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Letter dated 23 June 2008 from the Permanent Representative of the United Republic of Tanzania to the United Nations addressed to the President of the Economic and Social Council

I have the honour to transmit herewith the national report of the United Republic of Tanzania, entitled “Implementation of the national development strategies to achieve the internationally agreed development goals”, for the annual ministerial review to be held during the high-level segment of the 2008 substantive session of the Economic and Social Council (see annex).

I would be very grateful if you could circulate the present letter and its annex as a document of the Economic and Social Council, under item 2 (c) of the provisional agenda.

(Signed) Augustine **Mahiga**
Ambassador

* E/2008/100.



Annex to the letter dated 23 June 2008 from the Permanent Representative of the United Republic of Tanzania to the United Nations addressed to the President of the Economic and Social Council

National report of the United Republic of Tanzania

Implementation of the national development strategies to achieve the internationally agreed development goals

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List of abbreviations

ACP	Africa, Caribbean and Pacific
ADB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
AMR	Annual Ministerial Review
ARI	Acute Respiratory Infections
ARVs	Anti Retrovirals
ASDP	Agricultural Sector Development Programme
ATM	Aids, Tuberculosis, and Malaria
BEST	Basic Education Statistics of Tanzania
CBO	Community Based Organization
CSO	Civil Society Organization
D by D	Decentralization by Devolution
DADP	District Agricultural Development Plan
DASIP	District Agricultural Strategy and Investment Plan
DDC	Developed Countries
DGC	Developing Countries
DHS	Demographic and Health Survey
DP	Development Partner
EAC	East African Community
ECOSOC	Economic and Social Council
EIA	Environmental Impact Assessment
EmOC	Emergency Obstetric Care
EPA	Economic Partnership Agreement
FBO	Faith Based Organization
FDI	Foreign Direct Investment
GBS	General Budget Support
GDP	Gross Domestic Product
GESP	Girls Secondary Education Support Project
GNP	Gross National Product
GoT	Government of Tanzania
HBS	Household Budget Survey
HIPC	Highly Indebted Poor Countries

HIV	Human Immunodeficiency Virus
IADG	Internationally Agreed Development Goal
ICT	Information and Communication Technology
IDA	International Development Agency
IFI	International Financial Institution
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
IPT	Intermittent Preventive Treatment
ITN	Insecticide-Treated Nets
JAST	Joint Assistance Strategy for Tanzania
LDC	Least Developed Country
LGA	Local Government Authority
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative Fund
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
MKUZA	Mkakati wa Kuondoa Umaskini Zanzibar
MMS	MKUKUTA Monitoring System
MoEVT	Ministry of Education and Vocational Training
MPEE	Ministry of Planning, Economy and Empowerment
MTEF	Medium Term Expenditure Framework
NACSAP	National Anti-Corruption Strategy and Action Plan
NBS	National Bureau of Statistics
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
NPES	National Poverty Eradication Strategy
NSA	Non-State Actor
NSGRP	National Strategy for Growth and Reduction of Poverty
ODA	Overseas Development Assistance
PEDP	Primary Education Development Programme
PHDR	Poverty and Human Development Report
PMCT	Prevention of Mother to Child Transmission
PMO	Prime Minister's Office

PMS	Poverty Monitoring System
PPP	Public-Private Partnership
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
RALG	Regional Administration and Local Government Authorities
SACCOs	Savings and Credit Cooperatives
SEDP	Secondary Education Development Programme
TB	Tuberculosis
THIS	Tanzania HIV and AIDS and Malaria Indicator Survey
TIC	Tanzania Investment Centre
TPRI	Tanganyika Pesticides Research Institute
TRCHS	Tanzania Reproductive and Child Health Survey
TWG	Technical Working Group
UN	United Nations
UNCDD	United Nations Convention to Combat Desertification
UNDA	United Nations Development Agenda
UNDP	United Nations Development Programme
UNF	United Nations Foundation
URT	United Republic of Tanzania
USD	United States Dollar
VAS	Vitamin A Supplementation
VCT	Voluntary Council and Testing
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization
ZPRP	Zanzibar Poverty Reduction Plan
ZSGRP	Zanzibar Strategy for Growth and Reduction of Poverty

