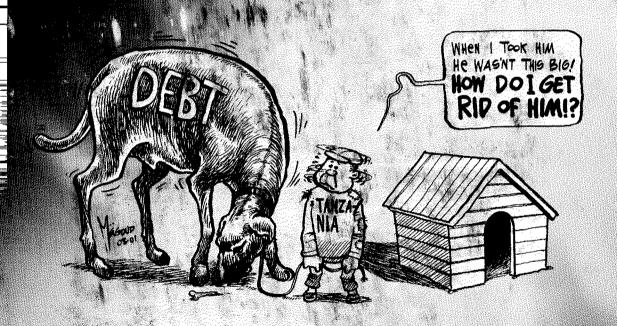
Tanzania without Poverty

A plain language guide to

Tanzania's
Poverty Reduction Strategy Paper



interpretation by Hakikazi Catalyst

Cartoons by Masoud

May 2001

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Preface

It says in the Poverty Reduction Strategy Paper that, "The Government intends to continue to seek fuller representation of the poor and other stakeholders in the implementation, monitoring and evaluation of the poverty reduction strategy, and in subsequent revisions of the PRSP."

This plain language version of the PRSP is a civil society organisation's contribution to making this participation happen. One of *Hakikazi Catalyst's* tasks is Popularising Policy. Five thousand Kiswahili and two thousand English versions of this document are to be given to Central and District government officials and to civil society organisations. The text is also reproduced as a supplement in the Daily News (English) and Majira (Kiswahili).



The tone and spirit of the booklet remains true to the original PRSP but cartoons and quotations have been added along with a small section which explains what some of the big words mean and a list of ten questions to stimulate heavy thinking. These extras should help readers to dig beneath the surface and mine for deeper understandings.

Pages have been reserved in the Daily News and the Majira to record comment and feedback on the document and the process of poverty reduction in general. These comments will also be copied to our website (see below) which will provide a continuously growing source of ideas and information about poverty reduction.

You are invited as an individual or as a group to respond to the questions posed in this document and to make any other form of comment that you feel necessary. Responses should be sent to:

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Right now we want all development programmes to emanate from the people themselves and not from the central government.
[Benjamin Mkapa 31 March 2001]

Please note that we also have a website at www.hakikazi.org and we run an unmoderated email group which you can join from http://localtan.listbot.com

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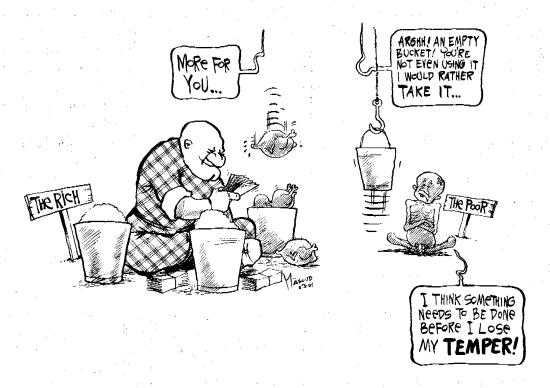
What is poverty?

Different people think about poverty in different ways. Officials usually think about what people buy and sell. But there is more to understanding poverty than this. There are also problems about getting a fair share of education and health care; about having respect and status in your community; about feeling that you have some power over what happens in your life and therefore of having hope for the future. So there is a lot to think about when trying to remove poverty and many of the important ideas are not obvious unless you think deeply about what is really going on.

Ordinary people, businessmen, civil servants, government ministers and foreign experts have different ideas about what poverty is and therefore about what causes it and how to cure it. There is general agreement, however, about most of the following ideas.

How experts see it

In the modern world people buy what they need using money. If they do not have a source of money they will be poor.



The worst kind of poverty is when people cannot get food and therefore they are thin and weak and may starve to death. Another kind of poverty is where people may have more or less enough food but they do not have safe water, health services, decent houses and clothes.

Calculations for 1992 showed that about a quarter of Tanzanians suffered from the first kind of poverty and about one half from the second kind. In 1995 about one third of the population was very poor. The situation is possibly worse today.

But there is more to being poor than not having enough money to buy food, clothes, houses and health. Studies of poor people show that they have:

- stunted growth because of malnutrition
- early death amongst babies, children and generally short lives
- unsafe water
- low levels of schooling

These studies also show that poor people generally are:

- not adequately protected under the law
- not involved in political decision making
- not supported against acts of God (droughts and floods etc)

It is ver expensive to be poor. [Mwalimu Iulius K Nyerere]

How ordinary people see it

When ordinary people were asked about what they needed to escape from poverty they had many ideas:

- Secure land tenure
- Availability of agricultural inputs and suitable technology
- Better access to funding and credit
- Good transport (roads and vehicles)
- Access to markets
- Better water management
- The potential to save
- Job security
- Better social service and infrastructure
- provision (especially health and education)
- Less corruption, more transparency and accountability, and more participation in decision-making at both local and national level
- A more positive attitude towards change
- Better planning at the village level
- Re-establishment of cooperatives
- More control for women in the use of household resources
- Trust, unity and a spirit of participation

- Poverty comes in pockets. Some parts of the country are better off than others and some parts of the towns are better off than others.
- There is more poverty in the rural areas than in the towns but it is increasing in the towns.
- The young and the old and those from large households tend to be poorer than others.

If a free society cannot help the many who are poor, it cannot save the few who are rich. [John Fitzgerald Kennedy 1917-63, 35th President of safe the USA]

Regional differences

In 1999 the government calculated which of the regions had the most poverty. This was not easy because there are so many ways to measure poverty. Things that were included were health, nutrition, food security, education and growth in the economy. There were no clear cut winners and losers but the results suggest that the most deprived regions are Dodoma, Kagera, Lindi, Kigoma and Coast. The least deprived regions are Dar es Salaam, Ruvuma, Kilimanjaro, Singida and Tabora.

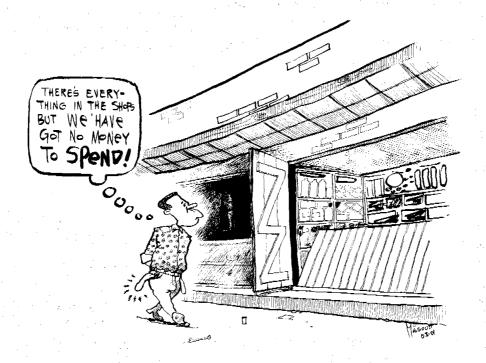
Seeing the bigger picture

During a national meeting to discuss an early draft of the PRSP all the above ideas were accepted but people felt that there was also a need to:

- Tackle the problem of unemployment among the youth and in urban areas
- Stop destroying and polluting the environment
- Stop the use of child labour
- Increase the amount of money available to tackle poverty (this would include cancelling external debt and attracting other forms of international support)
- · Develop financial systems to help 'small' farmers
- · Help people to develop small to medium sized businesses
- Make the country more attractive to big business
- Do more research so we know what needs to be done and how effective we are at doing it

Income and non-income poverty

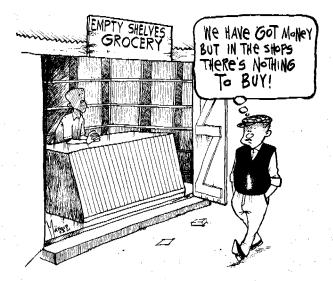
Because there are many different ways of thinking about poverty it is useful to have some agreed definitions for discussion and making plans. Following what was said above, it is useful to think about poverty in two main ways.



