivery;
- Promoting targeted nutrition education and supplementation (to address micronutrient deficiencies) for pregnant women;
- promoting adequate child spacing by enhancing access to modern contraceptive use for all sexually active persons, particularly targeting women and their spouses, adolescent girls and boys;
- Ensuring access to primary and secondary education to reduce early pregnancy and promote child spacing;
- Increase Intermittent Presumptive Treatment in pregnancy (IPTp) coverage
- improving access and quality of obstetric care; strengthening referral systems; and preventing malaria incidences;
- improving accessibility/attendance and quality of antenatal care services;
- Strengthening community care and involvement in the health of expecting mothers to ensure accessibility to basic services;
- Preventing chronic diseases (malaria, TB, HIV and AIDS) which are major causes of death.
- Systematically build up the capacity for procurement and supply management for timely and adequate provision of medical supplies and pharmaceuticals.

Improving Infant and Child Health and Nutrition

Child malnutrition fuels illnesses, undermines learning, erodes human capital and reduces labor productivity, ultimately affecting growth and labor market outcomes at the adult age. Five operational targets have been set to guide the implementation of strategic interventions.

The set operational targets

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| <ul style="list-style-type: none">▪ Infant mortality rate reduced from 58 per 1000 live births (2007/08) to 38 per 1000 live births by 2015).▪ Under-five mortality rate reduced from 91 per 1,000 live births (2004/05) to 54 per 1,000 live births by 2015▪ Proportion of under-five underweight (weight for age) reduced from 22% (2004/05) to 14% by 2015▪ Proportion of stunted under-fives (height for age) reduced from 38% |
|---|

<p>(2004/05) to 22% by 2015.</p> <ul style="list-style-type: none"> ▪ Prevalence of exclusive breast-feeding in children <6 months increased from 41% (2004/05) to 60% by 2015 ▪ Proportion of anaemic women and children reduced (from 48.4 percent to 35 percent in women; from 71.8 percent to 55 percent in children) by 2015
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In the medium term, interventions are needed to sustain the gains which have been achieved in child health include addressing these disparities across and within regions and other social groups, strengthening health systems, and early childhood nutrition to improve maternal and neonatal health. In order to achieve these, the following interventions will be implemented:

- improving quality of facility-and community-based Integrated Management of Childhood Illnesses (IMCI);
- Strengthen health promotion and engagement with communities on proper management of childhood illnesses
- Ensure universal Vitamin A coverage
- scaling up implementation of public health and primary preventive strategies such as use of safe and clean water;
- promoting personal hygiene and sanitary measures, implementation of environmental health programs;
- increasing immunization coverage and introducing new options for Expanded Program in Immunization (EPI) vaccines;
- Promoting sound feeding and weaning practices;
- Combating malaria through strategies such as universal distribution of long-lasting nets; implementation of Rapid Malaria Test (RDT) for malaria country-wide; and introducing additional malaria control strategies including indoor residual spraying.;
- Promote food fortification with vitamins and minerals
- Responding rapidly to health challenges that especially affect children due to adverse conditions such as climate change;
- Engaging in partnerships with organizations and sectors outside health sector at national, regional and international levels in order to adapt and mitigate impacts of adverse weather conditions.

HIV and AIDS and TB

HIV and AIDS and TB infections reduce productivity, income, savings and investment, and decrease the growth rate of per capita income, as well as creating social instability within families and communities. The negative impact on children's education, health and nutrition further diminishes prospects for longer term national economic growth and development. Two operational targets have been set to guide the implementation of strategic interventions.

The set operational targets

- Health and well being of People Living with HIV & AIDS (PLWHAs) improved;
- National HIV prevalence rate in 15-24 years age group reduced from 2.4% in 2010 to 1.2 % by 2015

HIV and AIDS and TB issues will be addressed from a rights-based perspective focusing on reducing new infections, treatment and mitigating impacts on the wellbeing of People Living with HIV & AIDS (PLHAs). The interventions include:

- Sustaining current strategies such as multi-sectoral strategies and sector-specific strategies on HIV prevention
- Sustaining care and treatment with emphasis on Prevention of Mother to Child Transmission (PMTCT+) and pediatrics AIDS services
- Improving HIV surveillance and follow-up of neonates;
- integrating measures to address gender and inequalities that result in higher HIV, prevalence rates especially among women and girls;
- introducing measures for protecting girls such as keeping girls longer in school;
- promoting income-generating/livelihood schemes and life-skills for adolescent girls and women including access to credit as a social protection measure;
- Strengthening social protection measures for PLWHAs (with particular attention to women, children, elderly carers, widows and child-headed households);
- Measures to address the stigma and discrimination which limit access of PLHIV to prompt and quality care, treatment and support, especially at district and local levels
- Ensuring universal access to ARVs;
- Ensuring better management of HIV funding in order to ensure efficiency and effectiveness of resource use.
- Ensuring effective HIV communication and behavior change interventions
- Expand and mainstream Direct Observed Treatment (DOTs) strategy to the general health system and involve CBOs and NGOs in DOTs

Goal 4: Increasing access to affordable clean and safe water; sanitation and hygiene

Access to clean and safe water and good sanitation and hygiene practices are essential to promoting health and productivity of the population. The focus here is on creating affordable, sustainable and reliable sources of water in rural

settlements, Township and urban authorities and Dar es Salaam for both drinking and use for productive activities. Achieving this goal the operational targets under each of areas of water, and sanitation and hygiene have been identified and they include the following:

Water

The operational targets:

- Proportion of households in rural settlements using improved sources of water increased from 61 percent to 74 percent by 2015);
- Proportion of households in townships, urban authorities and Dar es Salaam using improved sources of water increased (from 53 percent to 57 percent in Townships; from 68 percent to 75 percent in Dar es Salaam; and from 84 percent to 95 percent in urban authorities by 2015).

These targets will be achieved through the implementation of the following cluster strategies:

- Ensuring participatory design and management of less costly but sustainable water sources for both urban and rural settings and addressing seasonal water variability and availability;
- Prepare integrated water management and water use plans in all basins including
- increasing hydrometric stations from 83 to 350
- Rehabilitating and sustaining water supply systems including reducing non functional dams from 45 and constructing new large dams for economic activities, particularly in support of the growth agenda;
- Maintaining existing protected water sources, strengthening of community tariff collection capacities, and applying tariffs that ensure affordability of safe water, especially in rural areas, focusing on vulnerable households, including elder people-headed households;
- Promoting sustainable management of catchment forest areas including reducing water pollution levels from 12 percent to 5 percent;
- Improving monitoring framework and linking to all institutions implementing respective laws.

Sanitation and Hygiene

The importance of sanitation and hygiene is appreciated given the high population increase especially in urban areas. Sanitation and hygiene is a multi-sector area that requires diverse actions. It is critical for prevention of outbreak of diseases such as cholera. However, this remains a challenge.

The operational targets are:

- Access to improved toilet and functional hand washing facilities at household and public places particularly schools and health facilities.
- Case Fertility Rate (CFR) for cholera reduced to below 1.0%
- Proportion of households connected to the public sewage system increased from 18 percent to 22 percent

The strategies for achieving the target hinge around operationalization of the Water, Sanitation and Hygiene (WASH) Program which aims at provision of adequate facilities to all households and public places such as schools and health facilities, with a particular focus on the appropriate levels of provision and operation and maintenance of facilities.

The areas of intervention are:

- Sensitizing stakeholders on the importance of proper sanitation and hygiene practices;
- Rehabilitating and expanding sanitation and hygiene facilities
- Stepping up public health campaigns and advocacy on sanitation and hygiene.
- Promote development of relevant by-laws to reinforce sanitation and hygiene measures
- Improving waste water management;
- Coordinating the various stakeholders (MDAs, NSAs).

Goal 5: Developing decent human settlements while sustaining environmental quality.

Decent human settlements guarantee public health, safety, and comfortable living environment, which are crucial in attaining a healthy workforce for growth of the economy and subsequently poverty reduction. It is imperative that in the process of settlement development the environment is conserved.

The operational targets are:

- Planned and serviced urban settlements with functioning town planning procedures, including improved solid and liquid waste management, use of sustainable transport and cleaner energy ensured;
- Gender balance in secure land tenure and other rights-related to land ensured;
- Consequences of migration on population distribution and urbanization and implications on access to resources and social services addressed.

Planned and serviced urban settlements

Issues of urban settlements need to be linked to rapid growth of urban populations and services provision. The interventions that will be made are:

- i. Supporting Municipalities and Councils to prepare integrated human settlement plans, surveys and issuance of land titles at least in all cities, municipalities and towns;
- ii. Undertaking preparation of base maps and other forms of data e.g. environmental profiles with a view to enhancing access to serviced land of different sizes commensurate with the demand by various social groups and their affordability levels;
- iii. Establishing land reserves in peri-urban areas with a view to, among others, ensuring sustainable public use;
- iv. Scaling up regularization of unplanned settlements;
- v. Implementing orderly urban land development, (legal changes of land uses, urban general schemes, and efficient machinery for resolving urban land use conflicts).

Gender balance in accessing secure land tenure and other rights

The Strategic Plan for the Implementation of Land Laws (SPILL) is an effective way to ensure gender-balanced access to land, both in rural and urban areas. This strategy aims at enhancing efficiency in land and property management and thus making land contribute more to poverty reduction and improved social well being of the people. To achieve these, the following interventions will be made:

- i. Establishing land rangers' and building inspectors' Units in order to efficiently manage land development;
- ii. Building capacity of local leaders and socially grafted institutions in enhancing security of tenure and protecting land parcels;
- iii. Providing education and awareness on land rights, obligations, laws and national land tenure to women, men and vulnerable groups;
- iv. Reviewing on a regular basis as need arises, the Land Act with a view to making land tenure more inclusive.

Consequences of migration on population distribution and urbanization

Addressing issues of internal migration and urbanization requires the following interventions:

- i. Integrating urban planning, including incorporation of PPP arrangements in settlements development;
- ii. Harmonizing and matching service provision between urban and rural settings to reduce the effects of pull and push factors, including supporting low cost housing in rural areas.

Goal 6: Providing adequate social protection and rights to the vulnerable and

needy groups

The National Social Protection Framework (NSPF) calls for social protection measures to prevent vulnerable and potentially poor populations from falling into poverty. Thus, social protection interventions will focus on: orphans and vulnerable children; people with disabilities; the elderly; people living with HIV & AIDS and long term illnesses; vulnerable women; former inmates and people disabled by accidents, wars and conflicts.

Operational targets:

- Proportion of vulnerable children and adults under effective social protection measures increased;
- Number of elderly people reached with effective minimum social pension increased

The following interventions will be made:

- Mainstreaming provision of social protection measures in the plans of state and non-state actors;
- Promoting corporate social responsibility to support social protection interventions;
- Continuing provision of care and support to HIV & AIDS infected and affected including home-based care and social security schemes including food safety nets;
- Strengthen systems for effective access to minimum social protection package and exemptions and waivers;
- Promoting economic empowerment of vulnerable groups, through such measures as start-up kits for Income Generating Activities (IGAs) and cash transfers, to enable households with vulnerable members meet basic needs;
- Revising policy and regulations to ease access to financial services and exemptions applicable to vulnerable groups.
- Promote and coordinate involvement of the government, development partners (DPs), NGOs, faith-based organizations (FBOs), the business sector and communities.
- Promote private sector initiatives in implementing social protection measures.
- Ensure equitable geographical recruitment and retention of adequate number of social workers

4.3. Cluster III: Governance and Accountability

Good governance and accountability are fundamental components to shaping a favorable environment for economic growth and poverty reduction. It is given a

central role in reaching the goals and objectives of MKUKUTA II. To this end, broad outcomes for cluster III have been identified as follows:

- Democracy, good governance, human rights and the rule of law deepened and ensured;
- Peace, political stability, social cohesion and national unity consolidated and sustained;
- Accountable, responsive, effective, and efficient leadership in public service ensured.

Five goals have been identified to advance the achievements of the three broad outcomes. For each of the goals there are a number of targets, strategies, and interventions for implementation by various stakeholders. The goals are:

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;
2. Improving public service delivery, especially to the poor and vulnerable;
3. Promoting and protecting human rights, particularly rights of poor women, children, men and more vulnerable citizens;
4. Improving national, personal and material security;
5. Promoting and protecting culture of patriotism, hard work, moral integrity, self-confidence and cultural diversity and inter- cultural dialogue

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.

Efforts made in creating institutions and putting up a legal and policy framework for democracy, the rule of law and good governance will be maintained and scaled up in a more coherent, cross-cutting, coordinated and effective manner during MKUKUTA II. An effective mechanism for implementation, coordination and monitoring for results will be put in place under the National Framework on Governance and Accountability.

Operational targets for achieving Democracy, Good Governance and Rule of Law in Government Systems and Structures.

- Principles of democracy, rule of law, accountability, transparency, inclusiveness, effectiveness and efficiency ensured and applied at all levels;

- Separation of powers and effectiveness of the three pillars of the state ensured and nurtured.
- Corruption as well as money laundering effectively curbed.

The cluster strategies and interventions to achieve these targets are stated below;

Strengthening Legal, Policy and Institutional framework for democracy, rule of law, and good governance

Improved governance requires both strengthened supply of systems, structures and rules that improve and enforce compliance on rule of law, democracy, accountability, participation, transparency, efficiency and effectiveness on the one hand, and increased demand and awareness from the citizens, Parliament and media for accountability and efficient delivery of public goods and services by the state institutions, public servants and public leaders on the other. During implementation of MKUKUTA II focus will be on both the supply and demand factors by consolidating the gains in modernizing the legal, policy and regulatory framework, strengthening governance institutions that have been created and promoting domestic accountability. Special attention will be given to ensuring enforcement and compliance to laws, policies, regulations, rules and procedures so that a mindset or paradigm shift is achieved to propel the country to higher levels of Good Governance in terms of rules, principles and results.

Interventions in this area will include:

- Reviewing, mainstreaming, accelerating and deepening implementation of core reforms and modernization programmes in: Public service Management, Public goods and service delivery systems, local-central Government relations, local and stakeholders' participation, legal and judicial processes, Public Finance Management, Investment, Business environment and Financial intermediation ,citizens and corporate culture and enforcement of rule of law and order;
- Deepening democracy through further electoral reforms, expanded freedom of expression, enhanced transparency, local participation, and access to information;
- Implementing measures for promoting domestic accountability and effectiveness of watchdog and oversight institutions;
- Introducing mechanisms for strict follow up, accountability and sanctions on implementation, enforcement and compliance to legislative, policy, regulatory and operational rules;
- Promoting use of ICT in public service delivery and complete installation of e-government;
- Promoting gender equity and broaden participation in planning, budgeting, and implementation;

- Building capacity of governance institutions;
- Reviewing and streamlining various operational procedures and processes to increase effectiveness and efficiency in Government business.

Nurturing Separation of powers and effectiveness of the three pillars of the state

The Constitution of the United Republic of Tanzania spells the roles and responsibilities of each pillar of the state. Emphasis will be put on the following interventions:

- enhancing the institutional and human resource capacity of each pillar of the state for the proper execution of its functions;
- undertaking awareness campaigns, information dissemination and selected training to the general public, media and civil society organizations on the roles of the pillars of state;
- Building capacity through training, sensitization and dialogue among stakeholders on constitutional mandate, independence, professionalism and non-interference of each pillar;
- Enhancing independence, transparency and stakeholder participation on the operations of each pillar in accordance with laid down rules, procedures and legal provisions.

Curbing petty and grand corruption, and money laundering

Efforts to fight both petty and grand corruption at all levels will be sustained without impunity through both preventive and combatant means in a timely, speedy, and scientific and just manner. The legal and institutional framework already in place will continue to be used and will be strengthened and modernized in order to address changes in technology and environment. Interventions in this area will include:

- Sustaining and stepping up the fight against corruption and money laundering as a national agenda with clear monitoring and evaluation tools;
- Revising Laws and strengthening mechanisms for fighting corruption and money laundering in order to cope with changes in technology and circumstances;
- Continuing to streamline operational procedures in public service delivery through reforms and change management, enhancing integrity in MDAs and increasing the supply and quality of public goods and services on an equitable basis in order to prevent corruption;
- Instituting strict surveillance and enhancing transparency in public service operations to increase the marginal cost of indulging in corrupt practices and plugging all loopholes of corrupt practice;
- Building capacity of oversight and watch dog institutions, including media and civil society organizations;
- Stepping up public involvement, mass campaigns and education in stamping out corruption and money laundering;

- Building capacity of investigative, detective, prosecuting, judiciary and prisons agencies;
- Stepping up combatant mechanisms steered by the Prevention and Combating of Corruption Bureau, Ethics Secretariat and Director of Public prosecution, through detection, investigation and prosecution of cases for both petty and grand corruption;
- Ensuring speedy but fair delivery of judgments based on the compliance of due process requirements;
- Collaborating with other countries through mutual legal assistance, information sharing and returning stolen assets as per the limits of respective countries' laws.