Executive summary

1. National policies in Tanzania are categorized into the long term national development strategy known as Vision 2025, the medium term national poverty reduction strategies and specific sector or cross sector policies.
2. Having dwelled on macroeconomic stabilization for a decade, Tanzania started to address poverty as a major policy concern in 1996 within the framework of the macroeconomic policies which were being implemented. These initiatives started with the formulation of the National Poverty Eradication Strategy (NPES) in 1997 and the subsequent PRSP process in 1999 and 2000 which produced the Poverty Reduction Strategy Paper (PRSP) and Zanzibar Poverty Reduction Plan (ZPRP) in order to gain access to the HIPC debt relief resources.
3. The lessons learned from the first generation of the poverty reduction strategy were carried forward into the second generation of poverty reduction strategy. The preparation of the second generation of PRS paid greater attention to growth and governance as well as to results and outcomes.
4. The GDP growth rate in recent years has averaged about 7% per year. With such an average GDP growth, Tanzania is well on the way to achieving the 8 – 10 per cent growth per annum that would be required to achieve the MDGs. The concern is that growth has not been sufficiently broad and income inequality increased slightly, mainly in urban areas and the gap between urban and rural incomes may have increased.
5. While the availability of food as measured by the proportion of people with access to basic calorie intake is high, malnutrition in children under five years old persists.
6. Gross Enrolment Ratio and Net Enrolment Ratio of both boys and girls show that universal primary education has been achieved with gender parity achieved. However, the target of eliminating illiteracy by 2015 remains challenging particularly for rural women.
7. There are still gender disparities in enrolment at upper secondary and tertiary levels of education.
8. Census data and those from surveillance sites suggest a decline in both infant and under-five mortality rates.
9. The maternal mortality situation has not improved in Tanzania.

10. HIV prevalence in adults is estimated at 7 per cent of the population (7.7 per cent for females and 6.3 per cent for males). The good news is that for all ages there has been a significant decline in the prevalence rates.

11. Environmental concerns have also been mainstreamed in the MKUKUTA/MKUZA, and sectoral policies have been reviewed to incorporate environmental concerns and the management of biodiversity in particular.

12. Tanzania is on track to achieving the target of access to safe drinking water with the coverage going up from 68% in 2000 to 73% in 2003-5 for urban areas and from 49% in 2000 to 53% in rural areas in 2003-5.

13. The fast rate of urbanization has continued to put pressure on lives of slum dwellers.

14. Tanzania is highly depending on foreign aid to finance its development activities. The budget support mechanism has improved predictability of external resource inflows and therefore improved budget planning and execution. The development of a framework for co-operation which culminated in the preparation of Tanzania Assistance Strategy (TAS) and later upgraded into the Joint Assistance Strategy for Tanzania (JAST) has become a main guide in aid management.

15. Recognizing the risk of falling behind on the target of achieving decent employment and youth employment in particular, Tanzania has introduced an employment creation programme.

16. Key challenges are identified as follows: (i) underfunding is the main challenge of all sectors of the Tanzania economy; (ii) progress has been made in poverty reduction but progress in this area needs to be stepped up to combat both the large proportion of the rural poor as well as meet the rising challenges of urban poverty; (iii) achievements in education need to be better linked to the changing demands of the labour market; (iv) gender inequality continues to be a major challenge at higher levels of education and in terms of economic empowerment while maternal health care remains an area of great concern; (v) child and maternal mortality are still high posing a major to the health system as a whole. These health challenges are compounded by the HIV and AIDS epidemic; (vi) HIV and AIDS pandemic has been declared as catastrophe in Tanzania; (vii) the environmental sustainability challenges have increased in almost all dimensions due to low general level of education and inadequate attention to developing alternative sources of energy for use especially in rural areas.

17. Lessons learned as considered in three main categories: poverty reduction, governance and accountability and managing aid relationships.

18. As regards poverty reduction processes, lessons from the first generation of poverty reduction processes indicate that consultation is important for subsequent positive impact of policy, growth is a necessary (but not sufficient) condition for poverty reduction in medium and long term and that it is important to develop a comprehensive monitoring system.

19. As regards governance and accountability, these are underlying conditions for growth and reduction of income poverty, reduction of poverty and improved quality of life and social well-being in Tanzania.

20. The Tanzania experience with managing aid relationships brings to the table lessons on ownership, policy space, firmness, managing for results, collective action and exit strategy.

21. Given the magnitude of the IADGs/MDGs interventions, the government requires a substantial amount of resources. The key objective of resource mobilization is to make aid commitments more predictable so that Tanzania can implement its national programmes to achieve the IADGs/MDGs.

22. In conclusion, the URT government has achieved significant successes in universal education, gender equality in primary and secondary education and reduction in child mortality. Considerable achievement has been made in improving aid relationships as part of the global partnerships. The introduction of the Independent Monitoring Group as a mutual accountability mechanism has helped to make progress in this area. Encouraging progress is being made in attaining targets for safe water for drinking and sanitation. Improved network and performance of health facilities and water supply and sanitation infrastructure in the country has contributed to the positive results.