Income poverty is often thought to be when people earn less than one US dollar per day. This means that they will not have enough food or medicine and they will have poor clothes and houses.



Non-income poverty happens when people may have a little bit of money but they do not have access to good schooling or safe water. People living with non-income poverty are likely to have stunted growth and to die young. It is also unlikely that they participate in making the decisions that affect their lives.



Income poverty measures what people buy and how much they spend so it is basically about money. Non-income poverty refers to quality of life and social well-being. It measures many of the things that move people from ill-being to well-being.

from ill-being	to well-being
corruption	honesty & justice
violence	peace and equality
powerlessness	grassroots democracy
weakness	ability to take action
bare subsistence	property and security

All people already have a range of formal and informal organisations, groups and networks which they take part in for the greater good of everybody. This is what has been called our 'Social Capital' and we can make it grow.

The PRSP looks towards a future where this Social Capital grows to include wide participation and co-operation at the regional, national and even international levels. If we think and act together then all Tanzanians will live lives of well-being.

The world's most primitive people have few possessions, but they are not poor. Poverty is not a certain small amount of goods, nor is it just a relation between means and ends; above all it is a relation between people. Poverty is a social status. As such it is the invention of civilisation.

[Marshall Sahlins, American Anthropologist]

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How will we Reduce Poverty?

The overall plan

After talking with ordinary people and with various experts the Government has decided that three things must be done if we are serious about reducing poverty.

Set very clear national targets

- Rather than make vague speeches full of good intentions, the Government has decided on a particular set of targets for what needs to be done for example Increase the percentage of children under 2 years immunised against measles and DPT from 71% to 85% by 2003.
- This first set of targets might not be the right ones. Everybody is therefore asked to keep a careful watch on what is happening and to help change the targets or the ways of meeting them as necessary. Many of the activities will not take place until after the Local Government Reform Programme is well under way.

Create a national economic environment which stimulates development

- Help the country to get richer by making the markets more efficient for small and large businesses and households involved in agriculture, industry and the service industries.
- Work with foreign Governments and aid agencies to
 - reduce the amount of foreign debt that has to be paid
 - make sure that they work together to help us to do what we have decided to do.



Stay true to the three guiding ideas

Many different people were involved in making the Poverty Reduction Strategy Paper. In future the Government will involve more and more people in deciding what needs to be done, in doing it, and in watching to see that things are going according to plan. Everything in the Plan is shaped by three guiding ideas which are to:

- reduce income poverty
- · improve quality of life and social well-being
- · reduce vulnerability amongst the poorest groups.

But how can we keep a careful watch to make sure that we are going in the best direction?

The need for indicators

We need to know that our money is being well spent. This means that we have to be clear about what we are trying to do, and then we have to watch whether or not we are successful in doing it.

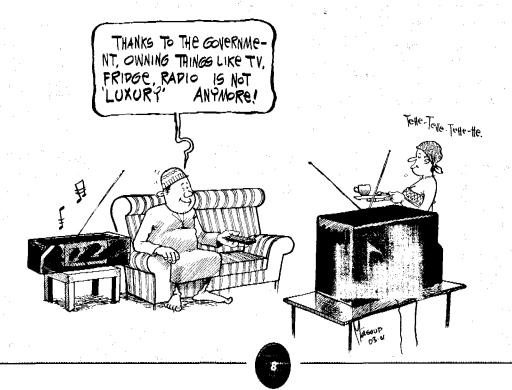
Earlier we saw that targets have been set for various poverty reduction activities. For each of these activities we need 'indicators' that we can measure to tell if we are on target or not. The Government has set up a consultative process to decide what the poverty monitoring indicators should be.

If you do
not know
where you
are going
any road
will get you
there.
[Arabic
Proverb]

COMPRESSION OF THE PARTY OF THE

Three types of indicators

It is not easy to decide in advance what the most useful and easy to use indicators will be. A lot of flexibility has been built into the system. There are three types of indicators:



- Impact and outcome indicators are basic and can easily meas ure the effect of activities on a regular basis (for example, the number of children under 2 years being immunised against meas les every month).
- Intermediate indicators are measured over fairly long periods of time (for example, the number of households with access to safe drinking water).
- Proxy indicators measure surface things that stand in place of deeper things that are more difficult to measure (for example, t he use of modern materials for building houses as a measure of income).

The idea is to think of easy to use and useful indicators for each of the targets that are set out in the plan. The list of indicators that have been identified so far is given in the next chapter. Note that wherever possible and relevant, the information gathered using the indicators should tell us about the difference between males and females and between rural and urban areas.

Without good statistics countries cannot plan and monitor their development effectively. Badly informed decisions waste scarce resources, particularly those that affect poor people who are least able to cope. [Clare Short]

Building a system for monitoring and evaluation

A lot of time, effort and money could be wasted if the system of collecting information becomes too complicated and formalised. The task is for all the people involved to think of good indicators that can be measured easily and often.

Information can be gathered about individuals, households, districts, regions or the whole country. And the collection process can be routine or through special surveys and it may take place regularly or only every few years. There are three main ways of gathering information:

- Information about education, health and water can be collected through the existing administrative system where local government authorities send information to higher levels of government.
- Some information will be collected through censuses and surveys such as through the household budget survey or the labour force survey. They may cover many topics.
- Local level information can be gathered for use at the ward and village level. This will usually be collected through **village registers and community interviews.** Although much of the local information will be for local use it will also provide a very important way of cross checking the official statistics. It will also let the decision makers know how people, and especially the poor, view their own situations.

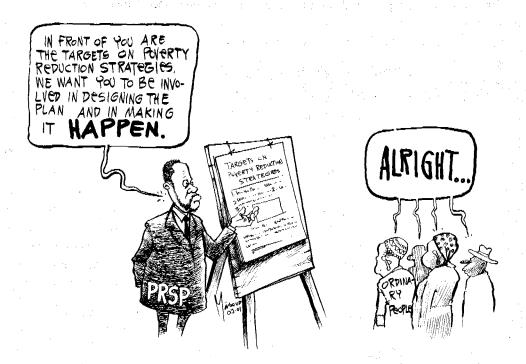
The reason for gathering information is to use it to get a better understanding of how successful the poverty reduction measures are turning out to be. It will then be necessary for all those concerned to change the indicators, activities, targets or even the policies that guide the overall strategy.