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

Improved public service delivery is a cornerstone for Good Governance. To achieve this goal, two operational targets are identified, namely;

- Capacities and management systems in service delivery improved;
- Mechanisms for targeting the poor and vulnerable groups introduced.
- Monitoring and accountability mechanisms strengthened

Improving capacities and management systems in service delivery

The thrust during implementation of MKUKUTA II will be to ensure efficient service delivery and public trust and confidence in the country's leadership and public service. To achieve improved public service to all, especially the disadvantaged, the following interventions will be made:

- Implementing a framework on accountability and performance monitoring and measurement for public servants and leaders in order to make them more accountable to the people;
- Updating the code of Ethics for public servants and leaders and strictly enforcing it including sanctioning mechanisms;
- Deepening public service reforms and local government reforms;
- Reviewing the remuneration system and incentive structure for public servants and leaders and streamlining pay policy in order to motivate, attract and retain staff for high quality service delivery equitably across the country, especially the poor and disadvantaged;
- Devising and operationalizing a human resource management strategy to ensure proper planning and deployment of required number of staff and skill mix;
- Reviewing, restructuring and strengthened public institutions to ensure efficiency and effectiveness in use of resources for improved service delivery;

- Training of public servants, including leaders and senior officials as a strategic way of developing capacities of public servants;
- Providing necessary infrastructure such as roads, water, housing and energy across the country, especially in underserved areas in order to attract staff and motivate them for better service delivery;
- Educating the people to know and demand their rights for quality and equitable public services;
- Providing working tools and emphasizing use of ICT for improving quality service delivery.
- Promoting political environment that allows the LGAs to fulfill their obligation with regard to governance and administrative system

Instituting mechanisms for targeting the poor and vulnerable groups

Poverty reduction, social harmony, peace and national unity require that all citizens are treated equitably in terms of access to public services and goods. To achieve this, a number of interventions are required, including:

- Applying transparent, formula-based criteria for allocation, disbursement and utilization of resources in order to ensure balanced development and service provision across the country;
- Supporting institutions that work among the poor and vulnerable groups to tackle pockets of poverty in the country;
- promoting implantation of social protection interventions and recognize potentials of each individual, to ensure security to all, and to minimize risks to the most vulnerable groups, including the unemployed, retrenches, pensioners, women, children, the elderly, and victims of disasters;
- Providing special incentives to the private sector in order to motivate it invest in underserved locations and in businesses that support the poor and vulnerable.
- Integration of HIV & AIDS interventions into LGAs;
- Strengthen involvement of CSOs and PLHIV in planning and implementing HIV & HIV responses at all levels

Strengthening mechanisms for monitoring and accountability

Improved public service delivery, especially to the poor and vulnerable require that there is a systematic mechanism of checks and balances to ensure and inform both the service providers, supervisors and service users that goods and services are being provided efficiently, equitably and are reaching the targeted groups. To achieve this, a number of interventions will be implemented as follows;

- Ensuring that all MDA, LGAs and public institutions have client service charters that are updated after every five years and are made public to all service users

- Strengthen the monitoring and evaluations systems and develop clear indicators for assessment and determination of effectiveness of service delivery and people's satisfaction or perceptions.
- Strengthen the Public expenditure tracking system both at the national and local level to include not only public funds but also other resources
- Continue with measures to raise public awareness on their rights through educational programs, media, campaigns and use of civil society organizations.
- Strengthen and extend the complaint handling system to cover all public institutions from the national to local level (village or mtaa) and ensure feed back and its effective functioning.
- Strengthen the accountability and supervision mechanisms at national and local levels for ensuring that public servants are fulfilling their duties and are held accountable for their actions.

Goal 3: Promoting and protecting human rights for all, particularly for poor women, children, men and the vulnerable

This goal aims at ensuring human rights for all, particularly for poor women and men, and that the rights are promoted and protected. Four operational targets have been set:

- Equal access to timely justice especially by the poor and disadvantaged ensured;
- Social, political, economic and cultural rights for all particularly vulnerable groups ensured;
- Children rights promoted and protected;
- Rights of women promoted and protected.

Ensuring equal access to timely justice especially by the poor and disadvantaged

Among the root causes of poverty in a society, are injustices and discrimination. In light of this, MKUKUTA II emphasizes promotion and protection of the rights of all citizens with particular focus on poor women, children, and vulnerable groups. In this regard, the interventions will include:

- Improving the capacity and efficiency of justice institutions through investing in human resources development and streamlining processes and procedures; improving court infrastructure (including construction of new primary courts);
- Enhancing independence of the judiciary
- Deepening the legal sector reform and law reform;

- providing legal aid support to individuals who cannot afford court fees;
- Revising laws which contain claw back clauses;
- Training and retraining justice officials in human rights.

Ensuring social, political, economic and cultural rights for all particularly vulnerable groups

The link between growth, on the one hand and poverty-reduction and people's right to access information on the other hand are well recognized. In light of this, the following interventions will be required:

- Legislating Media Business and the Right to Information Act;
- Ensuring that the media is supported to be able to function in an ethical and responsible manner and protect the rights of the public which consumes media outputs;
- Building skills in order to creating equal opportunities for people with disabilities;
- Promoting measures to ensure that vulnerable groups are participating in training and skill building in economic activities;
- ensuring provision of services, such as skills training, material assistance, and long-term care for those who are not able to engage in any form of economic activity;
- establishing baseline information disaggregated by gender;
- Providing public education to create awareness for the rights of people living with disabilities as well as the rights of the most vulnerable groups in the society.

Promoting and protecting children's rights

Respect for children's rights contributes to a sustainable promotion of a human-rights culture as children will grow knowing their rights, responsibilities and obligation as rights holders. The interventions required in this regard are:

- Providing an environment which ensures that all children have a right to basic services including education, food, shelter, and legal protection;
- Supporting children's rights against the worst forms of forced labour, sexual abuse, improving juvenile justice, and supporting for children living in difficult circumstances;
- holding duty bearers including parents, teachers, and law enforcers accountable for abuse of children's rights;
- Investing in facilities to support children with disabilities including making schools and public institutions disability friendly, training more teachers who will support children with learning disabilities, and producing learning materials such as brail and hearing aid for children with various disabilities.

Promoting and protecting rights of women

Emphasis will continue to be on addressing socio-economic political and cultural barriers that limit women's rights and hinder them from unlocking their full potential in economic growth and poverty reduction. Women's access to land and other productive resources will be given special attention. To achieve this, the following interventions will be made:

- strengthening enforcement of land laws through imparting knowledge to law enforcers on women's rights, as well as disseminating knowledge about property rights;
- improving women's access to credit and financial resources through innovative ways which will enable women to access formal credit facilities;
- supporting women to access information on markets for their products and participate effectively in trade and commerce through programs that graduate their businesses from small-scale and informal to formal medium- and large- scale;
- Implementing affirmative action to promote women's participation in electoral and non-elected positions through legislation which will require all political parties to institute affirmative action in appointing women in political positions within their parties as well as in national elections;
- Supporting women leaders with skills and knowledge so as to enable them effectively engage in decision making processes at all levels;
- Addressing cultural norms and values that hinder women's effective participation in the economy through public education on women's rights, as well as improving the legal environment for CSOs which advocate for women's rights.

Goal 4: Ensuring national and personal security and safety of properties.

Three operational targets are identified in order to achieve this goal. These are:

- National, individual security and safety ensured;
- Crime including domestic violence reduced;
- Capacity to mitigate the adverse impacts of climate change and natural and human-made disasters enhanced.

Ensuring national, individual security and safety of property

Security, public safety and property safety concerns have to be ensured at national and individual levels. In order to achieve these, the following interventions are required:

- Strengthening international cooperation and peacemaking, conflict resolution, and diplomacy;
- Controlling immigration, checking inflow of arms and curbing cross-border violence and crimes;

- Implementing capacity-building and skills upgrading for agencies responsible for national security and defense;
- Strengthening mechanisms for resolving internal conflicts;
- Stepping up involvement of citizens in maintaining peace and order through community policing, sensitization, awareness campaigns on rights and responsibilities, nationalism and patriotism;
- Streamlining and sanctioning the police and judicial systems to readily handle cases on crimes to avoid masses taking laws into their own hands;
- Enhancing the participation of Non-state Actors in safeguarding personal security and protecting property.
- Strengthen institutional capacity in issuance and secure usage of national identity cards by all citizens

Fighting crime, including domestic violence

The thrust of this target is to curb crimes, including sexual abuse and gender based violence. The interventions in this regard include:

- Building capacity of agencies responsible for law and order through medium-term reform and modernization programs;
- Stepping up awareness campaigns for citizens to be able to act swiftly and report sex-related and all other forms of abuse and harassment against women.
- Institute special programs in law and order agencies for tackling domestic, children, and gender based violence.

Enhancing the capacity to mitigate the adverse impacts of climate change and natural and human-made disasters

Disasters result in loss of life, livelihoods and property and cause conflicts in sharing natural resources, thus posing potential security risks. To increase nation's preparedness and avoid these consequences, interventions will be in:

- Strengthen institutions dealing with early warning systems, risk management and preparedness, and disaster management and response.
- Developing and instituting methods for adapting to adverse impacts brought about by climate change and disasters;
- Revising laws, regulations and guidelines on risk management, protection, mitigation, and reduction of effects of human-made and natural disasters;
- Scaling up national capacity (army, police, fire and rescue, food reserve, relief agencies, communities, etc) and disaster preparedness to handle human-made and natural disasters;
- Stepping up training and mass campaigns on management of disasters;
- Promoting voluntary assistance to victims of human made and natural disasters;
- developing regional and international collaboration on information sharing

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

National culture and identity are at the heart of development policy. The strategies under this goal aim at instilling national values and traditions.

The operational targets for this goal are:

- Social cohesion, belonging, and national identity promoted and enhanced;
- Attitude toward hardworking, self-confidence, and self-esteem, creativity, innovation and moral integrity promoted and enhanced;
- Culture and heritage of the country preserved and promoted;
- Principles of cultural diversity and inter-cultural dialogue upheld.

Social cohesion, belonging, and national identity

These attributes are key in ensuring peace and tranquility and sustaining the nation as an entity, for many generations to come. The interventions required for achieving this include:

- strengthening civic education from pre-primary to tertiary level in order to enable young generations grow up upholding sense of belonging and service to their country;
- Introducing voluntary work programmes for national building, patriotism and assisting disadvantaged and vulnerable sections of the society
- Conducting research and surveys on citizenship and national identity with view to promoting common values;
- Enhancing community responsibility and collective parenting
- Enhancing respect to human rights, security of life, and property of others.

Hard work, self-confidence, and self-esteem, creativity, innovation and moral integrity

Efforts will be directed at enhancing public appreciation of values of hard work, voluntarism and responsibility among citizens. Interventions will target families, communities and all institutions. The interventions will include:

- Imparting to youths, from early age, the importance of hard work self-confidence, self-esteem, morals and integrity;
- Instilling culture of accountability and responsibility on public servants,
- Devise appropriate mechanism with the view to developing skills, hard work, self-confidence, and patriotism;

- Support children and youths to develop a habit of reading and learning through investing in public, national, and community-based libraries and learning centers; self-education to all, especially young people and technology attainment by introducing a 'one computer to one child' program;
- investing in communication skills at all levels of education to enable students to express themselves in Kiswahili and at least one other international language;
- Motivating talented people to innovative and produce goods and services in order to promote growth by providing right incentives
- Promoting spirit of daring, to support young men and women to enter and participate in business, explore opportunities and develop their own strategies to maximize the benefits of a globalized economy;
- Device mechanisms to reward hardworking and people with integrity

Cultural heritage

The focus of MKUKUTA II in this aspect will be on Tanzanian values. The interventions will include:

- developing programs and policies to guide media to embrace social responsibility, entice young people to appreciate their cultures, minimize cultural erosion, and educate the public on impact of media technology in the society;
- promoting community and national cultural events, including festivals, cultural dances, hosting corporate-sponsored art exhibitions, preserving national historical sites, archives, and museums;
- Supporting and protecting creative and entertainment industry for promotion of culture and income generation
- Promoting expression of culture such as language, works of arts, and sports.
- promoting entertainment industry, sports, music, film and other works of art that contribute to enhancement of cultural heritage as well as contributing to personal wealth and economic growth of the nation;
- Supporting communities to develop and manage, on a commercial basis, cultural sites in order to attract local and foreign tourists and be able to generate income for the benefit the community and nation at large.

Upholding principles of cultural diversity and inter- cultural dialogue

Cultural tolerance and harmony is one of the areas with a strong impact on unity, peace and democratic development of a country. This will be emphasized during implementation of MKUKUTA II. The interventions required include:

- Promoting cultural tolerance and awareness on cultural differences, addressing special needs of certain cultures, through instilling and arousing national values and traditions that bridge gaps across different cultures and religions;

- Promoting mutual trust and respect amongst Tanzanians;
- Raising awareness of people on culture and its diversity;
- Organizing platforms such as national symposia, seminars and hearings in support of cross cultural dialogue and resolution of cultural disputes
- Instituting special measures, such as law and order, in areas with a high potential for clashes or highly charged areas of cultural clashes.

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CHAPTER V

IMPLEMENTATION ARRANGEMENT

5.1 Introduction

This chapter addresses key issues that are necessary for effective implementation of MKUKUTA II. The chapter spells out how to address the weaknesses in the implementation and coordination of government processes, core reforms and strategies/programmes. The chapter also provides strategic guidance on how to address insufficient alignment, weak collaboration, inadequate linkages in tapping on synergies within clusters and actors. It makes clear that in the next strategy, which is sharper and more focused the means of collaboration and linkages will be enforced at cluster and sector levels. It also provides guidance on: (i) strengthening coordination of policies (ii) prioritization and phasing of key interventions for achieving the expected results, and (iii) undertaking of joint planning and execution of activities among the MDAs.

The chapter further articulates the roles and responsibilities of different actors in the implementation of MKUKUTA.

5.2. Coordination of Processes, Core Reforms and Programmes

The government has put in place processes, reforms and programmes aimed at improving effectiveness of service delivery operations at various levels. The Public expenditure Review process will continue to be a key process for dialogue on prioritization, sequencing and execution of government budget. In order to strengthen understanding and practice of the PER process in a cluster context the government will make it mandatory for MDAs to undertake PER analysis and discussions at least once after every two years. The MDAs will ensure that the discussion dwell on how priorities are identified on annual basis, resource allocation to priorities, the cost of the priority interventions, implementation of priorities and associated reporting. It is critical that geographical and location information is added to compliment the PER analysis and discussions.

In order to ensure common understanding on MKUKUTA implementation a guiding framework for MKUKUTA implementation will be prepared to describe how various goals and targets will be addressed by core reforms, major development programmes and projects.

As for the Planning and budgeting, the government has already adopted the Medium Term Planning and Budgeting Manual which is critical in improving coordination of planning, budgeting and reporting. The Manual will continue to provide guidance to Ministries, Departments and Agencies (MDAs), Regions and Local Government Authorities on how to prepare Strategic Plans (SPs) and

MTEF as well as how to monitor and report on them. It also provides guidance for better implementation of directive of the Plan and Budget Guidelines (PBG).

In order to ensure a maximum use of the manual, the Ministry of Finance will implement measures aimed at enhancing capacity building on the use of the Manual with a view to strengthening coordination of planning and budgeting. These measures will include:

- a. Training of MDAs staff responsible for planning, budgeting, monitoring and reporting;
- b. Enforcing standards and principles established in the manual through strengthening of MDAs budget committees, Budget Guideline Committee and clusters; and
- c. Tasking the Policy and Planning Departments in each MDA to drive the implementation of the contents of the manual and report to MOFEA.