23. However, there are some areas where progress has been modest making it unlikely that the MDGs will be achieved. Tanzania is unlikely to achieve MDGs in the areas of poverty and malnutrition, maternal health, improving life in slums, environment and decent employment especially among the youth unless new initiatives are taken to change the current trends. Hunger and malnutrition challenges are being aggravated by the current food price increases in the world market. However this could be an opportunity for Tanzania, being a largely agricultural economy provided adequate supply response in agriculture can be achieved.

SECTION 1: INTRODUCTION

1.1 Background

24. The 2005 World Summit mandated the United Nations Economic and Social Council (ECOSOC) to undertake an annual ministerial-level substantive review (AMR) of progress in the implementation of the internationally agreed development goals (IADGs), including the MDGs. Tanzania has volunteered to make such a presentation in order to share its experiences.

SECTION 2: OBJECTIVES AND METHODOLOGY

2.1 Objectives

25. The aim of the National Report is to examine and provide an assessment of the implementation of the national development strategies to achieve the internationally agreed development goals (IADGs) and objectives, including the Millennium Development Goals (MDGs) in order (a) to enable the development community to understand a country's policies and circumstances; (b) to provide feedback to the country on its performance; and (c) to share lessons learned and replicable successful policies and good practices.

2.2 Methodology and Approach

26. This report has been prepared in a participatory manner. The first draft report was prepared by a team of officials facilitated by the consultant which was then subjected to discussion in a national workshop where a broader body of stakeholders from the civil society and the private sector participated and provided their inputs.

SECTION 3: THE MAIN FEATURES OF IADGs

27. The historic United Nations conferences and summits held in the 1990s and 2000s generated an unprecedented global consensus on a shared vision of development (Annan, 2005)¹. That broad-based framework in turn laid the groundwork for the Millennium Summit at which a series of challenging time-bound goals and targets were adopted and collated as Millennium Development Goals (MDGs) designed to meet the needs of the world's poorest are being pursued as part of a "larger development agenda" that also encompasses the needs of middle income developing countries, questions of growing inequality, and the wider dimensions of human development.

¹ Annan, Kofi. Towards Achieving the Internationally Agreed Development Goals, including the MDGs. Document E/2005/56 presented to ECOSOC, New York, 2005.

SECTION 4: THE NATIONAL DEVELOPMENT STRATEGY

4.1 Key National Development Policies

28. National policies in Tanzania are categorized into the long term national development strategy known as Vision 2025, the medium term national poverty reduction strategies and specific sector or cross sector policies.

4.1.1 Vision 2025

29. The national development strategy in Tanzania is guided by Development Vision 2025 which was produced in 1998. The goal of Vision 2025 is to transform Tanzania from a least developed country to a semi-industrialized, middle income country with a high level of human development free from abject poverty by 2025 and a high productivity agriculture that is well-integrated into the rest of the economy.

30. Tanzania of 2025 is envisaged to be imbued with five attributes: high quality of livelihood; peace, security and unity; good governance and rule of law; a well educated and learning society; and a strong and competitive economy.

31. A major concern of Vision 2025 is about implementation. It is in this context that Vision 2025 states that it is essential to review progress of implementation every five years to gauge progress and make the necessary adjustments. Hence, the five year National Strategy for Growth and Reduction of Poverty (or MKUKUTA a popular Swahili acronym) was in place in 2005 and the Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP) in 2006 or Mkakati wa Kuondoa Umaskini Zanzibar (MKUZA, a more popular Swahili acronym).

4.1.2 Poverty Reduction Strategies

32. Having dwelled on macroeconomic stabilization for a decade, Tanzania started to address poverty as a major policy concern in 1996 within the framework of the macroeconomic policies which were being implemented. These initiatives started with the formulation of the National Poverty Eradication Strategy (NPES) in 1997. These initiatives coincided with the requirement to prepare the Poverty Reduction Strategy Paper (PRSP) which was partly tied to HIPC debt relief funds. Tanzania responded quickly to the demand to prepare Poverty Reduction Strategy Paper (PRSP) and Zanzibar Poverty Reduction Plan (ZPRP) in order to gain access to the HIPC debt relief resources.