Many different organisations will be involved in collecting and analysing the information and then drawing out what it means in terms of policies for the future. The overall responsibility for monitoring poverty at the national level lies with the Vice President's Office. It will work closely with the National Bureau of Statistics to feed information

into the computerised Tanzania Socio-Economic Database and to make sure that everybody who wants to be involved can use and analyse the information in a coordinated way.

Statistics are the eyes of the policy maker.
[Keith Muhakanizi]

So we must be prepared to take up the challenge. There are still many weaknesses in Tanzania's poverty monitoring activities and the PRSP provides a golden opportunity to build a useful and efficient system. As it says in the PRSP, "The Government intends to continue to seek fuller representation of the poor and other stakeholders in the implementation, monitoring and evaluation of the poverty reduction strategy, and in subsequent revisions of the PRSP."



Targets, Activities and Indicators

It is said that 'if you do not know where you are going then any road will get you there'. People who get things done are usually clear about what they want to do, how they will do it and, most importantly, how they will know if they have been successful.

What is true for individual people is also true for groups, for businesses and for governments – if you are serious about getting things done then you must be clear about targets, activities and indicators.

TARGET	a clear idea of what you want to do (it helps to say how much you will do by what date)
ACTIVITIES	a clear idea of what actions you must take (it helps to make a list of steps to show what you must do first, then second and so on)
INDICATORS	a clear idea of what you will measure so that you will know if your activities are hitting the target

This section lists the targets, activities and indicators that have so far been identified for the three guiding ideas of the PRSP which are to:

- reduce income poverty
- · improve quality of life and social well-being
- · reduce vulnerability amongst the poorest groups

In general terms the way to reduce income poverty is to make it possible for businesses of all sizes to flourish so that there are more jobs and more money moving around. The way to improve quality of life and social well being is to make sure that all people have easy access to education, health, safe drinking water and good food. The first step in reducing vulnerability is to identify those who are vulnerable and to find out what their needs are – targets, activities and indicators can then be set to guide what we do.

Reduce income poverty

If the country as a whole was more wealthy then there ought to less poverty. We therefore have to make the country more wealthy and make sure that the wealth is fairly equally distributed and/or that safety nets are built to protect the most vulnerable.

The plan over the next three years is to earn more from agriculture and to earn a lot more from the industrial and service sectors.

This will be possible because of changes that the government makes to ensure good governance and macroeconomic stability.

Assuming that the new wealth reaches the poorer people then we should be well on the way to reducing poverty.

Targets

	by 2003	by 2010
Reduce the proportion of the population below the poverty line	from 48-42%	from 48-24%
Reduce the proportion of the rural poor	by 7.5%	from 57-29%
Reduce the proportion of the food poor	by 3.5%	from 27-14%

Activities

The activities that should reduce income poverty are described on the next few pages. They include:

- promoting rural development and export growth
- · helping to develop the private sector
- working towards better and more decentralised government
- make sure that the macroeconomy remains stable

Indicators

- food poverty line
- basic needs poverty line
- · ownership of 'standard' modern machines like radio, fridge, TV etc
- · use of modern materials in building houses

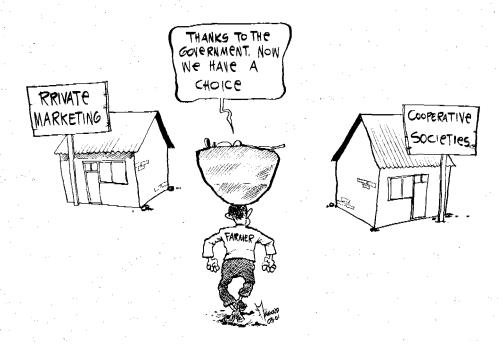
Rural Development and Export Growth

Tanzania has a long history of rural development. Early efforts were state controlled with strong government support systems for rural producers. Later ones have been market oriented with less government support. The best way ahead is not yet clear. In the next three years the Government will ask everyone to work together to find solutions and to develop a Rural Development Strategy.

Poor people and private businessmen will be asked to take the lead in finding new ways of being efficient and effective.

Targets and activities

- Credit will come from crop buyers, banks and cooperatives rather than from the Government
- Farmers will organise themselves in groups or cooperatives to make it easier to get credit from financial institutions,
- Farmers will carry out crop-specific research and other activities to increase the quantity and quality of their products.
- Private crop buyers or traders will continue to experiment with voucher schemes and other ways of making it easier to buy fertilizers and insecticides.
- Local communities will play a more active role in rebuilding and maintaining rural roads and in developing irrigated farming (as far as possible with the help of the Government).



The Government will limit itself to making sound policies, and to supporting the people in rural areas through:

- Working with non government organisations, local banks and international partners to provide training and other forms of support to local communities and groups concerning:
 - organisational and financial management skills
 - · repair and maintenance of rural roads
 - development of irrigated farming
 - development of small to medium sized enterprises
 - development of the informal sector
- Providing demand-driven research and crop extension services
- Supporting labour-intensive agro-processing (particularly for cashewnuts, cotton, coffee and other crops)
- Making sense of systems to control the movement of crops within the country and between countries
- Making the new Land Act work for everybody whether rich or poor, female or male, and making sure that the associated regulations make it possible to use land as security for loans
- Paying particular attention to the poorer parts of the country and making sure that they get the extra support they need.

Much of this is already happening. The Government will, where appropriate, help to organise extension, training and 'best practice' workshops and to provide support to energetic entrepreneurs. The vision for the future is an increased number and quality of traditional and new export products.

Indicators

- · kilometres of rehabilitated rural roads
- growth in value-added in agriculture
- seasonal production of key food and cash crops

Private sector development

The Government has been supporting private sector development businesses since 1993. It has been responsible for:

- The Tanzania Investment Act
- · The privatisation of several government-owned enterprises
- · The creation of the Tanzania Investment Centre (TIC)

However, apart from the Mining and Tourism industries, the response of private investors has not been very good.

Targets & activities

- restructure and restaff the TIC to focus on promoting investment
- · submit new companies legislation to Parliament
- establish an automatic and computerised filing and registry system for the Commercial Court
- make it easier for local and foreign businesses to invest in Tanzania (with appropriate safeguards)
- push through reforms that will reduce the cost of utilities (including electricity) to industry
- speed up the adoption of key reforms in the National Anti-Corruption Strategy

The government will also develop a Private Sector Strategy by 2003. This will help to:

- improve coordination between government and donor initiatives
- create an enabling environment for micro, small and medium enterprises and informal sector activities
- · modify the taxation system

Good Government

A government is good when it can provide quality services to all of its people all of the time. It is organised so that money is gathered and spent in an open and transparent way and for the greater good of all. Because of the openness and transparency the government can be held to account by the people.

The main objectives set out in the PRSP are to:

- · improve the performance of the government in delivering public services
- · improve the way in which incentives lead to better quality work
- minimize the 'leakage' of funds and strengthen systems for holding government officials responsible for what they do with them.