The government in collaboration with stakeholders will continue to sharpen implementation of ongoing reforms, with a view to aligning them with MKUKUTA II implementation. The core reform programmes include: LGRP, Legal sector reform, PFMRP, and in addition, the government is also implementing sectoral and multi sectoral programmes across all three clusters of MKUKUTA II. These processes, reforms and programmes will be revisited from time to time to ensure they are well aligned to and support achievements of MKUKUTA II targets and goals.

Specific actions for aligning core reforms and MKUKUTA II include:

- Strengthening the capacity of the reform coordination Unit;
- Review of all reform programmes in light of the Vision 2025 and MKUKUTA II goals, objectives and actions;
- Improve the contents of the reform programmes in light of MKUKUTA II and LTGP;
- Revise the implementation modalities of the reform programmes by moving from donorship to national ownership through inclusion and sensitization of national stakeholders beyond government; and
- Devise friendly communication mechanism to inform stakeholders on the benefits and cost of the reforms.

5.2 Collaboration and Linkages

During implementation of MKUKUTA II additional efforts will be made in order to ensure that actors are well coordinated and collaborate to achieve the desired outcomes. The following actions for ensuring a meaningful collaboration mechanism will be taken: (i) strengthening the capacity of institutions (PMO, IMTC, Planning Commission, Cabinet Secretariat, Regional Secretariat, and

District Development Committees) responsible for policy coordination across government levels (ii) financing for coordination and collaboration mechanisms (iii) analysis of the synergies and linkages, and (iv) provision of information on spatial and geographical location of programmes and activities. All MDAs will clearly show in their strategic plans and budgets how they are linking and mechanism for collaborating with others in terms of actions and geographical areas where they operate. In addition, the government will selectively introduce budgetary resource incentives and disincentive measures, including resource contestability to enforce compliance and reward good performance.

5.2.1. Macro-micro linkage

Strengthening of link between Macro and Micro is a critical issue in implementation of MKUKUTA II. This link is viewed at two dimensions, i.e., gains at macro level vs. welfare at the micro level, and communication between higher (national) levels and lowers (Local Authorities). As regards to the former, the government will continue to address corresponding transmission mechanisms such as policies, laws and regulation as well as institutions particularly at the meso level to facilitate the link. As for the later, government will continue to address apparent mismatch between administrative decentralization and fiscal decentralization.

The following determinants will be further addressed to improve the functioning of interplay between macro and micro performance.

- a. Inadequate and lack of clear communication mechanisms among actors (government, civil society organizations, private sector and communities): this is barrier in communicating growth and anti-poverty efforts at macro and micro level.
- b. Information asymmetry and deficit, where the macro has inadequate capacity to prioritize needs of the communities; thus it has incomprehensive knowledge of targets and appropriate delivery mechanism. The communities on one hand they lack knowledge of the resources that are accessible, the opportunities that are available and synergies that are possible.
- c. Institutional mismatch between targets (and needs) and delivery mechanisms. Inefficiencies in political and economic institutions act as inhibitor and blockage in macro-micro linkages. Inadequate political and administrative decentralization bar channels that transmit policy impulse and macro results to the micro level.
- d. Power relations: this is reflected in terms of the political will on the part of the macro to establish meaningful links with stakeholders. For example, the meaningful links with stakeholders should go beyond to include aspects of empowerment, affirmative action's, and effective redistribution of national assets in favour of the poor communities by developing and implementing pro-poor growth and social policies.

Actions for ensuring that the macro-micro linkage is strengthened include: (i) capacitate Regional Secretariats with a view of strengthening the link between LGAs, Central and Line Ministries (ii) promote establishment of media including community radio stations in every district (iii) identify, review and strengthen capacity of meso level organizations and institutions such as regional and districts business forum, regulatory bodies, district development committees, private sector organizations, in priority of economic growth, social wellbeing and governance.

5.2.2. Planning and Prioritization of Key Interventions

Joint planning and execution of activities among the MDAs will be emphasised. The plans should explicitly show who the primary actors are and who the secondary actors are i.e. those whose interventions are prerequisites to achieving the desired results;

Interventions will be prioritized in line with the objective of achieving the expected results, a large part of which are growth related results. This further implies resource allocation to few, but key interventions that support drivers of growth and eventually attainment of desired poverty reduction results, Prioritization of interventions will be guided by the following criteria:

- New or ongoing primary interventions with significant result achievement;
- New or ongoing secondary interventions with complimentary effect on primary interventions;
- informed by National vision and international commitments such as MDGs;
- identified as enabler to drivers/propellers of growth and reduction of poverty;
- A quick win to achieving planned results

The government may review these criteria in line with obtaining situation.

5.3 Public - Private partnership

Given the large resource requirements and the budgetary and borrowing constraints, the Government will encourage private sector investment and participation in priority areas of drivers of growth and reduction of poverty. The government recognizes, for example, the need for the private to partner with the public sector in infrastructure development. Private participation needs to expand significantly to address the existing deficit in infrastructure services. To that effect the government will put in place appropriate incentives, and systems

to encourage more private sector investment in all the three clusters of MKUKUTA II.

The government is actively promoting and increasingly adopting the PPP mode of developing and operating high-priority public utilities and infrastructure such as roads, ports, power, water supply, and solid-waste management services. The government will continue to improve environment for scaling up Private sector participation. These measures will include fiscal incentives, government guarantees, land titling and ownership etc. The PPP approach is being preferred to overcome the public sector constraints in budgetary resources and borrowing capacity. The Government is aware that accelerating infrastructure development requires large-scale investments, which are not possible out of governmental budgetary resources alone, and new institutional and financing mechanisms are required to meet the gap. Moving forward the government will:

- Develop a PPP policy or strategy;
- Develop a guiding document for PPP implementation;
- Capacity development for institutions engaging in PPP; and
- Expanding space for Public Private Dialogue.

5.5 Capacity development

There is recognition by Government and stakeholders alike that strengthening of capacity at various levels ought to be priority. These are in the areas of leadership, policy analysis/formulation, strategic planning, implementation, coordination, supervision and monitoring. The Government considers it crucial to build the human resource base and to improve technical capacities of organizations and institutions in order to improve service delivery.

Efforts will be made to align MKUKUTA II and human resource development required to deliver on MKUKUTA II and beyond. Human resource remains one of the critical constraints in the effective implementation of MKUKUTA II, and sectoral policies, strategies, programs and projects. In order to address issues of human resource and capacity, the government will:

- (i) Prepare and implement a national capacity development and human resource strategy in line with the Long-Term Growth and Development Plan and MKUKUTA II;
- (ii) also ensure that capacity is developed in areas of contracting, program and projects formulation based on capacity needs assessment;
- (iii) Several modalities for capacity development such as learning by doing, exchange programs through South-South cooperation, coaching, mentoring, long-term training, will be emphasized;
- (iv) MDAs/LGAs and non-state actors include more specific plans/activities in their plans and budgets to show increasing

- commitment to increasing the number and perhaps more importantly, *quality* of their human resources (where quality strongly implies the level and quality of all kinds of training);
- (v) Continue to improve the quality of institutions and re-engineering business processes at the place of work.

5.6 Technical assistance

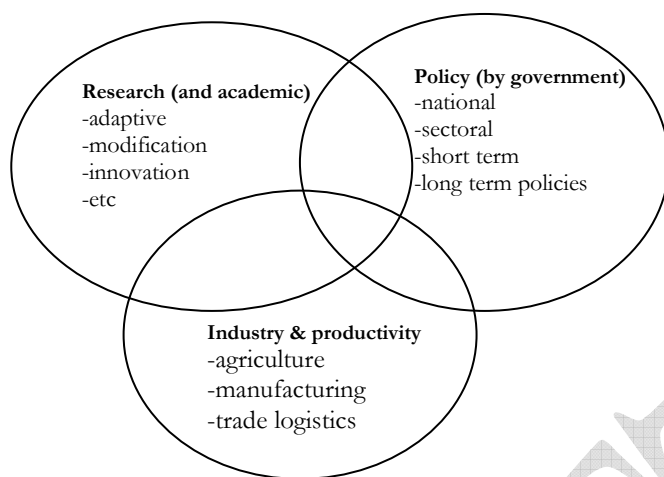
All programs and projects activities that require Technical Assistance will be guided by the national TA strategy. The TA strategy provides details on how the technical assistance should be accessed, procured, monitored, and evaluated. In implementation of MKUKUTA II, the Technical Assistance provided will be mainly focusing on capacity development. Systems and procedures to monitor the impact of TA on capacity development will be developed and applied. Moving forward the following actions will be taken:

- a. Prepare and implement a national policy on Technical Assistance and TA strategy / action plan;
- b. Matching TA and national development agenda.
- c. Ensure strategic use of technical assistance.

5.7 Strengthening knowledge driven economy

Promote a knowledge-based economic growth. The research activities are important and urgently require special attention particularly activities that contribute to drivers of growth and drivers of poverty reduction. Investment in R&D should be driven by a need to address a given practical problem of technological, commercial, economic, social, as well as environmental application. In order to develop strong national systems of innovation, the links and integration among research, policy and productivity, particularly in manufacturing, agriculture and trade logistics sectors are critical. The National Systems of Innovation (NSI) provides a good foundation for the links (Figure 5.1).

Figure 5.1: Linking Research, Policy, and Productivity



In this framework, the relationship includes the state (government), industry (organizations which are representing the interests of the industry) and research / academia. The links, role and relationships of academia, industry and government are critical to promote a knowledge-based economic development. In order to strengthen the interface the government will: (i) increase resource for R&D (ii) develop innovation programs for supporting implementation of development strategies, for example, risks management in agriculture (iii) strengthen the capacity of the tripartite institutions e.g. technology council, and (iv) identify and address the factors and conditions that limit linkages between academic institutions, industry and government.

5.8 Mainstreaming of cross-cutting and employment

Cross-cutting issues will be deeply mainstreamed by emphasizing their recognition in interventions under all clusters, sectors, and LGAs plans. Their relative emphasis and priority will be gauged against their contributions to the growth strategy. This emphasis will consequently be reflected in resource allocation.

It will be emphasized that since employment forms the major link between growth and reduction of poverty, employment and creation of decent jobs will be brought in unequivocally as one of cross-cutting issues.

At the same time, the strategy will continue to recognize that cross cutting issues deserve priority from a rights based perspective (e.g. focus interventions on people living with HIV/AIDS simply because they suffer more from poverty). The rights based perspective will be stressed throughout the strategy because

focusing only on the growth contribution perspective is not consistent with an MDG- or rights based approach.

In order to facilitate mainstreaming at LGAs and sector level the anticipated support will be provided in: financing, procurement of experts, involvement of CSOs, and capacity development. The government will also promote Local Economic Development (LED) in every district.

5.9 Review and develop MKUKUTA II Communication Strategy

Communication strategy will be developed and revised each year to keep up with emerging needs. Lessons learned during the last five years of MKUKUTA implementation will inform the design of the successor communication strategy including the configuration of its implementation, for example, steering and involvement of key actors.

The Communication Strategy will be implemented by government and Non government actors. It will therefore spell out role and responsibilities of different actors' recognizing their comparative skills. And will address the limited interest of citizens in information on the policy/strategies for the development agenda; change the attitude to work and desire to learn.

5.10 Roles and responsibilities

The following are the roles and responsibilities of key institutions in the implementation of NSGRP.

5.10.1 Central Ministries

The Central Ministries will have the following responsibilities in addition to those of other MDAs:

- Ministry responsible for economic management will be ensuring stable and predictable environment for smooth implementation of MKUKUTA II.
- Ministry responsible for financing will be mobilizing financial resources for implementing the NSGRP
- Ministry responsible for coordination of government business will ensure maintenance of NSGRP priorities during implementation
- The Ministry responsible for public service management in collaboration with other actors within the government will coordinate capacity building and skills development programs.
- Ministry responsible for local government will coordinate implementation of programs at regional and district level. It will also be responsible for capacity building measures at the local government levels. On the other

hand, the ministry will lead in collection and dissemination of data from grassroots level to the national level and vice verse.

5.10.2 MDAs and LGAs

MDAs and LGAs will have the following responsibilities:

- Coordinating the NSGRP implementation and its Monitoring System and work closely with other actors to ensure that progress in achieving MKUKUTA outcomes is monitored and evaluated.
- Facilitating the interface between the national MKUKUTA monitoring system and Local Government M&E on different aspects of monitoring and ensure cross-cutting issues are adequately coordinated and mainstreamed during the implementation of the NSGRP.
- Establishing and incorporating NSGRP priorities in the guidelines for the preparation of Medium - Term and Annual Plan and Budget.
- Mobilizing, allocating and monitoring of financial resources made available to NSGRP actors.
- The sectoral ministries will be responsible for policy guidance, supervision, coordination, implementation and monitoring activities, which are contributing towards achievement of particular poverty reduction outcomes in their sectors and across sectors. They will also be responsible for identifying detailed priority activities (sectoral and cross - cutting) that will be taken up during the implementation of the NSGRP.
- At the district level, LGAs (district/town/municipal/city councils, village/ *mtaa*) will plan and implement programs within their areas of jurisdiction, in collaboration with other actors, including communities and households through participatory process.

5.10.3 Non-government actors

Findings from consultations indicated key roles for non -Government actors in achieving desired outcome of poverty reduction.

Communities

Communities will participate in planning, implementation and monitoring community activities supported by government and other actors. Communities will also monitor quantity and quality of services delivered to them. Mechanism will be developed to enable communities to make leaders, local authorities and central government accountable to the people they serve.

Private sector

The private sector has an important role to play in achieving poverty reduction outcomes because of its central role as the engine for economic growth. The government is reducing its role to core functions of policy formulation, economic management, provision of economic and social infrastructure, and legal and

regulatory framework, maintenance of law and order as well as selected areas of public-private sector partnership. The factors that hinder the active private sector participation in the economy will be addressed through friendly trade and investment policies.

Civil Society Organizations

The civil society organizations are key actors in poverty reduction. Their roles and responsibility will be to build local capacity and empowering communities, participate in monitoring and evaluation at national and community level, mobilizing and enhancing community participation as well as community resources for poverty reduction. CSOs will advocate for accountability of its members and government to the people. CSOs will work closely with the government ministries and local authorities to ensure that cross-cutting issues are included and implemented in the sectoral and district plans. In order to improve the effectiveness of civil society organizations there is a need to review and strengthen the organizational and management frameworks at national, regional, district and community levels.

5.11.4. Development Partners

Development partners will continue to work closely with key local actors to address poverty reduction outcomes in line with the thrust of the PARIS Declaration, the Accra Agenda for Action and the Joint Assistance Strategy for Tanzania (JAST). Development Partners will use the existing agreed national system and processes to provide additional financial, technical and other support in the implementation of the poverty reduction strategy. Development Partners will also facilitate capacity building initiatives within the poverty reduction framework as well as participating in monitoring and evaluation.

CHAPTER VI MONITORING AND EVALUATION

6.1. Introduction

The framework and institutional arrangement for the implementation of MKUKUTA II monitoring and evaluation will continue to be embedded in the National MKUKUTA Monitoring System (MMS). MMS is a continuation of monitoring system established in 2001 under the PRSP and reviewed in 2004. It is guided by goals and operational targets set forth in MKUKUTA II, whose focus is on accelerating broad based economic growth and reduction of poverty, and the challenges and lessons drawn from five years of MMS implementation under MKUKUTA.

The implication of the new focus and lessons from the previous MMS implementation was the requirement for a review of the effectiveness and the efficiency of MMS implementation. This review, together with experiences documented in other outputs of the MMS will shape the improvements required to enhance effectiveness and efficiency in the context of MKUKUTA II.

This chapter sets to highlight the objectives of MKUKUTA II monitoring, and to outline the strategy for monitoring and evaluation. Details of the institutional arrangements, stakeholder participation, key outputs and timing, and funding will be provided in the revised MKUKUTA Monitoring Master Plan.