(i) PRSP: First Generation

33. The concepts of Poverty Reduction Strategy Papers (PRSP) and Zanzibar Poverty Reduction Plan (ZPRP) have introduced a new dimension of integrating the poverty concern in the policy making process of indebted countries with the underlying principles of ownership and leadership, participation, a multidimensional conception of poverty, and the linkage of poverty to debt relief.

34. The PRSP and ZPRP processes made the availability of resources for poverty reduction more predictable, and in general, there was a significant improvement in public expenditure management and the poverty reduction strategy was subjected to reviews annually since 2000 giving room for improvements as lessons were being learned in the process of implementation.

35. However, questions have been raised on the effectiveness of the PRSP/ZPRP approaches. The lessons learned from the first generation of the poverty reduction strategy were carried forward into the second generation of poverty reduction strategy.

(ii) Second Generation PRS: MKUKUTA and MKUZA

36. Drawing lessons from experience with PRSP/ ZPRP, the preparation of the revised PRS known as National Strategy for Growth and Reduction of Poverty (NSGRP) and Zanzibar Poverty Reduction Plan (ZPRP) have made important improvements compared to the earlier PRSP and ZPRP in putting greater emphasis on growth and income poverty reduction, replacing “priority sectors” approach with “Priority outcomes”, increased focus to governance issues, integration of MDGs policy actions into cluster strategies, greater mainstreaming of cross cutting issues and extending the period required for a comprehensive review of the strategy from 3 to 5 years.

4.1.3 Key Sectoral Policies*(i) Central Government Level*

37. The URT Government has various more sector specific or issue specific policies usually accompanied by their implementation strategies.

(ii) Local Government Level

38. Following the decentralization policy of 1998 there has been a deliberate move to devolve power to the districts. Being a least developed country, Tanzania economy is heavily dependent on agriculture. The District Development Plans and in particular the District Agricultural Development Plans (DADPs) are very

crucial for development of agriculture which caters for the livelihood of 70% of the people of Tanzania.

4.2 Progress in Implementation

39. Taking stock of recent developments in management of the economy and drawing from the experience of the PRS process it can be observed that good progress has been made in three areas: deepening participation, moving towards a development framework and developing a monitoring system.

40. First, participation in the process of policy making and development management has been broadened and deepened over time. Participation of various groups in society has therefore become an accepted practice in recent policy making initiatives.

41. Second, the PRS process has become an important framework for coordination of poverty reduction strategies as an essential part of development within the Government regarding poverty reduction initiatives in Tanzania.

42. Third, the poverty monitoring system that was adopted for monitoring PRS in 2001-2004 has evolved into MKUKUTA/MKUZA Monitoring System (MMS) in 2006. The new monitoring system was adapted to the broader mandate and coverage of MKUKUTA/MKUZA especially its result orientation and deeper integration of MDGs into the national indicator set.

SECTION 5: SCOPE OF ACHIEVEMENT AND KEY STRATEGIC SUCCESSES IN IMPLEMENTATION OF NATIONAL DEVELOPMENT STRATEGIES

5.1 Scope of Achievement

5.1.1 Goal 1: Eradicate Extreme Poverty and Hunger

(i) Extreme Poverty

43. The GDP growth has averaged 6.2 for nine years period and 7.2 in the last five years. With such an average GDP growth, Tanzania is well on the way to achieving the 8 – 10 per cent growth per annum that would be required to achieve the MDGs. Recent data shows that the number of people living below the poverty line has declined from 50% of the population to 35.9 per cent. Food poverty has decreased from 22 per cent to 19 per cent.

44. The poverty challenge has been incorporated in the national development framework starting with Vision 2025 (for Mainland) and Vision 2020 for Zanzibar. The first generation of PRS addressed poverty and the second generation of PRS

(NSGRP/ZSGRP) placed more emphasis on growth and good governance as a means to reduce poverty.

45. The challenge of poverty eradication is manifested in three dimensions: raising the level of growth to 8-10 per cent; translating growth into poverty reduction; and addressing income disparities.

(ii) Hunger

46. While the availability of food as measured by the proportion of people with access to basic calorie intake is high, malnutrition in children under five years old persists. The proportion of underweight children has been falling over time.

47. The prospects of achieving this target are likely to be reduced by recent developments in food prices rises in the world market. While Tanzania is an agricultural economy the supply response is likely to be slow due to capacity problems.

5.1.2 Goal 2: Achieve Universal Primary Education

48. Gross Enrolment Ratio and Net Enrolment Ratio of both boys and girls including children with disabilities at primary schools have also increased from 112.7 per cent and 96.1 per cent in 2006 to 114.4 per cent and 97.3 per cent in 2007, respectively. There is near gender parity with regard to enrolment of girls and boys at the primary school level.