Of the hest
leaders when
they are gone
the people
say, 'We did it
ourselves'
[Tao te Ching]

Targets

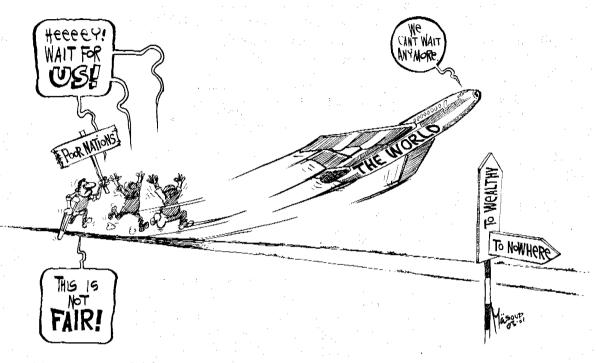
- · a government system that is efficiently and effectively decentralised
- · reduced corruption
- · increased professionalism and cost effectiveness in the government system
- · improved government capacity, motivation and performance
- · improved budget management at central and lower levels
- integrated Financial Management Information Systems (IFMs) set up in all ministries and sub-treasuries. All money coming from the central and sub-treasury levels will pass through the IFM and all spending plans and arrears will also be recorded.



Indicators	Activities
Improved honesty and transparency in the	Strengthen systems for more efficient cash
accounting system	management, procurement, payment and
Budgets prepared on time at all levels	expenditure control, inventory, equipment and asset management and timely audit reports.
Developed and approved performance	
improvement modules for priority sectors	
Developed and approved specific anti-	Carry out diagnostic surveys for, approve
corruption action plans for the ministries	operational strategies and implement sector
of Agriculture and Cooperatives, Education	specific anticorruption plans for the
and Culture, Health and Water, and the	Judiciary, Ministries of Works, Education
CSD based on the National Anticorruption	and Culture, Health, Home Affairs, the
Strategy.	Attorney General's Office, and the
	Tanzanian Revenue Authority
	Make the Central Tender Board's results public through press releases
Many different organisations allowed to	Implement actions under the Public Sector
deliver public services	Reform Programmes
Only IFMs used in central government	Extend the IFMs to all Ministries,
budgeting, accounting and financial	Departments and Agencies in Dar es
information systems for recurrent	Salaam and in all regional sub-treasuries by
expenditure. And reclassify the	2002
development budget according to the GFS	

Macroeconomic Stability

There is macroeconomic stability when the economy is growing, there is low inflation and the Government gets the national accounts to more or less balance. The Tanzania government has a good record for reducing inflation and the targets for the next three year period will build on this.



Targets and activities

- · Accelerate economic growth (GDP) to 6 per cent
- · Keep inflation at about 4 per cent
- Ensure that the exchange rate for the Tanzania shilling continues to be controlled by the market
- Keep government savings at the level of about 4 months of import of goods and services
- · Keep the accounts more or less balanced (with only modest amounts of overspend)
- · Broaden the tax base (and prevent tax evasion)
- Improve the administration of the tax system
- · Improve the abilities of financial managers at national and local Government levels

Indicators

- overall growth of the Tanzanian economy
- · rate of inflation
- · gross official international reserves
- · movement in the exchange rate
- · balance of money in the economy
- resource allocation actual budgetary allocation for basic education, primary health care, water, rural roads, agricultural and HIV/AIDS

The following activities, some of which are mentioned in other parts of this booklet, will also help to create a stable macroeconomic environment.

Indicators	Activities
Overall growth in the Tanzanian economy	Maintain macroeconomic stability
Expanded Investment	Improve rural roads and other infrastructure services
(Physical and Human)	(water, power, telecoms etc)
	Promote training in demand driven skills and
	employment, counselling
Improved investment	Develop micro finance facilities
productivity	Improve the investment climate in line with the PSD
	programme by
*	 growing a strong and diversified private sector
	o reducing the costs of doing business
	o creating an efficient and effective legal system
Developed Private	Ensure coordination between government and donor
Sector Strategy by 2003	activities Ensure an enabling environment for micro, small and medium enterprises and informal sector activities
·	Taxation — levels and rationalisation
Growth of Agriculture	Improve access to agriculture research and extension
by at least 5 per cent	Make it easier to get micro-finance/agricultural credit
by 2003	Promote rural finance, improve trading/marketing of
	outputs and inputs, and remove administrative fiat
	Promote export of agricultural products as well as agro-
	processed goods
	Distribute land suitable for irrigation in favour of the poor
Well maintained rural	 Increase budget allocation in financing rehabilitation and
road network	maintenance of rural roads
	Develop and apply labour intensive technology for
	rehabilitation and maintenance, and increase the use of
	local contractors
	Strengthen the capacity at district level to manage road
	rehabilitation and maintenance carried out by
	contractors.

Improve quality of life and social well-being

Non-income poverty happens when education, health and social well-being are less than they might be. In a general way it is clear what needs to be done but it will take time to figure out all the details and how much it will cost. The following Plans are already being made:

National Strategy for Primary Education	By July 2001	
National Agricultural Strategy	By June 2001	
Rural Sector Strategy	By December 2001	

The Local Government Reform Programme is already beginning to be implemented in all districts and this allows local authorities to be in charge of many of the key services.

These plans will allow for:

- many of the existing buildings and services being in poor condition and needing to be fixed. (Local Authorities will decide where to put new buildings)
- much of the support coming from donors and therefore being outside the budget (but the Government will work with donors to streamline activities)
- the reduction of poverty costing more money than is presently available. (The Government will be working to find additional resources.)

A human becomes a human because of other humans.

[African Proverb]



Education

The overall aim is to have more and better education. This will include eliminating illiteracy by 2010 and achieving gender equality in primary and secondary schools by 2005.

Targets

	By 2003
Gross primary school enrolment	Up to 85%
Primary School Drop-out rate	From 6.6% to 3%
Net primary school enrolment	From 57% to 70%
Students passing Standard 7exam	From 20% to 50%
Children moving from primary to secondary school	From 15% to 21%
Adult Education Programmes	Expanded

Activities

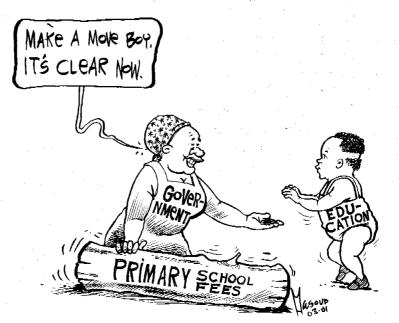
- School mapping and improvement plans will be made
- The Government will support the basic costs of primary education (especially teacher salaries)
- Primary school fees will be abolished from July 2001
- Schools will be improved textbooks, materials, furniture, sanitation, classrooms, teacher houses etc
- More appropriate pupil-teacher ratios will be used
- Teachers will be upgraded and reallocated
- The School Inspectorate will be strengthened
- Private and community-based education (including adult education) will be promoted

If I can't afford it, I educate the boy first because after school be can come back and help me. Girls get married after school so they can belp.