6.2. Objectives of MKUKUTA II Monitoring

The general objective of MKUKUTA II monitoring is to provide a space for dialogue and policy thinking on economic growth and poverty reduction based on a robust evidence through an objective assessment of progress towards implementation of MKUKUTA interventions and achievement of targets using an integrated approach that combines outcome reporting of Ministries, Departments and Agencies (MDAs) and Local Government Authorities (LGAs)

Specific objectives of MKUKUTA II monitoring are:

- 1) To ensure timely availability of reliable and adequate data for monitoring growth and poverty reduction
- 2) To enhance storage, retrieval, access, and use of data by a wide array of development stakeholders
- 3) To carry out detailed analysis of data on growth and poverty trends
- 4) To disseminate the findings of research and analysis of data to a wide array of stakeholders
- 5) To promote evidence -based planning, budgeting, and decision making at all levels of government

- 6) To promote evidence-based dialogue among development stakeholders
- 7) To ensure that regional and international targets ratified by Tanzania are integrated into national development targets and monitored as part of MKUKUTA II monitoring

For these objectives to be realized, the existing monitoring system will have to be strengthened in line with lessons and challenges discussed above, including the alignment with MDA and LGA strategic plan monitoring. These will be articulated in more detail in the MKUKUTA II Monitoring Master Plan.

6.3. Strategy for Monitoring and Evaluation

The strategy will consist of a multiple-pronged approach of special institutional arrangement. The focus will target data collection, analysis, storage, dissemination and communication and strategic linkages with other monitoring systems

6.3.1. Institutional Arrangement

The arrangements for MKUKUTA M&E are set out in Monitoring Master Plan for both strategies. The key features of MKUKUTA II M&E arrangements are:

- 1) An institutional framework that is inclusive and brings together all relevant stakeholders in working groups and links them to relevant Government policy and decision making bodies, which arrangement will continue in MKUKUTA II
- 2) An indicator framework that track MKUKUTA implementation and results, specifying data sources, frequency of reporting, institutional responsibility among other things. Some modification may be appealed in order to make the MKUKUTA II more focused and results oriented
- 3) A survey calendar to be implemented by the National Bureau of Statistics (NBS) to provide estimates for key MKUKUTA indicators. Appropriateness of the calendar may be revised to fit for the current funding arrangement.
- 4) A calendar of planning, budgeting and reporting
- 5) Defined outputs of MKUKUTA M&E, including survey reports, and analytical reports. This endeavor will continue as it has proved successful in the previous MKUKUTA.
- 6) A funding mechanism and a budget for the implementation of MKUKUTA M&E will be adopted according to a new mechanism to be agreed upon, with intention to reduce transaction costs and to increase effectiveness.

The consolidation of these key features will aim at deepening integration of MKUKUTA strategies/interventions into the budget process and the Public

Expenditure Review (PER) process, and to strengthen the alignment of MKUKUTA goals and strategies with strategic plans of MDAs. They will also be meant to ensure that accountability and reporting by MDAs and other actors implementing MKUKUTA will be enhanced.

6.3.2. Monitoring system

The existing monitoring system will be reviewed to take into account the need for comprehensive but manageable list of indicators, and to re-define the functional structure of the monitoring system in line with the new growth focus and the key features of MMS outlined under section 3.1. The MMS will retain and strengthen data quality and harmonization, including the collection and use of qualitative data to supplement quantitative data that was previously emphasized. The research and analysis component of MMS will be retained and supported to expand its analytical capacities for growth and poverty analytics and diagnostics. The communications component will be strengthened and given impetus to fulfill its duties.

The envisaged strengths of these various components of MMS will depend on the functional structure of key stakeholders involved in the monitoring system. The envisaged functional structure must be well aligned to the new focus of MKUKUTA II, and all key implementing actors have to participate in monitoring and in a well defined institutional linkage, with appropriate incentives to produce relevant data, analyze, and report appropriately and on time for planning, budgeting, and execution. Specifically, the MMS must strengthen the link between national level monitoring and LGA monitoring systems, which includes efforts to step up demand for information at district and sub-district levels, and their capacity for collection, use, and dissemination. This link is critical to enhancing the principle of downward accountability. The system will also have to rely on few but comprehensive and manageable sets of indicators and target for each cluster.

6.3.3. Evaluation

It is envisaged that evaluation will be done at three levels. First, internal evaluation will continue through the production of the Poverty and Human Development Reports (PHDR), Annual Status Reports, and other forms of implementation reports, but which has to more proactively inform the PER process at both macro and micro level. This will require enhanced alignment and linkages between the MMS and the PER process. Secondly, additional space will be created for on-going evaluation mechanisms through Participatory Poverty Assessments and other methodologies such as service delivery reports, cost benefit analysis, impact assessment, outcome evaluation, process evaluation (as guided in the Medium term Strategic Plan and Budgeting Manual updated

November page 76) and other qualitative assessments particularly of the reform program (e.g. Local Government Reform Program II, Public Reform Program). Thirdly, comprehensive national review and the use of Regional Consultative Meetings/District Consultative Meetings (RCC/DCC) and strengthening of PER especially at lower level.

This evaluation process requires capacity in both human and financial resources, which has proved to be inadequate at most levels envisaged. The plan for capacity development in evaluation will have to be developed as an integral part of MMS master plan.

6.3.4. Monitoring Tools, Indicators, and Outputs

There are number of tools and databases that are being used to link macro and micro M&E systems such as PlanRep2, SBAS, Epicor, LGMD, RIMKU II and TSED. Some of these have been successful in some sectors and LGAs, while others have not been very successfully implemented. These will be strengthened, and more importantly be harmonized to reduce duplication of efforts and data inconsistencies. The Tanzania Statistical Master Plan (TSMP) and guidance for harmonized performance reporting, monitoring and evaluation through tools such as PAF matrix, GBS/MKUKUTA consultative discussion and MDGs already efforts in place towards strengthening the monitoring framework in Tanzania. It is envisaged that MKUKUTA II will continue to draw the benefits of these tools with more emphasis on reporting for results as stipulated in the planning, budgeting, and reporting manual. The MMS will also have to ensure appropriate linkage exist between its action plans and timing of its inputs and outputs with those under the TSMP so as to maximize the effectiveness and efficiency of data collection, analysis, and dissemination.

The revised MKUKUTA II Monitoring Master Plan will document a set of monitoring indicators for all the clusters, including the tools for data collection, timing, responsibilities, and the institutional arrangement for data collection, analysis, and dissemination. It will spell out the major requirements for reporting for both upward and downward accountability, including innovative monitoring on public expenditure and effectiveness of MKUKUTA II budgeting, such as value for money audits.

6.3.5. Reporting Arrangements:

A detailed reporting system will be provided in the MKUKUTA Monitoring Mater Plan. However, reporting system will be based and aligned to the wider reporting framework, as set out in the Government Manual for Planning, Budgeting and Reporting. Particular focus will at monitoring progress on achieving the MKUKUTA Goals and operational targets. This is in turn will be linked to tracking on physical outputs at the level of MDAs and LGAs. On an

annual basis, MDAs and LGAs will be required to report on their performance based on the requirements of the Manual for Planning, Budgeting and Reporting. Detailed analysis on results will be given using surveys data produced.

DRAFT

CHAPTER VII: MKUKUTA-II BUDGET AND FINANCING FRAMEWORK

7.1. Introduction

Previous chapters of this document have presented a detailed review of progress made in the implementation of MKUKUTA. The main challenges ahead and strategic objectives as well as related sector policies and programs for the new MKUKUTA period have also been highlighted in the chapters. The main goal of MKUKUTA-II is to consolidate the strong achievements of MKUKUTA by organizing public and private resources and efforts to accelerate inclusive economic growth and diversification in order to strengthen poverty reducing efforts and attain the Millennium Development Goals by 2015.

This chapter, therefore, outlines the macroeconomic and the medium term expenditure framework that is consistent with implementation of key policies and programs for achieving growth and social development targets by 2015 as stipulated in MKUKUTA-II. The chapter addresses the critical question of 'what it will take' in terms of macro and fiscal policies, external resources and public expenditure allocations strategy for Tanzania to achieve the growth and poverty reduction targets of MKUKUTA-II.

The chapter is organized in three Sections; the second Section describes macroeconomic and budgetary framework by discussing macroeconomic outlook and medium term budgetary framework for 2010/11 – 2014/15. Lastly, Section three gives the MKUKUTA-II financing framework for the coming five years and the risks that may disrupt the financing.

7.2. Macroeconomic and Budgetary Framework

The summary of key macroeconomic and budgetary assumptions is as follows:

- (i) The domestic economy will be gradually recovering from impact of global financial and economic crisis. Real GDP is projected to grow from 5.0 percent in 2009 to 8.2 percent by 2015 being backed by growth in Agriculture, Industry and Services on the supply, while on the demand side, great thrust will come from investment expenditure and external sector;
- (ii) Macroeconomic stability will be maintained in which inflation is projected to slowdown to a single digit and gradually declining to 5.0 percent by 2015 as a result of sound and prudent fiscal policy and supportive monetary framework;
- (iii) As guidance on the use of limited financial resources, the Government will monitor growth of recurrent expenditure while granting priority to economic and social activities that lead to accelerated economic growth

for poverty reduction. Priority projects as stipulated under Medium Term Public Investment Plan (MPIP) will be implemented with emphasis on few basic infrastructure projects that have high economic returns;

- (iv) Domestic revenue collection will be enhanced to a comparable level of other East African countries. Domestic revenue collection to GDP ratio is projected to increase toward 19 percent by 2014/15;
- (v) To maintain debt sustainability by borrowing within the budgetary boundary that conforms to guidance of item (iii).

7.2.1. Macroeconomic outlook: 2011 -2015

The successful implementation of the poverty reduction program will need the creation of an economic policy framework conducive to restoring former trajectory growth and even attain higher growth in order to reduce income poverty. As a result, Tanzania's 5-year macroeconomic framework is based on the continuation of sound policies and structural reforms, the pursuit of an ambitious social development agenda (particularly education and health) and the creation of job opportunities. It also takes into account a significantly less favourable external environment that still suffers the ruin of global financial and economic crisis.

According to World Economic Outlook in October 2009 (IMF), the global economy is projected to recover with a sharp pickup in growth at 3.1 percent in 2010 from a contraction of 1.1 percent in 2009 and a further growth rate to 4.5 percent by 2014. As a result of global economic recovery, rescue plan by the Government and the Kilimo Kwanza initiatives, economic growth is envisaged to recover above its former trajectory path in the medium term: 2010 - 2015. Average real GDP growth rate is projected at 7.3 percent annually in 2010 - 2015 which is higher compared to the average GDP growth of 6.7 percent a year in 2005 - 2009 period. The path of real GDP growth starts with a gradual rebound of 6.1 percent in 2010 from 5.0 percent in 2009, and thereafter to 7.1 percent in 2012 and further rise to 8.2 percent by 2015.

7.2.2. Contributions to growth: production sectors

Agriculture: The real growth of agriculture sector in the medium-term between 2010 and 2015 is projected at an average rate of 5.3 percent a year compared to average growth rate of 3.9 percent in the 2005 - 2009 period. The sector will be strongly recovering from a low growth rate of 2.7 percent in 2009 and is expected to pick up to 4.0 percent in 2010 before jumping to 6.3 percent by 2015 mainly on the assumption that world economy recovers. The growth in the production of crops is expected to pick up as the increased productivity in the agriculture due to government efforts of boosting production capacity by providing agricultural

inputs like fertilizers, tractors and technical assistance, under *KILIMO KWANZA* initiative.

Industry: Industrial sub - activities are expected to be buoyant in the next five years. High growth is projected to an annual average of 9.6 percent with a pick up growth of 7.7 percent in 2010 from a growth rate of 5.6 percent in 2009; the promising growth is projected to reach 10.5 percent by 2015. The sectoral growth is highly supported by the projected vibrant sub-activities such as manufacturing, construction, mining and water supply. In particular, nascent performance of manufacturing will be a result of improved power supply, development and expansion of the EPZs and SEZs, implementation of the SME policy and the Tanzania Trade Integrated Strategy (TTIS) and other supportive trade policies. Moreover, expansion in construction activities will be the key catalyst over this period as a number of projects are implemented by government through Medium-term Public Investment Plan (MPIP).

Services: Throughout the period, the services sector is expected to make a significant contribution to real GDP growth. The sector is projected to 8.0 percent by 2010 (to be growing by an average of 7.1 percent a year) in the medium term. The growth is expected to be fuelled by increased export promotion initiatives, construction of new hotels, improvements and scaling-up of investments in transport and communication infrastructure. The activity will also be bolstered by expansion of education and health services, increased demand for financial intermediation in response to growth of other economic activities in the country, and sustained implementation of public service reforms.

7.2.3. Contribution to growth: expenditure sectors

As implementation of sound policies continues, **investment** is projected to grow from 25.9 percent of GDP in 2010 to 32.6 percent of GDP by 2015 the level that will enable to generate real GDP growth rate of 8.2 percent. Considering MPIP, the Government will restrain growth of public consumption in order to establish and maintain viable macroeconomic balances. Consequently, public investment will increase from 8.7 percent of GDP in 2010 to a level of 12.7 percent in 2015 mainly to boost the leading private sector investment. The private sector investment is projected to be buoyant following the recovery of global economy. It is going to pick up to 17.2 percent of GDP in 2011 and keep growing up to 19.7 percent of GDP in 2015.

On the **external sector**, the volume of exports is projected to grow from 20.7 percent of GDP in 2010 to 29.0 percent of GDP by 2015. This strong growth reflecting the expected good performance in the exports of cash crops, mining and manufactured goods, and services that are related to tourism and transport. Also import growth is projected to increase, being attributable to the increase in

both private and public investment owing to the implementation of various interventions aimed at accelerating economic growth and export promotion. In line with the investment growth, imports will increase to 40.4 percent of GDP by 2015 from 35.8 percent in 2010 in account of the increased importation of capital goods and intermediate products for investment in capital formation.

Domestic inflation is projected to subdue to a single digit in 2011 and then gradually declining to around 5.0 percent by 2015. This is consistent with the projected trend in global commodity prices, prudent monetary and fiscal policies in support of the growth objectives and the increasing productivity of agricultural sector in containing food inflation.

7.2.4. Medium term budgetary framework: 2010/11 – 2014/15

The medium term budget framework focuses on striking balance between recurrent and development expenditure with the aim of achieving higher economic growth. Emphasis has been placed on investment in infrastructure as key for the future growth of the economy. In order to increase domestic saving and scale up investment in infrastructure development, the recurrent expenditures will be contained at an average of 16.7 percent of GDP for 2010/11 to 2014/15 from the projected 18.9 percent in 2009/10 budget (see Table 7.1). This is consistent with Government efforts to consistently reduce recurrent expenditure in the areas that will not jeopardize efficiency in service delivery, while sustainably scaling up resources geared towards capital formation.

Investment in physical infrastructure will thus target and seek to significantly remove infrastructural bottlenecks by particularly improving supportive transport and communication infrastructure, irrigation infrastructure and fostering reliable and affordable power supply.

Domestic revenue is projected to increase from 16.3 percent of GDP in 2009/10 to 19.0 percent of GDP by 2014/15 owing to expected recovery from global economic activities, continued efforts to strengthen tax policy and administration and the multiplier effects of various investments in the economy.

Foreign support for budget is expected to continue in the medium term with grants expected to be around 4.7 percent of GDP in 2010/11 and slightly drop to 3.7 percent by 2014/15. On the other hand, foreign loans are projected at 2.8 percent of GDP in 2010/11 and around 3.4 percent of GDP in 2014/15. This considers that by the end of MKUKUTA II period, the Government will be also borrowing on non concessional terms. Domestic borrowing of around 2 percent of GDP is projected in the medium term. The projected trend is consistent with Government intention to scale up investment in basic infrastructure development (see MPIP).