49. Implementation of the Primary Education Development Programme (PEDP) and the removal of school fees at primary school level played a critical role in raising the enrolment rates in the country.

5.1.3 Goal 3: Promote Gender Equality and Empower Women

50. In year 2006, out of 243,359 students enrolled in Form I, 116,709 (47.96 per cent) were females while 126,650 (52.04 per cent) were males, a near gender balance at entry. However, enrolment of girls drops substantially after Form IV. For other levels, especially tertiary, the women represent around 30% of the total enrolment, the figure which correlate to women positions in the URT government.

51. In the Mainland, the number of women Ministers increased from 11 per cent to 15 per cent between 1995 and 2005, while women Permanent Secretaries increased in number from one in 1995 to seven in 2005.

52. Good progress has been made in gender budgeting. However, one area where further action is needed is in promoting women entrepreneurs and women in business in general.

53. The URT has amended and is implementing the Constitution's provision for a minimum of 30 per cent of women members of parliament in the National Assembly.

5.1.4 Goal 4: Reduce Child Mortality

54. Both infant and under-five mortality rates have declined. Under-five mortality decreased from 191 per a thousand live births in 1990 to 133 in 2005 in the Mainland. Infant mortality also declined from 115 (1990) to 68 (2005).

55. The government has developed strategies that aim at reducing infant mortality and child mortality, especially malaria-related morbidity and mortality. Programmes include improved vaccination coverage, availability of services including drugs at the time of need, Integrated Management of Childhood Illnesses (IMCI) rolled-over to all districts.

5.1.5 Goal 5: Improve Maternal Health

56. Maternal mortality situation has not improved with estimated maternal mortality rate from 2004 data being higher than that from the 1999 i.e. 578 and 529. Overall, there is little change in the proportion of births attended by skilled health personnel (41 per cent in 1999 and 46 per cent in 2004), and births taking place in health facilities are still modest (44 per cent in 1999 and 47 per cent in 2004).

57. The negative trend in maternal mortality on Mainland is compounded by the impact of the HIV and AIDS epidemic, poor health due to malnutrition and gender based violence.

5.1.6 Goal 6: Combat HIV and AIDS, Malaria and other Communicable Diseases

58. HIV prevalence in adults is estimated at 7 per cent of the population (7.7 per cent for females and 6.3 per cent for males). Based on HIV prevalence among the population of women attending antenatal clinics, it is clear that for all ages there has been a significant decline in the prevalence rates. The prevalence declined from 9.6 per cent in 2001/02 to 8.2 per cent in 2005/06. With the introduction of ARVs in more than 200 health facilities in 2006/07, 48 per cent of the targeted number of people was receiving treatment.

59. The URT government has launched the national campaign for voluntary HIV screening which will enable victims to act faster in taking ARVs and/or in avoiding further transmission.

60. Patients with HIV and AIDS-related conditions occupy more than 50 per cent of the hospital beds in Tanzania. The challenge is to address the improvement of the health system as a whole instead of focusing on individual diseases only.

5.1.7 Goal 7: Ensure Environmental Sustainability

(i) Sustain Environmental Resources

61. The proportion of people using solid fuels has not declined instead it has increased suggesting little progress in developing alternative sources of energy for these users.

62. Tanzania has an Environmental Management Act and has in place Environmental Impact Assessment (EIA) regulations and guidelines and other instruments to enforce conservation of the environment in Tanzania. The government faces the challenge of enforcement of the regulations that are in place.

63. The URT government is committed to promoting public participation in environmental management activities including implementation of the National Tree Planting Campaign. Furthermore, the government is regulating the utilization of forest products although enforcement continues to be a major challenge.

(ii) Access to Safe Drinking Water

64. Tanzania is on track to achieving the target of access to safe drinking water with the coverage going up from 68% in 2000 to 73% in 2003-5 for urban areas and from 49% in 2000 to 53% in rural areas in 2003-5. By 2006, 55.7 per cent of rural households and 78 per cent of urban households in the Mainland had access to improved water sources. Sanitation has improved with a high proportion of households (87 per cent) having toilet facilities.

65. Availability of potable water is a priority of the government and communities at large. Water policies are in place to guide development, distribution and equitable access. Community committees take charge of water infrastructure maintenance and distribution and work closely with the governments to ensure that there is equity and fairness in the access and use as well as affordability. Sustainability is in-built from design of water projects through community participation, ownership and cost-sharing.

66. The challenge is to consolidate community participation in water management and mobilize additional public resources to ensure improved water supply coverage in Tanzania.