[[Rosina Celestine, mother Ngumeni]

Indicators

- net enrolment rate for primary education
- net primary school intake rate
- the enrolment rate in grade seven
- passing rate in grade seven



Health

Life expectancy is getting less (due mainly to HIV/AIDS). The goal is to increase it to 52 years by 2010. This will be done through improving nutrition and making health services and safe water more available.

Targets

Targets	By 2003
Infant Mortality rate	From 99 to 85 per 1000
Under 5 mortality rate	From 158 to 127 per 1000
Maternal mortality	From 529 to 450 per 1000
Malaria related deaths of children under 5	From 12.8 to 10 %
People with access to safe water	From 48.5 to 55%
Immunization of children under 2 against measles,	From 71 to 85%
diphtheria, partusis and tetanus	
Districts with active HIV/AIDS awareness campaigns	To 75%
Reduce prevalence of stunting	from 43.4 – 20%
Reduce prevalence of wasting	from 7.2 – 2%
Trained personnel present at births	From 50 to 80%
Fully implement the 2000 Water Policy according	
to plan	v

Activities

- Increase the amount and improve the allocation of government money for basic health care
- Provide quality health care within reachable distances for all people in urban and rural areas
- Ensure more effective support to primary health care services by strengthening the dispensary and hospital services and changing how they work
- Strengthen the programme of Integrated Management of Childhood Illnesses
- Strengthen the national support systems for personnel management, drugs, supplies and medical equipment
- Implement national malaria control programme as planned for 2000/01 to 2002/03
- Promote private sector and civil society involvement in the delivery of health services

HIV/AIDS

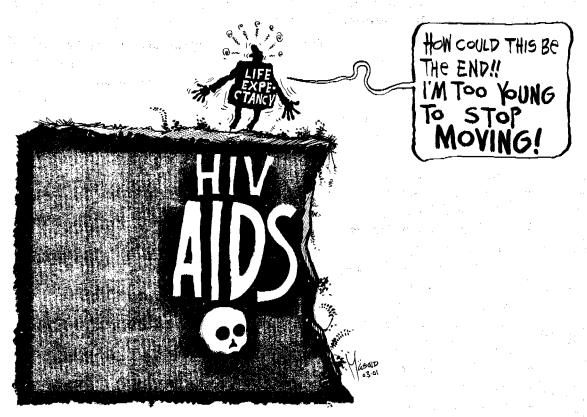
• Promote HIV/AIDS and public health awareness – including having students teach each other in schools

Anguish and grief over watching loved ones die because of lack of money for health care is a silent crisis of poverty.
[Deepa Narayan]

Health involves complete bodily, mental and social well-being not only the absence of disease and disability.
[World Health Organisation]

Nutrition

- Promote nutrition education, especially for mothers, and reinforcement of reproductive health and family planning
- Provide school funding programme



Water

- Increase government spending in rural water supply
- Conduct needs assessments of different social groups in rural areas
- Strengthen the water resource and water quality data bases
- Carry out hydrological and hydrogeological surveys
- Carry out regular water supply quality surveys and apply the World Health Organisation quality standards
- Promote the use of rainwater harvesting
- Rehabilitate all malfunctioning and non-operative water supply schemes and earth moving and drilling equipment
- Enforce water quality laws, regulations, rights and standards in water sources
- Empower local authorities and communities to protect water sources

Indicators

- infant and under five mortality rates
- percentage of children fully immunised by their first birthday
- proportion of districts with active HIV/AIDS awareness campaigns
- proportion of households with access to safe drinking water

Social well-being - political involvement

Amongst other things social well being involves making political decisions about what matters in your life and about feeling protected by the forces of law and order. There has been a lot of progress in this over the last three years and more is planned.

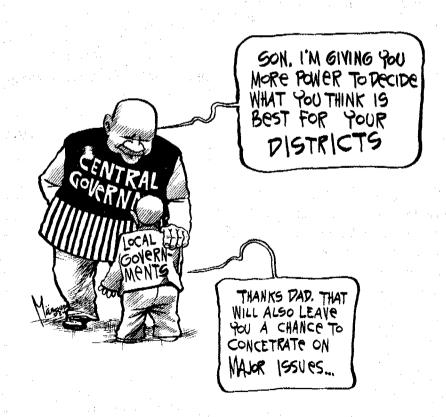
The Government has become more open about what it is doing and more willing to listen to what ordinary people say.

- Ordinary people can now find out what the Government is doing with its money and go to public meetings to decide what Government policy should be.
- The newspapers, radio and television are keeping ordinary people informed about what is going on.
- There are many civil society organisations to champion particular causes.
- Local authorities will get more power to decide what they think is best for their regions through the Local Government Reform Programme.

When it comes to law and order people need to feel safe to walk the streets, to have ready access to the courts and to know that the Government system is efficient, fair and transparent. Plans are therefore being made for the following activities at the local level.

Targets

- Fully implement this Poverty Reduction Strategy as planned
- Fully implement the Local Government Reform Programme by 2003 in all districts
- Ensure the effective participation of all stakeholders in creating, implementing and monitoring the development plans



Activities

- Promote community-based security systems
- Repair the primary court buildings and other local facilities
- Employ more magistrates so that cases in the primary courts can be settled more quickly

And at the national level:

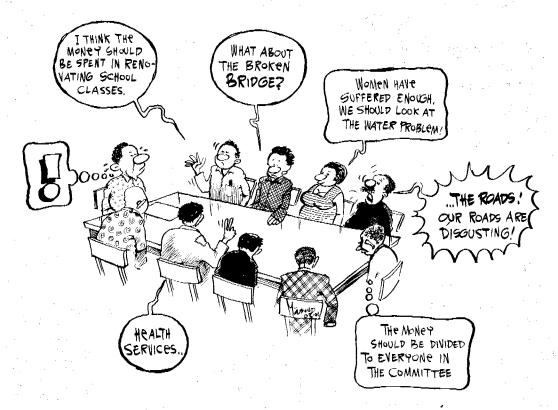
	By end of 2003
Ratio of planned to actual Court of Appeal sessions	From 50% to 100%
Court Decisions	Speeded up
Ratio of decided to filed court cases	From 63 to 80%
Average time taken to settle commercial disputes	Reduced to 18 months

There will also be investigations of corruption in the

- Judiciary
- Ministries of Works, Education, Health and Home Affairs and their local offices
- Attorney General's Office
- Tanzania Revenue Authority

Indicators

- indicators of popular participation
 - number of, and attendance at, consultation workshops
 - inputs received from civil society
 - distribution of government reports
- quarterly reports on progress of reforms to the court system and investigations of corruption



Reduce vulnerability amongst the poorest groups

Local communities will be asked to help identify vulnerable groups and decide what their needs are and how they might be met. Some of the actions to help these groups are:

- Food-for-work Programmes
- Special projects dealing with orphans and the handicapped
- Early warning systems to predict weather-related variations in crop yields
- Support to irrigation schemes in arid areas
- Improving access to food supplies in surplus regions
- Developing drought resistant crops
- Sustained efforts in re-afforestation

The World Bank has also provided a loan for a large Tanzania Social Action Fund (TASAF) project at district level.