Table 7.1 Medium Term Budget Framework: 2010/11 – 2014/15

	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15
	Actual	Estimates	Projection				
In billion of Shillings							
Total Domestic Revenue	4,293.1	5,234.1	6,394.6	7,718.7	9,278.7	11,048.5	13,083.0
Tax Revenue	4,043.7	4,840.9	5,983.6	7,237.5	8,716.8	10,396.2	12,329.3
Non-Tax Revenue	249.4	393.2	411.0	481.1	561.9	652.4	753.7
Total Expenditure	6,811.8	8,862.3	9,962.2	11,784.1	14,005.0	16,637.3	19,371.6
Recurrent Expenditure	4,681.5	6,036.8	6,602.2	7,513.0	8,538.0	9,731.6	11,123.1
Development Expenditure	2,130.4	2,825.4	3,360.0	4,271.1	5,467.0	6,905.7	8,248.5
Overall deficit before grants	-2,518.8	-3,628.2	-3,567.6	-4,065.4	-4,726.3	-5,588.8	-6,288.6
Grants	1,257.3	2,090.9	1,772.3	2,004.5	2,206.6	2,378.4	2,565.1
Adjustments (including exp. floats and cash)	58.6	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-1,202.9	-1,537.3	-1,795.3	-2,061.0	-2,519.7	-3,210.4	-3,723.5
Financing	1,202.9	1,537.3	1,795.3	2,061.0	2,519.7	3,210.4	3,723.5
Foreign (net)	944.2	1,037.1	1,050.8	1,188.2	1,499.2	2,024.4	2,352.2
Domestic (net)	258.7	500.2	744.5	872.8	1,020.4	1,185.9	1,371.4
Net Domestic financing	213.7	506.2	751.8	880.1	1,027.8	1,193.3	1,378.7
Bank borrowing (net)	212.6	406.2	375.9	440.0	513.9	596.6	689.4
Non-bank borrowing (net)	1.1	100.0	375.9	440.0	513.9	596.6	689.4
In Percent of GDP, unless otherwise indicated							
Total Domestic Revenue	15.9	16.3	17.0	17.5	18.1	18.5	19.0
Tax Revenue	14.9	15.1	15.9	16.4	17.0	17.4	17.9
Non-Tax Revenue	0.9	1.2	1.1	1.1	1.1	1.1	1.1
Total Expenditure	25.2	27.7	26.5	26.8	27.3	27.9	28.1
Recurrent Expenditure	17.3	18.9	17.6	17.1	16.6	16.3	16.1
Development Expenditure	7.9	8.8	8.9	9.7	10.6	11.6	12.0
Overall deficit before grants	-9.3	-11.3	-9.5	-9.2	-9.2	-9.4	-9.1
Grants	4.6	6.5	4.7	4.6	4.3	4.0	3.7
Overall balance	-4.4	-4.8	-4.8	-4.7	-4.9	-5.4	-5.4
Financing	4.4	4.8	4.8	4.7	4.9	5.4	5.4
Foreign (net)	3.5	3.2	2.8	2.7	2.9	3.4	3.4
Domestic (net)	1.0	1.6	2.0	2.0	2.0	2.0	2.0
Net Domestic financing	0.8	1.6	2.0	2.0	2.0	2.0	2.0
Bank borrowing (net)	0.8	1.3	1.0	1.0	1.0	1.0	1.0
Non-bank borrowing (net)	0.0	0.3	1.0	1.0	1.0	1.0	1.0

Source : MACMOD

7.3. MKUKUTA II financing framework

Implementation of MKUKUTA-II requires considerable efforts in terms of mobilizing financial, material and human resources. This recognizes that Government's efforts will focus on the core role in the overall financing of MKUKUTA, while other supports, both from domestic and international stakeholders, will complement the existing financing mechanisms.

7.3.1 Basic considerations

Main considerations are built from experience obtained in MKUKUTA and produce the following:

- Recognition of three MKUKUTA-II clusters that are: (1) Growth for Reduction of Income Poverty; (2) Improvement of Quality of life and Social Wellbeing; and (3) Good Governance and Accountability.
- The budget estimation is consistent with overarching objective to focus more on costs of attaining specific outcomes i.e. result-based approach.
- Under MKUKUTA-II, the financing of poverty interventions is planned to depend basically on mobilized domestic resources and foreign financing as a complement. In addition, the Government projects domestic borrowing of at least one percent of GDP so as to complement the existing tax efforts in financing growth related interventions.
- Considering the sharing of financing resources among MKUKUTA and Non-MKUKUTA interventions, more weight of resource allocation is put on MKUKUTA by accounting more than 80 percent of resources.
- Effectiveness of budget execution (cash management): Budgetary operations will be executed on cash basis in line with Planning and Budgeting Manual. In enhancing efficiency, quarterly releases of funds on development expenditure will be explored.

7.3.2. Costs of implementing MKUKUTA II

Budgeting processes involve a comprehensive budget strategy in the form of the Plan and Budget Guidelines (PBGs). The Guidelines provide instructions and guide to MDAs and LGAs to prepare their implementation and/or performance reports and budget. Cognizance of the constraints of resources, and by taking into consideration all the preparation by MDAs, Regions and LGAs, the MKUKUTA-II will require for its implementation over the period 2010/11-2014/15, an amount of about **Sixty Trillion Shillings**. The implementation costs are reflection of the resource requirements through increasing MKUKUTA weights relative to non-MKUKUTA in the total budget allocation. The approach used was to prioritize the target actions with a view to creating conditions conducive to keeping Tanzania on the economic growth path and reaching out to the most vulnerable groups affected by poverty.

These requirements are categorized by the major activity areas of the Government as reflected under the three Clusters, namely: (i) Growth for Reduction of Income Poverty; (ii) Improvement of Quality of life and Social Wellbeing; and (iii) Governance and Accountability. The costs of MKUKUTA-II implementation are however preliminary calculation at this stage. They will be further refined once the plans for carrying out the target actions have been specifically defined at the level of the various clusters. The breakdown of the financing requirements for the strategy by cluster and action area is as follows:

- Cluster 1 – Growth for reduction of income poverty: groups together the strategic sectors, namely: agriculture, tourism, trade, industry, and infrastructures. The estimated requirements are around **Thirty Trillion Shillings**, or 50.0 percent of the total.
- Cluster 2 – Improvement of quality of life and social wellbeing: groups together the education, health, and water and sanitation sectors. The estimated requirements for this cluster are around **Twenty-Four Trillion Shillings**, or 40.0 percent of the total.
- Cluster 3 – Governance and accountability: covers justice, security, and the incentive framework for private initiatives. The estimated requirements are around **Six Trillion Shillings** or 10.0 percent of the total. The table which follows provides an estimate of the financing requirements of the strategy for the period 2010/2011- 2014/2015.

Table 7.2. Financing Requirements for the Period 2011-2015

FINANCING OF MKUKUTA-II	2010/11 – 2014/15 (In Billion of Shilling)	% MKUKUTA-II FINANCING
CLUSTER 1	30,081.0	50.0
CLUSTER 2	24,072.2	40.0
CLUSTER 3	6,008.1	10.0
TOTAL	60,161.4	100.0

7.3.3. Government financing

The second part of the financing framework, after establishing cost of implementation, is to derive the aggregate resource envelope. The first step is to estimate total domestic revenues for the MKUKUTA-II period, which was done in Section Two (Table 1), and is shown in Table 3. Although the Government is fully devoted to achieving these domestic revenue goals, they are based on the assumptions of recovering economic growth and an increase in revenue as a share of GDP to 19 percent.

Since the Government is currently operating on a cash budget, the revenue estimates are taken as the ability of Government to finance levels of domestic expenditure. Some of the Government's expenditures are already directed towards MKUKUTA interventions, while other expenditure for essential operations are not directly linked to interventions included in MKUKUTA. This group is known as non-MKUKUTA expenditure, which comprises the expenditure on Consolidated Fund Services (CFS) – including debt and interest payments, pension payments and other contractual obligations.

The financing scenario here assumes an increasing share of government revenues will be allocated to MKUKUTA activities in each fiscal year of implementation, building from the projection of just and above 60 percent of domestic revenue.

Based on this calculation, domestic revenue available for MKUKUTA-II interventions is estimated to be TShs 35,633.3 billion for the five year period.

Table 7.3. Government Revenues for MKUKUTA, 2010/11 - 2014/15 (Billions of shillings)

	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	Total
Total Government Domestic Revenue	6,394.6	7,718.7	9,278.7	11,048.5	13,083.0	47,523.5
% of Government Revenue for MKUKUTA	60.7	67.3	73.3	78.8	84.4	
Government MKUKUTA-II Financing	3,879.5	5,196.2	6,803.6	8,711.1	11,042.9	35,633.3

7.3.4. Total financing gap of MKUKUTA II

Table 4 below summarizes the costs and domestic revenues available for MKUKUTA-II interventions. The table shows that after using domestic revenues to finance MKUKUTA, there is a remaining gap of TShs **24,528.0** billion about 40 percent of the total MKUKUTA-II cost. A large share of this financing gap will be financed through existing donor commitments for ongoing activities. Nonetheless, current commitments are clearly less than the total financing gap; therefore additional resources over and above currently committed funds will be necessary to fully finance implementation of MKUKUTA-II.

Table 7.4. MKUKUTA-II Total Financing Gap, FY 2010/11 - 2014/15 (Billions of shilling)

	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	Total	Percent of MKUKUTA Cost
Total MKUKUTA-II Costs	7,505.2	9,320.0	11,588.1	14,358.2	17,389.8	60,161.4	100.0
Government MKUKUTA-II Financing	3,879.5	5,196.2	6,803.6	8,711.1	11,042.9	35,633.3	59.2
Total MKUKUTA-II Financing Gap	3,625.7	4,123.8	4,784.5	5,647.1	6,346.9	24,528.0	40.8
Financing Gap as % MKUKUTA-II Costs	48.3	44.2	41.3	39.3	36.5	40.8	

Financing strategies:

In principle, the financing gap of MKUKUTA-II has to be closed either through additional financing or by scaling down or re-phasing proposed MKUKUTA-II

interventions. Given such situation, the financing strategy has the following options to apply in order to close the gap.

- i. On the financing side, one possibility can be further increases in Government domestic revenue. However, as mentioned previously, the current revenue projections are based on the assumptions of recovering economic growth and a significant increase in the revenue to GDP ratio, implying that additional increase in Government domestic revenues is unlikely.
- ii. A second option is financing by continuing borrowing internationally, on concessional terms, from both bilateral and multilateral sources.
- iii. Third option is by domestic borrowing for the purpose of financing large infrastructure projects under MKUKUTA-II, this could be in form of infrastructure bonds for central government and municipal bonds for local governments. This will be useful to promote projects that may have multiplier effects in accelerating economic growth.
- iv. Fourth option is increased support from international community from current or new development partners, either as budget support or specific projects and programs with high economic and social returns.
- v. The fifth option is financing from the private sector by making use of Public-Private Partnerships (PPPs) as an alternative source for financing long-term development expenditure especially public infrastructures. When the PPPs financing modality is in operational, it would complement other financing arrangements, thus reducing fiscal burden to the Government
- vi. The sixth option is the issuance of Sovereign Bonds when the market conditions allow. The proceeds should be directed specific projects and not fungible to other spending.
- vii. And lastly, in the absence of enough additional financing, the Government will scale down some of the proposed MKUKUTA-II interventions which may jeopardize the attainment of MKUKUTA II objectives.

7.3.5. Risks associated with MKUKUTA II financing

- **Adverse developments in the world economy,**

If the world economic growth is slower than expected recovery (“U-shaped”) or a return to recession as stimuli programs are phased out in the advanced countries, this may result to further slowdown of domestic growth. The long recovery could likely have impacts on prices and demand for our exports such as traditional commodity and tourism, also FDI and ODA could be reduced because they depend on foreign countries’ economic development. The slower growth of the world economy may translate into low domestic revenue collection and hence insufficiency resources to execute MKUKUTA interventions. Moreover,

the slow growth may lead to lack of investment resources (FDI) to private sector, which is by now regarded as the engine of growth.

- **Internal adverse shocks,**

- i. Adverse natural conditions such as drought and floods that affect agriculture and livestock,
- ii. Energy shortage due to inadequate capacity and unreliable weather conditions. Both may lead to slow economic growth and hence low domestic revenue.

Annex: Result Matrix

CLUSTER I: GROWTH FOR REDUCTION OF INCOME POVERTY

BROAD OUTCOME:

1. Inclusive and accelerated growth achieved and sustained
2. Employment opportunities for all, including women and youth
3. Good economic governance enhanced and ensured

Goal 1: Pursuing sound macroeconomic management

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
A. Macroeconomic stability maintained	1.1 Contain inflation at a level that will ensure incentives for production and consumption are not distorted	non-inflationary fiscal measures, investments production initiatives, and people's welfare	MOFEA, BOT, PO-PC
		cautious expansionary Monetary policy , production of goods and services	
		supply side constraints and improving productivity	
	1.2 Enhance measures that encourage competitiveness of exports	measures to encourage competitiveness of exports	MOFEA/BOT/TRA, MITM, Private sector
		strategic Public – Private sector partnership export business capacity enhancement, quality assurance, packaging	
		trade-related services for export trade	
	1.3 Implement and oversee measures that will stabilize the exchange rate	trade policy-related instruments that promote exports	BoT
		measures to increase market access regionally and outside the region	
		foreign exchange operations, stabilizing the Tanzanian shilling, balance between supply and demand for foreign currency and competitiveness	
	1.4 Put in place interest rate structure that	Conduct Central Bank Operations, positive	BOT, Financial

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
	encourages financial savings and borrowing	real savings rate and Treasury Bill yields	Institutions
		financial sector reforms, efficiency and reduce risk	
	1.5 Maintain official reserves to at least 6 months of imports.	export measures, foreign reserves management	BOT
		import measures, to sustain foreign reserves management	
	1.5 Strengthening domestic resource mobilization to finance Government budget	Tax Policy Administration, domestic revenue mobilization, expanding the tax net	MOFEA/ TRA/ BOT
	1.6 Reduce fiscal deficit (after grants) as % of GDP	measures to collect charges, fees, and taxes on extractive activities	
		creation of productive jobs and new employment opportunities	
	1.6 Undertake prudent debt management initiatives	prudent debt management monitoring and coordination	MOFEA/BOT, private sector
Goal 2: Reducing income poverty through promoting inclusive, sustainable, and employment-enhancing growth			
B. GDP growth accelerated (from 5.0% in 2009 to 8-10% pa by 2015)	2.1 Promote inclusive/pro-poor growth policies and interventions in sectors of comparative and competitive advantage	inclusive/pro-poor growth and interventions in Agriculture, natural resources, mining, tourism	MAFS, MNRT, MoID, MITM, TIC, MoEM, Financial Sector, Private sector
		Special Economic Zones, Export Processing Zones (EPZs) and Development Corridors through enhanced public-private partnerships	
		implementation of district and regional level inclusive/pro-poor (decent job-creating) growth strategies which take into account their respective comparative and competitive advantages	
	2.2. Promote linkages and synergies among	Collaboration and coordination of research,	MITM, MAFS,