(iii) Improvement in Lives of Slum Dwellers

67. The fast rate of urbanization has continued to put pressure on lives in slum dwellers. Progress that has been made does not seem to cope with the fast rate of urbanization as yet. The main challenge is to increase the rate of improving human settlements in slums to cope with the high rate of urbanization.

5.1.8 Goal 8: Develop a Global Partnership for Development

(i) Managing Aid Relationships

68. Tanzania is highly depending on foreign aid to finance its development activities. For instance, the external resources have increased from about \$1.1 billion in 2000 to about \$ 1.7 billion in 2005, provided in the form of direct budget support, moving away from project support. The budget support mechanism has improved predictability of external resource inflows and therefore improved budget planning and execution. In a situation of high aid dependence prudent management of aid relationships is particularly important. Tanzania has accorded high priority to the management of aid relationships.

69. When in the early 1990s differences between donors and the Tanzania government emerged, the response was to establish an independent mechanism for addressing this impasse. This was to become a significant framework for managing aid relationships. In 1994 the GOT and donors jointly appointed a team of five experts that was led by Prof. Helleiner of the University of Toronto. The recommendations of the report pointed to action by both sides. These recommendations were discussed in a workshop between GOT and donors (January 1997) on the basis of which 18 points of action were agreed upon on how to improve the deteriorated aid relationships and how each side was to perform to make aid more effective. The 18 agreed points of action later formed the basis of elaboration of a framework for co-operation which culminated in the preparation of Tanzania Assistance Strategy (TAS) from 1998/99 which was finally published in 2002 following many sessions of dialogue and refinements. TAS was meant to be a framework for partnership and strengthening donor coordination, harmonization, partnerships and national ownership in the development process. In 2006, TAS was upgraded into the Joint Assistance Strategy for Tanzania (JAST).

70. The government and development partners have put in place a mechanism for discussing the IMG reports and following up on agreed points of action.

71. The Tanzania experience with mutual accountability under the Independent Monitoring Group provides some lessons which can be shared with other aid receiving countries. Six lessons can be drawn from the Tanzania experience.

(ii) Sustainable Debt Management

72. Tanzania is among the Highly Indebted Poor Countries (HIPCs) that benefited from Multilateral Debt Relief Initiative Fund (MDRI), an initiative aimed at cancelling debts owed by HIPCs. Debt relief released resources for development and poverty reduction (URT, 2005).

(iii) Development of Decent and Productive Work for Youth

73. The URT government is committed to reduce unemployment rate (13% in Tanzania Mainland and 7% in Tanzania Zanzibar as per their respective data of 2000/01 and 2005 surveys. URT (2007) indicated that unemployment rate declined from 12.9 per cent in 2005 to 11 per cent in year 2006. A total of 27,244 enterprises were given loans countrywide through National Empowerment Funds for the purpose of reducing unemployment and income poverty.

74. Recognizing the risk of falling behind on the target of achieving decent employment and youth employment in particular, Tanzania has introduced an employment creation programme that has four component programmes: stimulating and facilitating private investment in the private sector enterprises of all sizes – micro, small, medium and large enterprises; public investments in the form of public investment programmes on their own or in partnership with the private sector; human resource development in the form of knowledge and skill development; and institutional capacity development that is appropriate for managing a functioning labour market.

SECTION 6: BUILDING NATIONAL CAPACITY AND SCALING UP SUCCESSES: CHALLENGES AND LESSONS LEARNED IN IMPLEMENTATION OF NATIONAL DEVELOPMENT STRATEGIES

6.1 Challenges

6.1.1 Funding

75. Underfunding is the main challenge of all sectors of the Tanzania economy. About 40% of the government budget (down to 34% in the 2008/9 budget) depends on external development partners. Predictability of aid flows has remained variable for GBS and basket funds and has been most problematic for direct project funds. Much as good progress is being made in stepping up domestic resource mobilization, achieving the IADGs/MDGs will continue to require considerable amounts of DPs support, possibly through more predictable

aid modalities. The improvement in the flow of ODA towards a target of 0.7% of developed country's GNP should remain on the international agenda and progress toward it deserves closer monitoring.

6.1.2 Poverty

76. Progress has been made in poverty reduction but progress in this area needs to be stepped up to combat both the large proportion of the rural poor as well as meet the rising challenges of urban poverty.

6.1.3 Education and Employment

77. Despite the achievements, education is mainly academic and could better link to the changing demands of the labour market. The modest progress that has been made in employment creation especially in addressing youth unemployment is related to low employability of the youth's education and skills in the economy.