Many of the poor people in Tanzania depend on the natural environment for their food and also to make a living from selling forest products like firewood, charcoal, honey and wild fruits. We don't know enough about these activities to make plans and set targets for protecting the environment. Information will be gathered and built into future versions of the PRSP.

Links will be made to other initiatives such as promoting the use of drought resistant crops and community managed irrigation schemes, and to initiatives in afforestation and destocking.

Targets

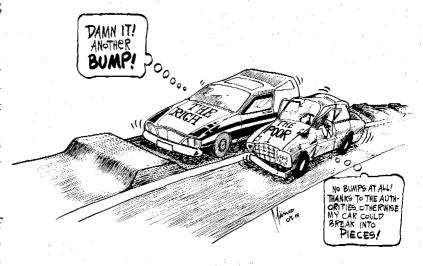
Build the capacity of all communities needing safety net programmes

Activities

- Promote communitybased care programmes for the most vulnerable groups
- Create an equalisation fund to help disadvantaged areas

Indicators

 the number of databases on vulnerable groups established at local and central levels of government



How will we pay for poverty reduction?

We are still not sure exactly how much money we will need nor how much money will be available in the future. It is clear, however, that we will not have as much as we would like and that we will have to spend what we have very carefully and effectively.

We will not know exactly how much will be available specifically for poverty reduction until all the other Government plans have been drawn up.

Sources of funds

- Some of the money will come from the government budget but we will not know how big this will be until improvements in the tax system have been made.
- Some of the money will come from foreign donors but we cannot always predict how much this will be in the medium to long term.
- The Government will use its money to capture other money through co-financing and match-funding with ordinary people and businessmen who have well thought out ideas and projects.
- The Government may borrow money to fill gaps.

Bearing in mind these uncertainties, and the need for a stable economy, the targets set for the next three years are that total budgetary expenditure will increase from 15.5 to 17-18 per cent of the total wealth created. Of this 70 per cent will come from the Government and 30 per cent will come from foreign donors either as grants or loans.

If the Government reforms are successful then Tanzania will meet the conditions for Highly Indebted Poor Country (HIPC) debt relief by mid-2001. This means that some of the money that would have gone to repaying foreign debts can be used locally to reduce poverty.

Many of the poverty reduction activities will be managed by local government. The exact details of this will be worked out in the ongoing Local Government Reform Programme (LGRP).

It is difficult for local people to respond with enthusiasm to a call for development work which may be to their benefit, but which has been decided upon and planned by an authority hundreds of miles away. [Mwalimu Julius Nyerere]

Priorities for spending

In response to what ordinary people said in consultations to prepare this document, the Government has decided that the most important poverty reduction activities should be repairing and improving services for the priority sectors and items. These are described below.

	Millions of shillings	
	Sector	Item
Education (item = primary education)	182061	142424
Health (item = primary health care)	65970	42314
Roads (item = in the rural areas)	50147	28849
The Court System		7855
Agriculture (item = research and extension)	8213	6893
Water		5064
HIV/AIDS		4800

Special Poverty Reduction Extras

Abolition of primary school fees

The government will stop collecting primary school fees in July 2001. This is because the government believes that more children, especially those from poor families, will be able to get a primary school education if they do not have to pay fees.

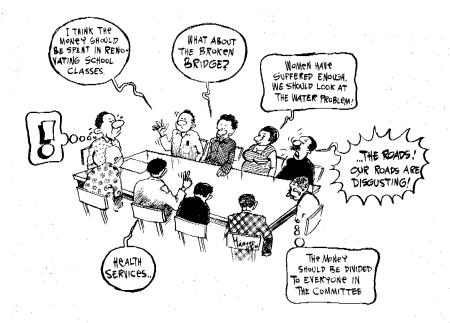
Stimulating contributions from communities and other stakeholders

Local communities have always been active in reducing poverty through self-help schemes to build classrooms, health centres, water supplies, rural roads and so on. The Government will encourage more of this by sharing the costs of some of these schemes and by encouraging other donors to do the same.

Training for work

The Government intends to spend about Tsh. 100 million every year to help people learn what they need to get jobs. This money will be targeted particularly at vulnerable people.

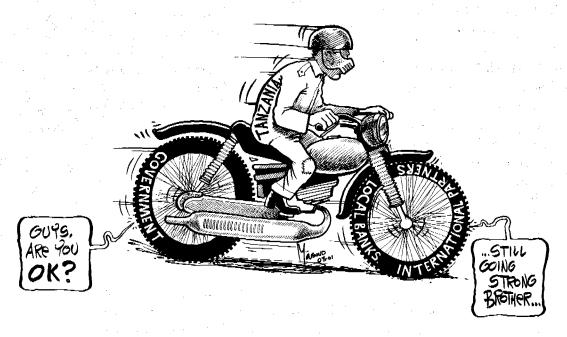
If you engage yourself in many groups, how are you going to work? You need to survive... but if you don't join a group, how can you cope with a difficult life?
[Villager, Tabora]



How are plans made?

Since Independence in 1961 the Government has tried to conquer the problems of ignorance, disease and poverty. There was considerable progress using centrally planned approaches until the 1970s when various external shocks and internal weaknesses caused setbacks. Despite a series of economic and political reforms since the mid 1980s a half of all Tanzanians are now thought to be basically poor and about a third live in extreme poverty.

But the tide may be turning. In the late 1990s the government produced its *Vision 2025* setting out economic and social goals in the long term. This was quickly followed by the *National Poverty Eradication Strategy* (NPER) setting out objectives for poverty eradication till 2010. The international community then joined the government in producing the *Tanzania Assistance Strategy* (TAS) that outlined a more coordinated approach to foreign aid. Since then a Medium Term Expenditure Framework (MTEF) and a Public Expenditure Review (PER) have been produced and a list of Poverty and Welfare Monitoring Indicators (PMI) has been drawn up.



Now we have the Tanzania *Poverty Reduction Strategy Paper* (PRSP). This provides a medium-term strategy to reduce poverty and is part of the Highly Indebted Poor Countries (HIPC) Initiative. This strategy means that the Government has to cut back on spending but it allows for various poverty-focussed extra-budgetary activities and promotes a range of non-financial measures that should make an impact on poverty.

Many local people were involved in developing the PRSP and many more will be involved in making it work. The plan tries to list the reasons for people being poor and suggest ways to overcome them. Some of the solutions involve the government and donor agencies and others involve ordinary people.

The PRSP is different from earlier plans because it sets very clear targets and asks ordinary people to be involved. They were involved in designing the plan and they will be involved in making it happen. And what is even more important, they will be involved in making sure that the targets that are set in the plan are being met.

How was this plan made?