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
	research institutions, sectors and public policy makers	industry and public policy makers on the specific products earmarked for value addition: cotton, cashews, oil seed and leather.	COSTEC, Research institutions, Private Sector, MoFEA.
	2.3. Ensure en-gendered protection of property rights in productive assets	Property right and legal instruments.	MoJCA, MoLHSD,
	2.4. Enhance conducive business environment to promote private sector led growth	measures that support business and reduction in the cost of doing business	PMO, MITM, TRA, TIC, Private sector,
		legal and institutional reforms as well as promotion of public-private partnerships	
C. Population growth slowed down (from 2.9% pa to 2.7% pa by 2015)	2.5. Ensure balanced population growth for sustainable development	better relationship between rural, urban and regional development, a conducive spatial distribution of the population optimal utilization of the nation's resources	PO-PC, NSAs
		development of population as a nation's resource, deployment of human resources in socio-economic development	
		improvement coverage of social security and pension scheme	
D Growth of Manufacturing sector in real terms increased (from 6.6% in 2009 to 9.6% by 2015)	2.6. Promote Research and Development(R&D) and technological innovations to enhance industrial productivity	De-bottleneck supply constraints that suppress growth of manufacturing sector, improvement markets for industrial produce	MITM, COSTEC, MEM, MoID, VPO, Private sector,
		clusters approach in manufacturing	
		organization and institutional responsibilities for promoting manufacturing activities	
		Promotion of Technology Industrial Zones for enhancing transfer of skills	
		development of Export Processing Zones and SEZ	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		patenting and commercialization of proven technologies	
		cleaner production technologies	
		Development of basic industry	
		appropriate environment friendly industrial technologies including production of farm implements	
		skills development to support manufacturing	
E. Agricultural growth increased (from 2.7 % in 2009 to 6.3 % by 2015) ■ Growth of crops sub sector increased (from 2.3% in 2009 to 6.5% by 2015). ■ Growth of livestock sub-sector increased (from 2.5% in 2009 to 5.9% by 2015)	2.7 Modernize and commercialize small, medium and large scale agriculture for increased productivity, employment, profitability and incomes especially in rural areas consistent with KILIMO KWANZA	KILIMO KWANZA pillars <ul style="list-style-type: none"> • Financing • Land issues • Industrialisation • Infrastructure • Incentives • Science, technology and human resources • Institutional reorganisation 	PMO, VPO, MOFEA Private sector MAFC, MOWI, MITM, MOFLD, PMO-RALG
		align plans, budgets, and implement their respective components of KILIMO KWANZA	
		Sensitization of national, regional, district, ward, village level stakeholders including training institutions	
	2.8 Strengthen technical and coordination capacities of key MDAs and other institutions dealing with agriculture	institutional reorganization for management of KILIMO KWANZA	PMO, VPO
		Establishment of National Irrigation Agency to	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		coordinate and oversee issues of irrigation, including financing	
		producer associations, especially for youth and women., cooperatives, PPP in agriculture	
	2.9 Transformation of agricultural production and technology to enhance country's food self sufficiency and increase income generation, especially for youth and women.	schemes for encouraging and empowering agro-entrepreneurs, especially youth and women and link them to product chains within and outside the country	MAFS, MOFEA, MCM ,
		country's food self sufficiency-strategic commodities (maize, beans, wheat, rice, bananas, pulses, cassava, potatoes, sorghum and millet, legumes, meat, dairy and fish).	
		transformation of agricultural production (financial and technology, with a growing domestic/external market demand, and large scale job creation)	
		value chains in priority areas including suitable models for integrating agricultural producers and processors as well as contract farming	
		grain banks at ward level and empower farmers, especially youth and women, to participate in profitable production, marketing, and selling of their produce.	
		production of breeder seeds and improved seed multiplication	
		targeted subsidies on agricultural inputs including fertilizers to farmers	
	2.10 Deepen land reforms to support access to land for agricultural development	Amend Village Land Act land titling, survey, reservation, allocation and management	MLHSD, MAFC, PMO, MJCA
		rural land use planning, town planning and issuance of title	
		expeditious dispute resolution and	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		adjudication in the Court system	
		Land surveying for agricultural purpose, including setting up Agricultural Green Belts	
		security of tenure and equitable (en-gendered) land distribution	
	2.11 Create conducive environment to attract investments in agricultural sector	fiscal/ tax and non-tax policies to stimulate investment in agriculture	TRA, TIC, MAFC, MOFEA, Private sector
		Fair competition in agriculture value chain, appropriate removal of barriers to free market, food sales across borders.	
		Strategic Food Reserve, institute price stabilizing mechanisms for food crops.	
	2.12 Enhance agricultural backward and forward linkages to the economy	sufficient supplies of agricultural inputs from other sectors (backward linkages) including fertilizer production and distribution, improved seeds production and Artificial Insemination, fish fingerlings, agrochemicals, agricultural farm implements, and agricultural machinery	MAFC. MITM, Private sector
		sufficient absorption of agricultural produce (forward linkages), including management of post-harvest losses, agro processing and value addition, trade integration and management for domestic, regional, and global markets	
		Incentives for private sector investment in agro-processing and value addition.	
		Search for new markets, promote products diversification and tap new opportunities for supply chains in the country and promote agro-products with competitive advantages in regional and global markets.	
		fair competition in the market and equitable distribution of the proceeds by strengthening	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		crop marketing boards and business regulatory Authorities to enable fair competition.	MAFS, MST, COSTECH Private sector, CSOs,
		agricultural market information system and infrastructure development	
	2.13 Strengthen human resources capacities and R&D for agricultural development	use of productivity – enhancing practices and technologies	
		effective utilization of existing trained manpower in agriculture including retirees to enhance access and quality of veterinary services	
		gender sensitive training programs and a recruitment program for agricultural specialists like irrigation engineers, hydrologists and dam designers and contractors and deploy and retain agricultural motivators and Para Agricultural "Extension Support" at every ward	
		Access to quality farming and relevant technical skills, including training and awareness creation on safe utilization and storage of agro-chemicals (including cattle dips), and the use of integrated pest control, eco-agricultural techniques, and use of traditional knowledge.	
		research and research applications for productivity enhancement including preparedness for effects of climate change and weather variability, new technologies for agricultural data management and marketing information	
		Agricultural research and training institutions, share of R&D expenditure in GDP, R&D collaboration with other countries.	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		Promotion of patenting and commercialisation of proven technologies.	
		capability of researchers (in both national research and academic institutions) , particularly in new areas such as biotechnology and engineering	
		collaboration among the private sector, government, and research organizations in order to increase private funding for R&D	
		Creation of awareness on the importance of Intellectual Property Rights (IPR) associated with indigenous and traditional knowledge.	
		Promotion of programmes that increase income generating opportunities in the rural areas through promoting local small-scale industries, non-traditional products and traditional crafts.	
	2.14 Strengthen infrastructure to support growth of employment generation and profitable agriculture	adequate irrigation schemes to increase land under irrigation coordination between road works and construction of small dams for agriculture	MOID, MOWI, MAFC, MST, PMO-RALG, Private Sector
		Promotion of water use efficiency and use of appropriate and environmentally friendly technologies, including water harvesting through constructing water charcoals.	
		Adequate storage capacity at all levels, including Cold Storage facilities for horticulture, diary production, etc.	
		Establishment of market centres in every ward and modern abattoirs & meat processing plants in every region and promotion of dairy and leather industries (SMEs)	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		Improvement of Transport and Communication to markets; including rural roads, regional and trunk roads, rail roads, airports and harbour, use of ICT etc	
		marketing infrastructure in key strategic areas to enhance competitiveness, employment, profitability and incomes	
		Funding to the Rural Energy Fund and focus its activities on agricultural transformation.	
		Community development initiatives e.g. community-based assets including rural road construction, charcoals, etc.	
		Promotion of initiatives that mobilizes cash and in-kind contributions in constructing community assets such as community roads, dams and water canals, etc	
		Expansion of community development programmes such as TASAF, SELF, etc, to reach wider areas and communities.	
		Youth voluntarism in community development initiative programmes in support of agriculture	
	2.15 Improve access to agricultural financing	long term financing for agricultural development including establishment of the Tanzania Agricultural Development Bank (TADB) and Special Fund for Tanzania Green Revolution to address Investment, Capacity Building and Guarantees	MOFEA, PMO, MAFC, Private Sector
		Loans and grants arrangements for a large facility for Agricultural Transformation from Multilateral and Bilateral Sources	
		Agricultural Investment by Private Sector – Small, Medium and Large and establish a	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		mechanism for Farmers Cooperatives and SACCOs to mobilize and channel funds for Agricultural Production to its members	
		microfinance institutions and insurance schemes to serve both crop and livestock farmers	
		Strengthening livestock extension service and research on high yielding animal feeds	
		Provision of subsidy on livestock inputs	
		Creation of an enabling environment for the provision of adequate and affordable financing and credit facilities by both public and private sectors for funding production, processing and marketing;	
		Development of Commodity Exchanges and facilitate floatation of Agricultural companies	
		access to micro financial services for women and men, especially the youth	
		value addition of revenue received from concessions and licences for Forestry	
			MOFEA, MNRT
F Growth of tourism in real terms increased (from 1.9% in 2009 to 8.9% by 2015)	2.16 Promote Tanzania to be the best tourists destination	Facilitation of acquisition of land for tourism activities such as land for hotel chains, recreational sites, etc.	MTNR, MoLHSD, MOFEA, TIC, Private sector,
		basic infrastructure (roads, railways, airstrips, ports) and energy, water, health facilities, etc to encourage expansion of tourism, including	MoID, MoHSW, MEM

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		local tourism	
		Improvement of quality of service to acceptable standards	
		Promotion and diversification of tourism product	
		more earnings to the country from tourism proceeds	
	2.17 Implement measures that directly link tourism with other sectors in the economy	Measures to integrate local economy with tourism magnets (supply of goods and services, employment etc.)	MTNR, MAFS, MFLD
G. Growth of mining sector increased (real terms from 2.0 in 2008 to 12.7 % by 2015)	2.18 Enhance capacity of small and large scale miners in the application of appropriate environmental friendly technologies, processing, and marketing	ongoing capacity building to small scale miners in application of appropriate technology, processing, and marketing	MEM, MITM, Private sector
		Revision on a regular basis, Policy, Laws and regulations	
		usage of modern and environmentally friendly Technologies	
		adequate security in mining areas	
	2.19.. Increase value addition of minerals	set up and modernization of facilities for processing	MEM, MITM, Private sector
		Laws and regulations	
		Provision of security to facilities.	
		Adherence to quality and standards.	
	2.20. Improve measures that will attract minerals benefications to leverage the economy 2.20. Increase value of revenue received from concessions and licences for minerals	licensing considers national interests first; curb all forms of corruption in licensing and collection of revenue; avoidance and evasion of payment	MEM; MOFEA, MITM
H. Growth of fisheries sub-sector increased (from 3.0% in 2009 to 5.3% percent by 2015 in	2.21 Implement measures that ensure sustainable harvesting of fishery resources	good management of revenue received from fishing licences	MFLD, VPO, MoLHSD, Private sector
		Promotion of investment in deep-sea fishing	
		Promotion of fish farming	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
real terms)			
I. Role of informal sector especially MSMEs scaled-up	2.22. Promote formalization of informal sector, especially MSMEs in order to access capital and markets	Promotion of and strengthening of financial services, improvement of access to land, markets and training and skills for doing business Strengthening of cooperatives including SACCOS, in both rural and urban areas,	MoFEA, MoLHSD, PO(MKURABITA), MITM(SIDO), Private Sector, Financial institutions
J. Generation of energy (electricity, etc), utilization of capacity and coverage increased	2.23. Expand access to energy coverage.	adequate financing of selective components of the Energy Master Plan Emergency Power Generation Natural Gas Development Supporting Rural Electrification projects through Rural Energy Agency (REA) Strengthening, Upgrading and Expanding the National grid Harnessing of more potential sources of energy such as wind, solar, small hydro, biogas, with emphasis on renewable sources efficient use of energy by applying energy saving technologies use of environmentally friendly alternative and indigenous energy resources	MEM, TANESCO, REA VPO(NEMC) Private sector,
K. Sustainable supply of water for production use ensured	2.24. Improve water supply coverage and expand distribution network 2.24. Implement Water Sector Development Programme	water supply and coverage for production exploiting more sources and expanding distribution network. Promotion of good governance and equity in water resources use and management Strengthening sustainable water resource management by ensuring sound balance between competing users, including biodiversity	MEM, MOWI, VPO(NEMC), NSAs
L. Different parts of the country linked	2.25. Modernize and expand the physical infrastructure (roads, sea ports, airports,	Enhance PPP modality in infrastructure development	MoID (TANROAD, SUMATRA), TIC,

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
and connected to regional and global networks	railway lines) to link domestic economy and regional networks	Construction, rehabilitation of roads and address the problems of traffic congestion	Private sector, TABOA
		Rehabilitation and upgrading of Railways lines and construct Inlands Container Depots (ICDs)	
		Construction of new, Rehabilitation and upgrading of existing ports	
		Construction, Rehabilitation, Upgrading and Expansion of Airports	
		Promotion in competition in the supply and operation of services	
		efficiency in the use of infrastructure such as through revision of laws, regulations and procedures	
	2.26 Strengthen rural roads to ensure passability throughout the year	Implementation of rural infrastructure schemes	PMO, MoID, Private sector, PMO RALG
	2.27 Expand ICT infrastructure and connectivity for enhancing transfer of knowledge for production, marketing and monitoring .	Link at least all district headquarters via satellite for enhancing transfer of knowledge for production and monitoring of climate change	PMO, MoID, private sector, PMO RALG
M. Integration into regional and global markets promoted by strengthening trade logistics	2.28. Implement measures that encourage competitiveness of exports and build capacity in trade negotiations (STRATEGIZE)	measures that encourage competitiveness of exports in the regional trade blocks and globally	MITM, TRA, BOT, BET, Private sector
		Strengthening and introduce trade-logistics to promote trade in merchandize and services, including goods in transit	
		Strengthening national capacities in bilateral and multilateral trade negotiations	
Goal 3: Ensuring creation of productive and decent employment, especially for women and youth			

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
N. Unemployment and underemployment reduced (unemployment from 10 % in 2008 to 5% by 2015)	3.1. Develop and Implement measures that promote job creation and ensure equal access, particularly for the youth, women and disadvantaged sections of the society	Promotion of investments through PPP that lead to creation of productive jobs and improving productivity (tax incentives; facilities; laws and regulations)	MLEYD, MoEVT, MoFEA, PO-PC, Private sector, Financial institution,
		Promotion of venture capital for indigenous innovations	
		Expansion of VETA and other polytechnics training in order to promote skills for self employment and productivity	
		Promotion of entrepreneur-friendly credit schemes for start up capital, especially women financial institutions	
		product diversification and production of crops with high yield including mixed farming	
	3.3. Promote and create off-farm employment in rural areas	Promotion of Community-implemented projects such as rural roads maintenance	MoID, LGAs, MITM, Private Sector,
		Promotion of credit schemes, access to equipment, and other inputs for rural SME	
O. Affirmative action to create employment opportunities, including self employment for women, youth, and disadvantaged sections of the society taken	3.3. Create employment opportunities for women, youth, and disadvantaged sections of the society {---}	opportunities for employment through PPP schemes	MLEYD, MoHSW, MCDGC, Private sector
		Implementation of special incentives for self employment (designated areas, soft loans etc).	
		Provision of market information and ensure	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
		market access for products	
	3.4. Strengthen institutional frameworks for efficient coordination of employment creation	Coordination and streamline institutions that deal with employment issues	MLEYD, MOFEA, MOHSW, Private Sector
		Implementation of affirmative actions in employment creation opportunities for youth, women, and people with disabilities.	
		Promotion and implementation of Social protection measures that promote productive capacities	
	3.5. Implement programs for demand-driven skills development to stimulate local economies for job creation	Skills development through VETA, SIDO, Folk Development Centres, ICT/Resource Centres, etc.	MLEYD, MOEVT, MITM(SIDO)
		coordinating institutions that deal with Human capacity development, outreach etc.	
	3.7. Promote private and public investments with a view to creating jobs, particularly for youth and women	Improvement of business environment (incentives, laws and regulations) and infrastructure to attract joint ventures and technology acquisition.	PMO,MITM,MCST, Financial institutions
		HR capability (skills development) to promote technology diffusion and further development.	
		infrastructure and information sharing on technology and market access.	
		credit schemes for informal businesses to enhance their capacity and capability	
		Supporting skills development (quality, marketing, processing) that promotes self – employment for rural and urban dwellers especially Women.	
		incentives for promoting self-employment by reviewing laws and regulations.	
		establishment of production clusters in both rural and urban areas	

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
	3.8. Implement labor market and employment aspects of the National Social Protection Framework	Empowerment of individuals with disabilities to engage in productive employment	MLEYD, MOFEA, PO(TASAF)
	3.9. Increase number of vulnerable economically active population reached with social protection in order engage effectively in economic activities	Provision of special incentives for engagement of vulnerable groups in production	MLEYD, MOFEA, PO(TASAF), MPO-RALG
		Addressing market failure to protect vulnerable groups	
P. Consequences of migration on population distribution, urbanization, and implications for employment addressed	Implement labor market dimensions of the National Population Policy Implementation Strategy (2007)	working age group actively engaged in production	PO-PC, MLEYD, Private Sector
		Expansion employment opportunities, taking into consideration structure of population pyramid	
	3.11. Integrate population dynamics in growth for poverty reduction {-----}	policies that enhance opportunities of young people	PO-PC, MOFEA
		programs that ease pressure on the natural environment especially in agriculture (brought about by rapid population increase)	
		production increase well over and above population increase	
Goal 4: Ensuring food security and climate change adaptation and mitigation			
Q. Food security at household, district, regional, and national	4.1 Promote use of micro storage facilities.	use of micro-storage facilities such as pest-proof <i>vihenge</i> at household level, village and ward warehouses	MAFS, PMO, LGAs, CSOs, Private sector