6.1.4 Gender Inequality

78. The gender inequality continues to be a major challenge at higher levels of education and in terms of economic empowerment. Maternal health care remains an area of great concern. These challenges will need to be addressed with greater vigour in the coming years.

6.1.5 Child and Maternal Mortality

79. The child and maternal mortality are still high. This is a challenge to the health system as a whole. Challenges of health service delivery, physical infrastructure of health facilities, adequate supply of health equipment and instruments; availability of drugs and inadequate supply of trained human resources in the health sector remain major challenges. These health challenges are compounded by the HIV and AIDS epidemic.

6.1.6 HIV and AIDS

80. The main challenge is to continue to raise the level of knowledge on the pandemic and translating that knowledge into behavioural change. The challenge of stigma and discrimination also deserves special attention.

6.1.7 Environmental Sustainability

81. The environmental sustainability challenges have increased in almost all dimensions due to low general level of education and alternative sources to reduce rural poverty. While the environmental regulations are in place the challenge is in

their enforcement. Capacity building in the area of enforcement deserves greater emphasis.

6.2 Lessons Learned

82. The following lessons learned provide for considerations for addressing the identified future challenges above.

6.2.1 The Synchronization of IADGs/MDGs and MKUKUTA/MKUZA and the Monitoring and Evaluation System

83. Tanzania recently formulated its second generation of poverty reduction strategies – National Strategy for Growth and Reduction of Poverty (NSGRP or MKUKUTA in Swahili acronym) and ZSGRP (or MKUZA). The URT government need to mobilize adequate resources for overall coordination and implementation of the IADGS/MDGs and MKUKUTA/MKUZA.

6.2.2 Good Governance and Accountability

84. The ongoing public sector reform has improved efficiency, quality of administration and accountability of public servants with regard to high quality service delivery and resources. The URT government is committed and hence promoted good governance, democracy and rule of law as reflected in sustained peace, political stability, national unity and social cohesion and anti-poverty measures at both the central and local government levels.

85. In addition, national anti-corruption strategy and Action Plan (NACSAP) and mechanisms for empowering communities at the grassroots level have been in place and include initiatives such as Community Health Services Boards (URT, 2007)².

6.2.3 Managing Aid Relationships and Mutual Accountability

86. The Tanzania experience with managing aid relationships brings to the table six lessons: (i) the establishment of an independent mechanism has facilitated strengthening of **ownership**; (ii) acquiring greater **policy space** is a process which involves many actors and it takes time; (iii) there is need to balance appropriately the **firmness** on implementing agreed actions and flexibility to be inclusive in terms of bringing more players on board; (iv) **managing for results** can be implemented if an effective monitoring and evaluation system is in place; (v) there is a limit to which one country can successfully manage a whole donor community suggesting that collective action on the part of aid recipient countries

² The United Republic of Tanzania, “Millennium Development Goals: Progress Report 2006”, Ministry of Planning, Economy and Empowerment, December 2006.

can play an important role in making progress in negotiations over critical points of action; (vi) an **exit strategy** from high levels of dependence should be considered from an early stage even if a country may need higher levels of aid in order to build the domestic capacity for managing with less aid at a future date.

SECTION 7: BUILDING PARTNERSHIPS: ROLE AND SUPPORT OF THE INTERNATIONAL COMMUNITY AND OTHER STAKEHOLDERS

7.1 Development Partners

87. The role of DPs is to collaborate with the government and non-State actors in implementing various IADGs/MDGs interventions. Specifically, the DPs should (i) provide technical support and financial assistance to the implementation of the IADGs/MDGs; (ii) share reports, findings and information; (iii) facilitate capacity building processes.

7.2 Central Government

88. The Central Government of the URT should play a major role in implementation of all the IADGs/MDGs. Specifically, it should (i) develop, coordinate and implement policies, plans and laws, regulations and guidelines to achieve IADGs/MDGs; (ii) ensure availability and flow of funds in the JAST framework; (iii) design and conduct periodic monitoring and thorough evaluation of the IADGs/MDGs implementation by involving all the stakeholders including the LGAs and non-State actors.

7.3 The Non-State Actors and Communities

89. The non-State actors (NSAs) and communities should (i) complement the efforts of URT government in terms of awareness creation and take action on the IADGs/MDGs; (ii) be capacity-built; (iii) become key actors in formulation of implementation strategies, action plans and budget and monitoring and evaluation instruments; (iv) provide for in-kind and cash contributions.