In October 1999 a Committee of twelve Ministers and the Governor of the Bank of Tanzania was formed to develop the Poverty Reduction Strategy Papers. This committee was supported by a technical committee (coordinated by the Vice President's Office) made up of officials from the Prime Minister's Office, Planning Commission, the main Ministries and the Bank of Tanzania.

A background document (the interim PRSP) was produced in draft in early January 2000. This was discussed at a consultative meeting that included Government representatives and people from the donor community and civil society. The document was reviewed and approved by the cabinet in early February 2000 and submitted to the International Monetary Fund and World Bank Boards in Washington by March 2000. This allowed Tanzania to move ahead and produce the full Poverty Reduction Strategy.

In March 2000 the technical working group prepared a draft outline for the full PRSP. This was discussed at seven Zonal workshops during 11-12 May 2000. These were attended by 804 participants and included 426 villagers, 215 Councillors, 110 District Executive Directors and 53 people from NGOs. Just under a quarter of the participants were women. The report on each zonal workshop was presented to the Technical Committee on 16 May 2000.

The people know their own needs: once convinced that these can be overcome by their; own effort, they will make these efforts. What they need now. knowledge, selfconfidence and sometimes skills or very small amounts m o n e y. |Mwalimu Julius K Nyerere]

Following a Consultative Group meeting between government and donors on 22 May 2000, a team of experts drew up an initial draft of the PRSP using information from pre-existing studies and policy documents and the results of the Zonal Workshops. On 30 June the draft was presented to a meeting with the donor community that was attended by a joint World Bank/International Monetary Fund team. On 1 July 2000 parliamentarians were briefed on progress to date and their views were sought.

People cannot be developed; they can only develop the mselves.
[Mwalimu Julius K Nyerere]

On 3-4 August 2000 a national workshop with 25 participants was called to seek further reactions to the targets, priorities and actions that were outlined in the draft. Those present included Permanent Secretaries, Regional Commissioners, representatives of the donor community, the multilateral institutions, private sector organisations, NGOs, the public media and informal sector representatives.

Also on 3-4 August 2000 the draft was presented to a gathering of Regional Administrative Secretaries at Lobo in the Serengeti.

A revised draft was approved by Cabinet on 31 August 2000. Further revisions were made by the government and the IMF/World Bank and the final document was approved by the IMF and World Bank Boards in October 2000.

How will future plans be made?

Several studies are underway to get better statistics to help make future plans. These include:

- a new Household Budget Survey covering over 24,000 households
- a pilot labour force survey to establish the baseline for the labour market
- a population and housing census in 2002
- a demographic and health survey in 2003

The IMF/World Bank is also suggesting an updating of the Social Accounting Matrix to measure whether the income and policy activities are having an impact on poverty.

There is an urgent need to build the capacity of a wide range of people to monitor the activities that have begun with the PRSP. People also need help to analyse the information that is gathered and to figure out what it means for policy.

It is likely that a set of forums will be established to co-ordinate and integrate the many different activities at different levels and to find ways to draw out the policy implications in as participatory a manner as possible.

As it says in the PRSP, "The Government intends to continue to seek fuller representation of the poor and other stakeholders in the implementation, monitoring and evaluation of the poverty reduction strategy, and in subsequent revisions of the PRSP."

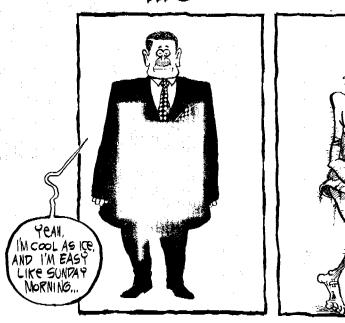
If ten thousand people shoot at the same target at the same time no target will not be hit. [Chinese Proverb]

What the big words mean

Macroeconomics is the study of the big picture of the economy ie of how wealth is created and distributed. It can be about a particular country or about the world as a whole and of how individual countries fit into the global picture. There are many ongoing macroeconomic debates eg

- The rich are getting richer and the poor are getting poorer. What can we do about this?
- To what extent should governments intervene in the operation of the 'free' market?
- Given the fact of pollution and the destruction of the environment is unrestricted economic growth either desirable or possible?







Macroeconomic Stability is a result of having fiscal (tax), monetary and exchange rate policies aimed at hitting key macroeconomic targets such as economic growth, inflation, external debt and net international reserves.

Microeconomics is the study of how particular industries, businesses or households work.

Gross Domestic Product (GDP) is a measure of the total amount of wealth created in a country over a given period of time ie the total value of all the goods and services created and exchanged for money. If the total for this year is 1% higher than for last year then the growth in GDP is 1%. But the GDP is famous for ignoring a lot of valuable work that could be included - for example running a household and family by cooking and fetching fuel and water, and also people building their own houses from local materials and growing food for their own use.

Gross National Product (GNP) is the same sort of thing as GDP but includes imports and exports.



Real Growth: For both GDP and GNP, if the measured growth is 7% per year but inflation has been 5% per year then the 'real growth' will have been only 2% per year.

Inflation: a measure of how much prices rise between one year and the next – often based on the idea of filling an average shopping basket

Social Capital is the 'glue' that holds families, groups and society together. It refers to the shared beliefs, customs, and habits that help people work together effectively in formal and informal groups. It can apply at the village level but also at the regional, national and international levels.

Civil Society Organisations include formal organisations that are registered by Government, and many kinds of informal organisations. They include charity organisations, religious institutions, activist groups, pressure groups, academia, and special interest groups such as trade unions and student movements. Informal organisations include Upata groups, mutual aid groups, ethnic-based welfare societies, football clubs organised by young men and netball clubs organised by young women.

Pro-poor budgeting (and expenditure monitoring). Money is set aside in the budget for programmes which are intended to benefit poor people. But this money has first to pass through the Treasury, the relevant Ministry, the Regional and Council authorities and the service units (eg schools and hospitals) before the poor people will feel the benefit. By monitoring the process carefully it should be possible to make it more efficient.

Public Expenditure Review the PER team meets once every two weeks to study the details of how the Government is collecting and spending its budgeted money. The team, set up in 1997, includes the key Government officials and representatives from the business community, civil society organisations and foreign donor organisations.



Government Budgets: The government is like a household that has to keep a balance between the money that comes in and the money that goes out. When there is not a lot coming in the government has to decide what to spend it on and what not to spend it on. The process of gathering this information and making decisions is called Budgeting.

Sources of government income

• Direct Taxes eg income tax, property tax,

• Indirect Taxes eg customs and excise duties, sales tax

- Non-tax revenue eg licences and fees
- Loans eg from the International Monetary Fund (IMF) and the World Bank
- Grants & Donations eg from other

governments and from NGOs



Raising taxes is seldom popular and some kinds of tax are harder on poor people than on rich people. Loans are useful for filling short term gaps, and for getting new businesses started, but they have to be repaid. Grants and Donations are very welcome but we cannot expect them to continue forever.