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
levels ensured			
		encouraging a culture of dietary diversifications to other less common food stuffs	
		storage facilities and shelf life extension technologies appropriate at household level in rural areas.	MITM, MAFS, LGAs, MoID, MoWI
		policies and Guidelines that promote food stocking and cultivation of food security crops.	
		Promotion of investments by private sector in agriculture and agro-processing industries for value addition and extending shelf life.	
	4.2. Sustain minimum food reserve requirements in the country	adequate financing of SGR and its timely intervention in areas of excess and shortage	PMO
R. Measures to mitigate and adapt to climate change pursued and implemented	4.3. Strengthen research to enable introduction and adoption of varieties to withstand conditions brought by climate change	Strengthening research to enable introduction and adoption of varieties to withstand conditions brought by climate change	MAFS, MFLD, COSTECH and specialized research institutions, PMO-RALG
	4.4. Improve monitoring of crops and livestock health and management	early warning systems and food stocks monitoring in every district	MAFS, MFLD, COSTECH and specialized research institutions, PMO-RALG
Goal 5. Allocating and utilizing national resources equitably and efficiently for poverty-reducing growth, especially in rural areas			
S. Financial resources allocated equitably and in a transparent manner	5.1. Deepen implementation of Public financial Management Reforms	good financial management in Public Finance	MOFEA ,PMO-RALG, NAO, CSOs
T. Financial resources utilized in most	5.2. Promote transparency, integrity, accountability, and managing for	capacity building in planning, programme management and procurement, especially in	MOFEA, MoID, PO-PSM, PMO-RALG,

Operational Targets	Cluster Strategies	Intervention Packages	Key Actors
effective and accountable manner	results	large infrastructure projects such as roads, ports, and energy	PCCB, NAO, CSOs
		anti-money laundering and financial intelligence systems	
		regulatory bodies and physical audit of development projects	
	5.3. Strengthen implementation of D by D	tracking of financial outlays to ensure value for money	PMO-RALG, PO-PSM, MOFEA
	5.4. Operationalize and institutionalize PPPs policy	strategic PPP framework and operationalize and institutionalize PPPs	PO-PC, MOFEA, PMO
U. Sound use of natural resources ensured	5.5. Ensure natural resources are utilized in sustainable, equitable and accountable manner	legal instruments that require corporate entities dealing in natural resources to act in a responsible, accountable and transparent manner.	MNRT, MJCA
		principles of intergenerational equity	

CLUSTER II: IMPROVEMENT OF QUALITY OF LIFE AND SOCIAL WELL BEING

Broad Outcomes:

1. Quality of life and social wellbeing for enhancing capabilities, with particular focus on the poorest and most vulnerable groups, improved
2. Inequities in accessing economic opportunities and social services along geographical areas, income, age and gender reduced

Goal 1: Ensuring equitable access to quality education for boys and girls, universal literacy among men and women

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
A. Quality teacher trained, deployed and retained	1.1 Deployment of qualified, competent and motivated teachers in an equitable and appropriate manner	Training different cadres of teaching professionals (gender-balanced)	MoEVT, PMORALG, MoFEA, Private Sector
		regular and inclusive pre-service and in-service training programs and professional development in favor of science biased specialization.	
QUALITY OF TEACHING: PRE-PRIMARY, PRIMARY, SECONDARY, TERTIARY			
B: Appropriate student – qualified teacher ratios achieved	1.2 Ensure equitable deployment of qualified, competent and motivated teachers at all levels of education delivery.	Improvement in working environment especially in disadvantaged locations, through appropriate incentives such as housing, including supportive infrastructure	MoEVT, LGAs, Private Sector
C: Conducive teaching and learning environment ensured	1.3 Intensify measures that will ensure availability of conducive teaching/learning environment at all levels of education	Provision of requisite teaching aid, facilities and equipment, housing and office accommodation at all levels of education delivery	MoEVT, LGAs, Private Sector
		Well-equipped laboratories in secondary schools and tertiary institutions	
		Access to water, sanitation and hygiene facilities and increase girls dormitories	
	1.4 Achieve appropriate/recommended textbook-student ratios at pre-primary,	Adequate textbooks at both primary and secondary school levels by addressing pricing,	MoEVT

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
	primary and secondary education levels	procurement and distribution issues	
	1.5 Achieve recommended classroom density at pre-primary, primary and secondary education levels	Building/renovation of classrooms	MoEVT
	1.6 Achieve recommended student-desk-ratios at pre-primary, primary and secondary education levels	adequate desks/chairs	MoEVT
	1.7 Review curricular regularly to accommodate new and emerging issues	Revision and update curriculum, strengthen math, science and technology component, incorporate issues of HIV & AIDS, environment, education for sustainability, and social equity in primary and secondary curricula, and teacher training; quality interactive teaching and learning materials	MoEVT
D: Inspectorate services strengthened	1.4 Sustain school inspectorate functions for monitoring education quality	Recruitment and training of qualified school inspectors	MoEVT, PMORALG
		periodic school inspection for monitoring inputs, processes and learning outcomes in schools;;	
		Strengthen quality assurance at higher and technical education levels.	
		Establishment of learner centered and competency-based performance indicators	
		Expansion and strengthening of inspection and quality assurance across board for a systematic approach towards addressing the quality of education, and the acquisition of real life skills	
		Generation of routine and survey data on underlying issues of attendance or non-attendance and dropouts to generate better evidence on which to make planning decisions.	
E. Effective use of	1.5 Ensure optimal use of human, material	Strengthening of monitoring of budgetary	MoEVT, PMORALG,

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
resources at pre-primary, primary, and secondary schools ensured	and financial resources at all levels of education delivery	allocations and accountability in use of resources.	MOFEA
		regular Public Expenditure Reviews (Annual) and Value for money audits	
	1.6 Improve clarity, transparency and accountability in financial management	allocations are done in a transparent manner; harmonization of conditions for disbursement	MOEVT,PMO-RALG,LGAs,MOFEA
	1.7. Strengthen PPPs for education delivery 1.11. Explore other sources of education funding	Introduction of new sources of financing	MOEVT,PMO-RALG,LGAs,MOFEA
		Strengthening of PPPs for education delivery	
	1.12. Integrate population dynamics	absorption of respective cohorts in the education system	MOEVT,PMO-RALG,LGAs,MOFEA
		Efertility rate that does not undermine education of children	
Goal 2: Ensuring expansion of higher, technical and vocational education to support growth			
VOCATIONAL AND TECHNICAL EDUCATION			
F: Enrolment in Vocational and Technical colleges increased	<p>2.1. Expand and improve infrastructure to support development of vocational and technical colleges</p> <p>The following are only in SBAS. Higher education is also missing there</p> <p>2.2. Improve infrastructure to support expanded enrolment and quality delivery</p> <p>2.3. Ensure optimal use of human, material and financial resources at all levels of education delivery</p> <p>2.4. Strengthen PPPs for education delivery</p>	Development and implementation of Technical and Vocational Education and Training Development Plan, which reflects and is flexible to national economic growth agenda	MoEVT, MoST, Private Sector

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
		skills, entrepreneurship training and vocational guidance, polytechnic training, with special emphasis on those trades related to growth drivers	
		Implementation of quality assurance	
		Expansion and update range of courses offered to align with modern employment needs	
		Folk Development Colleges into a coherent program of training including Integrated Community Based Adult Education Programs (ICBAE); and link adult literacy with demand driven local vocational initiatives.	
		Strengthening of role of the private sector in providing quality vocational and technical education	
	2.2. Review curricular regularly to accommodate new and emerging issues	Revision and update curricula in line with national growth agenda	MoEVT,
UNIVERSITY EDUCATION			
G. Enrolment, quality, and relevance of university education increased	2.3. Strengthen and expand university education	Expansion and improve infrastructure to support expanded enrolment and quality delivery	MoEVT, MoCST, Private Sector
		Strengthening of the Loan Board and introduce other financing options	
		availability of skilled and qualified lecturers and retain them	
	2.4. Review curricular regularly to accommodate new and emerging issues	Revision and update curricula in line with national growth agenda	MoEVT,
USE OF RESOUECES			
H. Effective use of resources at high and technical levels	2.5. Link planning, budgeting and performance to ensure optimal use of human, material and financial resources at	Strengthening of monitoring of budgetary allocations and accountability in use of resources.	MoEVT, MOFEA

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
ensured	higher, technical and vocational education delivery.		
		regular Public Expenditure Reviews (Annual) and Value for money audits	
		allocations are done in a transparent manner; harmonize conditions for disbursement	
	2.6. Explore other sources of education funding	sources of education funding and introduction of new sources of financing higher, technical and vocational education	MoEVT, MOFEA
		Strengthen PPPs for education delivery	
Goal 3: Improving survival, health and well being of all children, women and vulnerable groups			
I: Fertility rate slowed down (from TFR 5.7 (2004) to 5.0 pa by 2015)	3.1. Enhance access to modern contraceptive use for all sexually active persons	access of young women and men to quality reproductive health services, including family planning	MOHSW, PMORALG, FBOs, private sector
HUMAN RESOURCES FOR HEALTH¹			
J: Adequate mix of health professionals trained, deployed and retained	3.2. Improve HR capacity, and management at all levels of health delivery system	appropriate training packages, including pre-service and in-service training.	MOHSW, PMORALG, FBOs, private sector
		Strengthening of Zonal Resources Centers to support training institutions in setting up quality assurance in education, and to assist regions and districts in continuing education	
	3.3. Ensure that reforms of Local Government and Public Service address the fundamental challenges in public in health	Revisiting of Local Government and Public Service Reforms with respect to HR management	MOHSW, PMORALG, FBOs, private sector
		Strengthening of Control of communicable and non- communicable diseases	
		Strengthening District and Social Welfare Services	

¹ These targets are as presented in HSSP III. However, the sector should review and agree on appropriate and realistic targets.

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
	3.4. Pprioritize interventions to improve the availability and productivity of human resources	Revision of staffing norms to take into account actual workload	MOHSW, PMORALG, FBOs, private sector
		Prioritization of facilities according to need (MAAM)	
		Constructions, rehabilitation and equipping health facilities with basic equipment and drugs.	
		Training low level workers to undertake procedures in absence of more skilled staff (job shifting)	
		attention to performance and results at all levels of the health system (introduce P4P)	
		strengthening of Health Management Information System (HMIS), requiring mandatory reporting of health outputs and incorporating output measurement in supervision and monitoring at all levels	
		gender-balanced recruitment of skilled and motivated health workers	
		Use formula-based’ distribution of block grant for health to address disparities.	
Maternal and Neonatal Health			
K. Maternal mortality rate reduced (from 578 per 100,000 (2004/05) live births to 193 per 100,000 live births by 2015) L Neonatal mortality reduced (from 29 per 1,000 live (year xxxx) births to 19	3.3 Improve access to quality maternal health care ,antenatal care , basic and comprehensive emergency obstetric care, and post-natal care	Implementation of the One Maternal and Newborn Plan: <ul style="list-style-type: none">• Scale up basic EmOC and comprehensive EmOC, increase coverage of skilled attendance, improve community-based interventions for maternal and neonatal care.• proportion of health facilities offering Essential Newborn Care• adequate budgetary resources and assure	MOHSW, PMO-RALG, FBOs, private sector

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
per 1,000 live births in 2015)		availability of adequate supplies and equipment for emergency and comprehensive obstetric care; and prioritization of the same by Council Health Management Teams (CHMTs).	
		Quality, timeliness, adequacy and responsiveness of logistical system, particularly those supplies and equipment required for essential maternal, neonatal and child health interventions.	
		Implementation of hospital reforms, with a particular focus on monitoring the quality of clinical care in district, regional and referral hospitals; assure quality service as well as dignity and safety for expectant mothers.	
		Devolution of partial budgetary authority from the CHMT to the health facilities; accompanied by strengthening Facility Governing Committees (FGCs) and Councils Health Services Boards (CHSB) to provide accountability for finance and performance.	
		Revision of the structures and systems for community participation and accountability and devise remedial strategies to improve the functioning of health committees.	
	3.6. Address disparities in health outcomes and services by socio-economic groups, urban/rural and districts	Revision health financing policies and strategies with a particular emphasis on providing service to the poorest and the most needy, fair (progressive) financing and effective risk-pooling.	MOHSW, PMO-RALG, FBOs, private sector
	3.4. Promote and strengthen Public-Private-Partnership (PPP) in health care delivery	Promotion of Public-Private-Partnership (PPP): <ul style="list-style-type: none"> strengthening regulation and oversight measures for accreditation of private 	MOHSW, PMO-RALG, FBOs, private sector

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
		providers <ul style="list-style-type: none">strengthening collaboration between government and non-government providers by improving service-based funding agreement (government subsidy to faith-based providers)	
	3.8. Promote targeted nutrition education and supplementation (to address micronutrient deficiencies) for pregnant women.	Implementation of nutrition programs for pregnant women (iron supplementation, iodized salt, etc); scaling up highly cost-effective micronutrient programs	MOHSW, PMO-RALG, FBOs, private sector
		Provision of facility and community based initiatives to promote adequate food intake, reduced workload for women, anemia screening, iron and vitamin supplementation	
		Training of focal persons in charge of nutrition at the Council and community levels	
Infant & Child Health including nutrition			
M Infant mortality rate reduced (from 58/1000 live births to 38/1000 by 2015). N. Under-five mortality rate reduced (from 91 per 1,000 live births to 54 per 1,000 live births by 2015) O Proportion of under-five, underweight (weight for age) reduced (from 22% to 14% by 2015)	3.5. Improve quality of facility-based and community Integrated Management of Childhood Illnesses (IMCI)	Improvement of quality of facility-based and community IMCI	MOHSW, PMORALG, CSOs, private sector
	3.8. Improve infant and child care at the health facility and community		
	3.9. Scale up implementation of public health and primary preventive strategies such as use of safe and clean water, personal hygiene and sanitary measures, and promote greater awareness and emphasize cost-effective interventions for reduction of water-borne diseases.	access to clean and safe water and sanitation facilities at health facility level, including measures to promote hygiene Implementation of Environmental health programs	
	3.6. Implement Environmental health programs		

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
P Proportion of stunted under-fives (height for age) reduced (from 38% to 22% by 2015)	3.10 Explore options for more effective control of malaria	Scaling up malaria control measures, including universal distribution of long-lasting nets; implementation of Rapid Malaria Test (RDT) for malaria country-wide; increase intermittent presumptive treatment in pregnancy (IPTp) coverage and introduce additional malaria control strategies including indoor residual spraying.	
	3.11 Increase immunization coverage and introduce new options for EPI vaccines	research on developing new EPI vaccines (Hib, Pneumococcal, Human Papilloma Virus (HPV) and Rota Virus vaccines)	
		Implementation of Expanded Program for Immunisation (EPI)	
	3.12. Promote sound feeding and weaning practices for infants	Implementation of nutrition interventions, especially in children under 24 months of age, including exclusive breastfeeding and appropriate infant and young child feeding practices	MOHSW, PMORALG, private sector, MOHSW, MCDGC, CSOs
		the National Strategy for Parenting Education and Support.	
		technical supervision and support for effective delivery of essential nutrition interventions are embedded within MOHSW, RHMTs and CHMTs.	
		universal Vitamin A coverage; de-worming campaigns; and rehydration in cases of diarrhea	
HIV & AIDS Q. HIV/ AIDS infection rate reduced	3.14. Sustain care and treatment with emphasis on, <i>prevention of mother to child transmission (PMTCT+)</i> ,	STI is screening and treatment, VCT services, condom use, strengthening non-ARV interventions and address stigma and discrimination.	MOHSW, PMORALG, FBOs, CSOs, private sector,
		Integration of family-centered Prevention of mother to child transmission (PMTCT+)	