7.4 The Challenges

7.4.1 Scaling Up Efforts

90. The study considers the possibilities and prospects for scaling up efforts to promote the national priorities including the NSGRP, which articulates IADGs/MDGs. The scaled up or additional resources are crucial and hence there is need for supportive environment as reflected in right policy coordination, coherent absorption and spending capacity, and priority areas towards achieving the NSGRP and IADGs/MDGs.

SECTION 8: ENGAGING THE INTERNATIONAL COMMUNITY: FINANCING REQUIREMENTS

8.1 Resources Mobilization

91. The key objective of resource mobilization is to make aid commitments more predictable so that Tanzania can implement its national programmes to achieve the IADGs/MDGs. Given the magnitude of the IADGs/MDGs interventions, the government requires a substantial amount of resources.

92. In terms of public resources, the URT government could seek ways to increase domestic tax and non-tax revenues.

93. With regard to the DPs, the URT government should enhance linkage and collaboration with multilateral institutions and improve and adhere to the principles of JAST as the basic coordination machinery for external resource flows.

8.2 Resources Costing

94. The study suggests that the international financial institutions in Tanzania (such as World Bank and UN System) should work with the URT government to prepare resource costing on the basis of existing expenditure and commitments as well as an estimate of required additional resources and their possible allocation under the international or multilateral commitments.

95. The costing should tally with the set of targeted indicators at each level of the results chain in the IADGs/MDGs interventions.

SECTION 9: CONCLUSIONS AND WAY FORWARD

9.1 Achieved Successes

96. The URT government has achieved significant successes in universal education, gender equality in primary and secondary education and reduction in child mortality. The successes have been attributed to the removal of school fees at primary school level and improved allocation and actual commitment of resources (financial, physical and technical) to the respective sectors.

97. The target year for gender equality was 2005 and was almost achieved by 2006 for primary and secondary level enrolment. It is expected that gender equality in other levels of education will have been achieved by 2015. With regard to the goal of improving representation by women it is encouraging to note the improved representation in Parliament (Mainland), and increased number of women selected to high decision-making posts such as Ministers and Permanent

Secretaries. The achievements are attributed to deliberate effort made to give space to women in the appointments. However, more sustainable gender equality is likely to be achieved when inequality at all levels of education is achieved.

98. Considerable achievement has been made in improving aid relationships as part of the global partnerships. Managing global partnerships the introduction of the Independent Monitoring Group as a mutual accountability mechanisms has helped to make progress in this area.

99. Tanzania is likely to reduce child mortality to the target level. There are notable declines in both infant and under-five mortality rate. The most significant contribution to the reduction of under-five mortality is improved control of malaria, Acute Respiratory Infections (ARIs), diarrhoea; improved personal hygiene, environmental sanitation; and preventive, promotive as well as curative health services. With regard to malaria a more effective drug treatment regime has been introduced. More children (under 5 years of age) increasingly sleep under treated nets, and the private sector and faith organizations have been supportive the provision of health services in the country.

100. Encouraging progress is being made in attaining targets for safe water for drinking and sanitation. Improved network and performance of health facilities and water supply and sanitation infrastructure in the country has contributed to the positive results.

9.2 Modest Progress: Challenging Targets

101. Tanzania is unlikely to achieve MDGs in the areas of poverty and malnutrition, maternal health, improving life in slums, environment and decent employment especially among the youth unless new initiatives are taken to change the current trends. Overall, the reforms have profound effects on the entire economy. Poverty eradication is high in the socio-economic development of Tanzania. Over the last ten years, efforts to eradicate abject poverty regained national and international commitment, rooted in the World Summit for Social Development held in Copenhagen in 1995. Following these renewed international or multilateral commitments, the government has put in place various policies, strategies and programmes geared towards achieving poverty reduction goals related to IADGs/MDGs. In recent years Tanzania has managed to achieve an average growth of about 7% per annum. As an outcome of these efforts, poverty reduction is occurring but it will be necessary to accelerate the rate of growth to 8-10% per annum and to make sure that the achieved growth is shared more broadly in society.

102. Recent initiatives in Tanzania are being directed to achieving a higher and more broadly shared growth through sound economic management, raising

agricultural productivity, enhancing linkages with SMEs and creation of employment.

103. Hunger and malnutrition challenges are being aggravated by the current food price increases in the world market. However this could be an opportunity for Tanzania, being a largely agricultural economy provided adequate supply response in agriculture can be achieved.

104. Combating HIV/AIDS, malaria and related diseases and efforts to attain environmental sustainability will need to be stepped beyond current trends if the targets are to be achieved by 2015.