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
		programs with Reproductive Health programs	
		universal coverage of VCT (to match scaling up of PMTCT)	
		STI screening and treatment, including improved access to male and female condoms	
		Provision of prophylaxis to all HIV positive women and their neonates	
		averting transmission during breastfeeding	
		Strengthening of non-ARV interventions: <ul style="list-style-type: none"> • TB prevention and treatment program • Treatment of opportunist infections in PLHAs • Nutrition supplementation to those on ARV 	
	3.15. Improve surveillance and follow-up of neonates	Improvement of surveillance of all newborns on paediatric prophylaxis to assess survival of those on treatment.	MOHSW, PMORALG, FBOs, CSOs, private sector,
R. Health and well being of PLHAs improved	3.8 Reduce HIV prevalence rates among women and girls 3.16. Strengthen support for PLHAs (with particular attention to women, children, PLHAs elderly carers, widows and child headed households).	Strengthening Home Based Care (HBC) program, including increased support (financial, technical, psychosocial) to PLHA caretakers	MOHSW, PMORALG, FBOs, CSOs, private sector,
	3.17. Integrate measures to address gender and inequities that result in higher HIV prevalence rates among women and girls.	Introduction of structural prevention measures (such as keeping girls longer in schools, promoting income-generating/livelihood schemes for adolescent girls and women, including access to credit and markets).	MOHSW, PMORALG, FBOs, CSOs, private sector,
Goal 4: Increasing access to affordable clean and safe water sanitation and hygiene			
R Proportion of rural households using improved sources for	4.1. Create affordable, sustainable and reliable sources of water in both rural and urban areas.	access to inexpensive and sustainable, reliable sources of water in both rural and urban areas, including health facilities and schools.	MOW PMORALG MLHHSD, VPO,

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
drinking water increased (from 40% to 67% by 2015)			Private Sector, CSOs, FBOs, Communities
T Proportion of urban households using improved sources for drinking water increased (from 80% to 94% by 2015)		Rehabilitation,, expansion, protection, and sustain water supply systems including rainwater harvesting, construct new water sources, and strengthen community water management systems.	
		Engagement of civil society and councilors in planning processes to promote more equitable decision making	
		Promotion of council support to community management of water points, including routine performance monitoring of water points	
		Strengthening of capacity for sustainable management of rural water supplies	
		effective accountability and transparency in flow of funds from central to Council level	
		studies on access and cost of water and sanitation paying attention to vulnerable groups in the society, e.g levels of and obstacles to access by women, the elderly, disabled, street children PLHAs, etc	
		implementation of resource allocation formula which will ensure allocation of significant resources from the WSDP to underserved area	
		Capacity requisite for improving management of finances and operations and maintenance of water supply schemes in rural areas.	
	4.2. Ensure efficient and effective	Align water usage to country's growth strategy	MOW

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
	management of water resources to support services and productive activities		PMORALG MLHHSO, VPO, Private Sector, CSOs, FBOs, Communities
		a national planning approach that incorporates all of Tanzania's nine river basins to match water potential and water requirements	
		Promotion sustainable management of catchment forest areas	
		Promotion of water quality and quantity surveillance and ensure appropriate maintenance of existing protected water sources.	
		Strengthening of community tariff collection capacities	
		Apply tariffs that ensure affordability of safe water, especially in rural areas, focusing on vulnerable households, including elder people-headed households Improvement of the quality of data available for sector monitoring, including nuanced survey questions, household surveys, and water point Mapping	
Sanitation & Hygiene U. Access to sanitation facilities at household and public places improved	4.2. Implement water, sanitation and hygiene programme (WASH) at all levels	Sensitization and support construction and usage of sanitation facilities at household level	MoWI, MOHSW, MOEVT, PMORALG, CSOs, LGA, FBOs, Private sector, Communities MLHHSO, PMORALG, CBOs, NGOs, Private

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
			sector, Mass media, community
		Identification of high level political champions to address sanitation and hygiene, with increased advocacy.	
		Rehabilitation and construct more public sanitation facilities	
		instituting policy, institutional, coordination, monitoring and evaluation, and financial challenges in sanitation and hygiene	
		Adequate sanitation facilities at household level and public institutions, including schools, health facilities, markets and public places, including access for disabled.	
Goal 5: Developing decent human settlements equitably and managed without compromising environmental quality.			
Planning & Human Settlements V. Planned and serviced urban settlements with functioning town planning procedures increased	Ensure Integrated human settlement plans, land surveys and issuance of land titles	Settlement scheme in all municipalities and town councils.	MLHSD, VPO MJCA, PMO-RALG, CSOs,
		base maps and other forms of data for rapidly growing urban centers and establish land banks in peri-urban areas to be used for community/public use e.g. roads, social services, open spaces, cemeteries, etc.	
		Execution of Kigamboni New City as a pilot case	

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
		Implementation of environmentally sound Land use and conservation plans	
		Establishment of National Network Control Points to facilitate land surveying and mapping	
		Decongestion of the Central Business Districts (CBDs) of all cities and municipalities by allocating new service centers in peri-urban areas	
		Establishment of Town Planners Registration Board Office and support the Board with resources	
		Finalization and preparation of a framework for regularizing unplanned settlements	
		Implementation of regularization framework of unplanned settlements in all cities, municipalities and regional towns	
	5.2. Implement Strategic Plan for Implementation of Land Laws (SPILL)	efficient land and property management with special attention to equity	MLHSD, VPO MJCA, PMO-RALG, CSOs,
		Establishment of land rangers' and building inspectors' Units	
		capacity of local and social institutions involved in planning and land management	
		Implementation of land laws and ensure that women/men have equal rights to access, ownership, inheritance and use of benefits from properties	
		Sensitisation and provision of education and awareness on land rights, laws and tenure system to all groups	
W. Consequences of migration on	5.3. Ensure integrated urban planning	Harmonization of urban growth rate with supply of facilities and services (housing,	MLHSD, VPO MJCA, PMO-RALG,

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
population distribution and urbanization and implications for access to resources and social services addressed		transport, health, education, etc)	CSOs,
Goal 6: Providing adequate social protection and rights of the vulnerable and needy groups with basic needs and services			
X. Proportion of vulnerable children and adults under effective social protection measures increased	6.1. Ensure universal access to social protection	effective implementation of block grants to LGAs, to address geographic disparities	MOFEA, MLEYD, MCDGC, PO, PMO-RALG, TASAF, MOJCA, TACAIDS, Private Sector, FBOs, CSOs, Trade Unions, Communities
Y Number of eligible elderly people reached with effective minimum social elderly pension increased		Implementation of progressive health financing mechanisms with effective risk pooling in place, as well as exemption and waiver schemes.	
Z. Capacity of poor households to care for vulnerable members enhanced		Implementation of school feeding programs for pre-school and primary school pupils	
		Implementation of social security schemes, including food safety nets	
		mainstreaming of provision of social protection measures in plans of the state and non-state actors	
		start up kits for Income Generating Activities	

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
		(IGAs) to enable households with vulnerable groups to meet basic needs.	
		modalities that will help elderly people access minimum social protection package and exemption and waiver (e.g. identity cards for elderly people)	
		Provision of affordable technical aid for people with disabilities	
		Strengthening of M&E on issues related to marginalized and vulnerable groups	
		Promotion of community-level participation in designing and effectively instituting social protection measures for the vulnerable community members from the very young to the elderly	
		Strengthening of programs that provide care and support to infected and affected, including home-based care programs	
	6.2. Promote private sector initiatives in implementing social protection measures	Promotion of corporate social responsibility	MOFEA, MLEYD, MCDGC, PO, PMO-RALG, TASAF, MOJCA, TACAIDS, Private Sector, NSA, Trade Unions, Communities
		Revision of policy and regulations of microfinance institutions to ensure ease of credit and exemptions applicable to vulnerable groups	

CLUSTER III: GOVERNANCE AND ACCOUNTABILITY

Broad Outcomes

1. Democracy, good governance and rule of law ensured
2. Peace, political stability and national unity sustained

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
Goal 1. Ensuring systems and structures of governance are democratic effective accountable and corruption free at all levels			
A. Principles of transparency, efficiency, accountability and inclusiveness at all levels ensured	1.1 Deepen implementation of key aspects of institutional reforms and coordinate effective implementation of all components of the National Framework on Good Governance	implementation of key aspects of institutional reforms and coordinate effective implementation of all components of the National Framework on Good Governance	PO-SH, MOF, VPO, PMO, , CSOs, LGAs, Media, MJCA.BOT,,
	1.2 Improve capacity of representative bodies at all levels, to perform oversight functions; and ensure that separation of powers between the Executive, Judiciary and Legislature is maintained	Improvement of capacity of representative and oversight bodies at all levels, including Parliament to perform oversight functions	Parliament, PO-RALG, PO-SH, LGAs, MJCA.
	1.3 Strengthen local level governance institutions to participate in design, implementation and monitoring of good governance policies 1.3 Implement the Local Government Reform Programme.	local governance institutions to participate in design, implementation and monitoring.	LGAs, MJCA, PO-RALG, Community, CSOs
		All legal community meetings are held as per legal provisions	
		Put in place mechanism to implement African Union policy on gender parity	
		Mechanisms for promoting dialogues, consultations, and network of various actors in development are in place and functioning.	

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
	1.4. Ensure that separation of powers between the Executive, Judiciary and Legislation is maintained and nurtured.	capacity building for executive staff of MDAs , and staff in NSA and civil society organisations, public on the roles of Executive, Judiciary, and Legislative functions of the state	Parliament, PO-RALG, PO-SH, LGAs, MJCA. MOF
		Redefine the role of the State to permit and facilitate various actors, e.g. the family, business enterprises, and civic organisations, to participate in the market in the context of national and global realities	.
B Both petty and grand corruption eliminated	1.4. Scale up implementation of NACSAP and application of PCCA 2007 and PSA 2005	Action plans and strategic plans of GGCU, PCCB, Ethics Secretariat, DPP, and MDA,s	Parliament, PO-RALG, PO-SH, LGAs, MJCA.
		Accountability of the public sector, civil society media, Parliamentarians, law enforcement institutions	
Goal 2. Improving public service delivery especially to the poor and vulnerable			
C. Capacities and management systems in service delivery improved	2.1. Implement Public service reform and local government reform programmes	qualified staff for effectiveness of service delivery at all levels	PO-PP, MOF, VPO, PMO, PO-SH, CSOs, LGAs, Media, MJCA.
		monitoring of public resources at all levels	
		capacities and management systems in service delivery and ensure that all service delivery institutions provide correct information and analysis in response to their obligation to the society	
	2.1 Operationalize the medium term pay policy and HRM compliance	performance of leaders and effectiveness of service delivery	PO-PP, MOF, VPO, PMO, PO-SH, CSOs, MCDGC, LGAs, Media, MJCA.
		performance-for-results management systems	
		Retooling leaders and service providers for improved service delivery	

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
		re-building trust and confidence in the country's leadership and public service.	
		public servants are accountable to the people.	
		implementation of D by D to address challenges of equity and efficiency in LGAs	POPSM PMO, CSOs
D. Mechanisms for targeting the poor and vulnerable groups introduced	2.3. Implement the National Social Protection Framework	identification of the poor and vulnerable groups to ensure effective targeting	MOHSW, MOHSW, PMORALG, FBOs, TASAF, MCDGC
Goal 3. Promoting and protecting Human Rights for all especially vulnerable women, men, and children			
E. Equal access to timely justice especially by the poor and disadvantaged, ensured	3.1. Build capacity of justice institutions to operate in accordance with basic human rights and Rule of Law	legal sector reform and strategic plans of justice and human rights institutions.	PO-SH, , PO-PSM, CSOs, C, Media, MJCA.
		capacity building of justice institutions including: human rights commission, judiciary, police, prisons, legal aid institutions and legal training institutions, to facilitate improvement of service delivery.	
		Streamlining local level governance systems through legal component of LGRP.	
	3.2.Strengthen law enforcement and judicial systems at the lower levels, to improve access to justice for all especially vulnerable groups 3.2. Improve access to justice for persons in police custody and prisons, women, particularly rural and urban poor women, children and individuals with various physical challenges e.g. albinos, impaired vision etc	Fast tracking caseload, motivation and training of police, prison officers and magistrates and use of parole .	PO-RALG, PO-PSM, LGAs, MDAs. Civil society

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
		Domestication of CEDAW , CRC and ensure gender desk in all police custodies.	
		Extension of legal aid to all persons who cannot afford legal representation.	
		Revisiting discriminatory laws and justice system to facilitate timely handling of crimes	
		civic education to enable citizens demand accountability and performance from law enforcers.	
		Elimination of all forms of gender violation and harassment	
	3.3. Implement the national plan of action on the eradication of all forms of violence against women.	legal aid, counselling and advocacy programs	PO-RALG, PO-PSM, LGAs, MDAs. Civil society
		Mechanisms for improving access of vulnerable women to entrepreneurship, vocational training, and financial assistance and reduce conditions that violate the right to accessing microfinance credit.	
		discriminatory traditional laws and cultural barriers	
F. Proportion of children under 15 years in child labor reduced	3.5. Develop and implement programs targeting reduction of child labour and observe rights of orphans and vulnerable children	Availing alternatives including enrolment in primary education and employable vocational education skills training	MCDGC, MAFS, MEM, MOEVT, MJCA , MLEYD, CSOs, Trade Unions, Communities
	3.5. Review and ammend relevant laws, policies and national strategies in the best interest of children, and develop action plan for implementation of Children's Act.	Children's Act to protect rights of children	MCDGC, MAFS, MEM, MOEVT, MJCA , MLEYD, CSOs, Trade Unions, Communities
		sensitization and surveillance to combat worse forms of child labor in such areas like mining, tea picking, etc	

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
G. Social, political, economic and cultural rights of women, men, and children ensured	3.6. Review and strengthen the legal and regulatory environment for promotion and protection of socio economic and political rights with particular attention to rural poor women and men.	capacity of human rights institutions including electoral commission in administering free and fair elections, human rights commission in reporting human rights abuse and CSOs in promoting human rights.	PO-SH, , PO-PSM, CSOs, PMO-RALG, LGAs, Media, MJCA
		Human Rights education	
		Revision of political parties Law with a view to promoting fairness and accountability	
		affirmative action to promote participation of women in politics	
		Rights to information and media services Bill to expand freedom of expression	
H. Gender-balanced access to secure land rights ensured	3.6. Expand access to secure land tenure especially for women ,and youth	Survey and allocate land/plots to women and men in rural and urban areas	MLHSD, MJCA, LGAs
Goal 4: Improving national and personal property security			
I. All forms of crime including domestic violence eliminated	4.1.Strengthen mechanisms to fight crimes and enforcement of laws	social protection framework	MOFEA,PO-PSM,PMO-RALG, NAO, CSOs
		Sensitization of society to restrain from domestic and gender violence and enforce laws against domestic and gender violence	
	4.2. Strengthen the capacity and effectiveness of peace and security enforcement agencies and institutions	Modernization and build capacity of peace and security organs.	MOHA, MODF
		Involvement communities in maintaining peace and security through means such as sensitisation and campaigns.	
J. Capacity to handle natural and manmade disasters enhanced and increased	4.2 Strengthen the capacity and response ability of disaster management and rescue organs.	Implementation of capacity building programmes	PO-SH, PMO-RALG,MOFEA

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
	4.3 Strengthen institutional systems in all sectors dealing with climate related disasters	capacity in MDAs to deal with climate change	VPO, NEMC, MoID
Goal 5. Promoting and persevering national culture and identity			
K. Culture of belonging nationalism, and self-confidence, self esteem enhanced and promoted	5.1 Promote patriotism, national identity and belonging	Promotion of values that enhance national belonging (language, consumption, etc), unity, peace and stability	MOCS, LGAs, MoEVT
		Sports, cultural activities and entertainment industry	
		values that improve hope and confidence and reactivate the commitment to self reliance and re-cultivate resourcefulness and serving culture	
		Enhancement of social cohesion	
L. Values of hard working, ethics, creativity, and innovation promoted	5.3 Empower citizens at all levels of the society by nurturing self oriented culture of hard work, creativity and innovation	Empowerment of women and men at all levels of the society by promoting development oriented culture of hard work ethics, creativity, and innovation	PO, PMO, MOCS, LGAs, MoEVTs
		Reduction of donor dependence syndrome	
M Cultural Heritage preserved and promoted	5.2. Promote preservation of cultural heritage	infrastructure for preserving cultural heritage	MOCS
		Entrainment industry such as art, film, etc to contribute to economic growth.	
		Sensitization of young generation to appreciate cultural heritage in schools and through the media	
		programs on cultural diversity	
		policies to guide media to embrace social responsibility to minimize cultural erosion	
		Sensitization of parents in child up-bringing	

Operational targets	Cluster Strategies	Intervention Packages	Key Actors
		to enable children appreciate their cultural heritage	

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