Personal Emoluments (PE) and Other Charges (OC): a Ministry will spend part of its budget on salaries (personal emoluments) and part on doing the work for which it exists (other charges). As part of the PRSP, the Government will increase the amount of the budget set aside for 'other charges' - for example, between 1999/2000 and 2002/2003, from 2 to 3.8 per cent for basic education and from 2.1 to 3.8 per cent for primary health.



Abbreviations

BoT Bank of Tanzania

CAS Country Assistance Strategy

CSO Civil Society Organisation

DED District Executive Director

ELCT Evangelical Lutheran Church of Tanzania

ESAF Enhanced Structural Adjustment Facility

GDP Gross Domestic Product

GNP Gross National Product

HBS Household Budget Survey (1991/92)

HIPC Highly Indebted Poor Countries

HRDS Human Resource Development Survey (1993)

HRS Human Resource Survey (1983)

IBRD International Bank for Reconstruction and Development (World Bank)

IFM Integrated Financial Management Information System

IMCI Integrated Management of Childhood Illnesses

IMF International Monetary Fund

LGRP Local Government Reform Programme

M&E Monitoring and Evaluation

MDF Multilateral Development Fund

MSME Micro, Small and Medium Enterprises

MTEF Medium-term Expenditure Framework

NBS National Bureau of Statistics

NGO Non Government Organisation

NPES National Poverty Eradication Strategy

OPM Oxford Policy Management

PER Public Expenditure Review

PL Poverty Line

PMI Poverty and Welfare Monitoring Indicators

PPA Participatory Poverty Assessment (1995)

PRGF Poverty Reduction and Growth Facility

PRSC Poverty Reduction Support Credit

PRSP Poverty Reduction Strategy Paper

PSAC-I Programmatic Structural Adjustment Credit

PSRP Public Service Reform Programme

RAS Regional Administrative Secretaries

SME Small to medium Enterprises

TAS Tanzania Assistance Strategy

TASAF Tanzania Social Action Fund

TIC Tanzania Investment Centre

TIPER Tanzanian-Italian Petroleum Refinery

TRCHS Tanzania Reproductive and Child Health Survey (1999)

TSED Tanzania Socio-Economic Database

TTC Teacher Training College

VPO Vice President's Office

Ten tough questions to provoke hard thinking

"Data and the need for better data is now in the limelight. Never before has the Treasury been demanding so much information from us. Not since the social dimensions of the adjustment programme has there been so much interest in the need for timely poverty data and good quality analysis." [Director, National Bureau of Statistics] How much time and money should we spend on gathering information?

"The churches ecumenically are trying to work with the government on how to tackle corruption, including workshops on how to promote transparency. This is important so that the people and the donors can see that aid and debt relief are reaching the poor." [Archibishop Donald Mteternela]

How else might issues of corruption which affect poor people be addressed?

"A major evaluation of the World Bank's work in Africa (commissioned by Norway) concluded that the design and implementation of the liberalisation packages (in Malawi, Zambia and Zimbabawe) have at best had a limited impact on current poverty and at worst contributed to an increase in poverty." [TGNP]

What assurance do we have that the recommendations for Tanzania will have a more positive impact?

"Raising taxes is seldom popular and some kinds of tax are harder on poor people than on rich people."

Should the Government gather more taxes from people to ensure poverty reduction?

"The IMF and World Bank have not yet met their commitments to assess the impact of proposed reforms in their programmes before undertaking them. Due to this lack of information on impacts, in most countries, there is still no discussion of realistic policy choices and trade offs." [OXFAM]

Does the Tanzania PRSP make the best choice of priority sectors and of items within them?

"A dual system of education and health has emerged in Tanzania. The rich and their children use high cost private schools and medical facilities leaving the poor to use the under-financed public social service system." [TGNP]

How is the PRSP to address this problem of dual systems?

"Crop prices are falling, farm input prices are rising, and many vital inputs are often not delivered at all, or not on time. The food security of the nation is now at risk as a result of liberalisation and its negative impact on food producers. The impact is worse for smallholder farmers, especially those in the south and west of the country that used to be the breadbasket of Tanzania. In addition, pastoralist livestock-keepers have been completely neglected by these policies." [TGNP]

Does the PRSP as it presently stands tackle this food security problem?

"The financial implications indicated in the PRSP shows that there is a financing gap.

Financial requirements and proposed allocation of other charges and development expenditures for six priority sectors (education, health, water, judiciary, agriculture and roads) show that they will only be covered by 54% in 1999/2000, 69% in 2000/2001, 75% in 2001/2002 and 86% in 2002/2003. Therefore there is no 100% financial coverage for PRSP for the next three years." [TASOET] How is this financial gap to be covered?

"Discussion by parliament of the PRSP draft took place in a 2 hour session. Given the potential significance of the Paper in reworking targets and actions set out in the approved NPES, it is questionable whether this was sufficient to achieve the necessary political consensus on the way forward." [Evans, Nglawea & Semboja, Nov 2000] What should we do about building the political consensus?

"An aspect of ownership of the PRSP which needs to come out very clearly is the activities or areas showing the role of the communities in the PRSP." [TASOET] How can we link what the Government can do to what the people can do as this is very important in fostering the ownership concept?

The following web sites also contain a lot of useful information

Tanzania On-line http://www.tzonline.org

Tanzania at the World Bank Website www.worldbank.org/hipc/country-cases/tanzania/tanzania.html

Tanzania at the International Monetary Fund http://www.imf.org/external/country/tza/index.htm

Online version of the original PRSP http://www.imf.org/external/np/prsp/2000/tza/02/index.htm

The Jubilee 2000 Coalition http://www.jubilee2000uk.org/

Acknowledgements

The idea of producing this plain language guide to the Government of Tanzania's Poverty Reduction Strategy Paper came originally from Emmanuel Kallonga who in his time has worked in Government, been the Country Representative of Oxfam and is now Director of the Civil Society Organisation Hakikazi Catalyst (www.hakikazi.org)

The English version of the guide was prepared by George Clark a consultant who works with civil society organisations. Involved with international development since 1974 he is presently Convenor of the Caledonia Centre for Social Development (www.caledonia.org.uk).

We greatly appreciate the efforts of the many readers of the draft booklets in both Dar es Salaam and Arusha. Their comments helped to ensure both readability and accuracy.

Hakikazi Catalyst acknowledges the special contribution of Ally Masoud (kipanya@hotmail.com) whose ability to express complex ideas in simple cartoons has added so much to the publication.

Much of the task of popularising policy lies in translating it into language that most people can understand. The assistance of Dr Y I Rubanza and Prof H Mwansoko in translating the text into plain language Kiswahili is thus gratefully acknowledged.

Our thanks to the Tanzania Coalition for Debt and Development (TCDD) for its assistance in distributing the booklet.

We also greatly appreciate the words of encouragement we have had from the Poverty Reduction Department of the Vice President's Office. This bodes well for a future where Government and Civil Society Organisations work together in the fight against poverty.

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Working together to dos and Wealth Gap

We shall create a better environment for stir people to use those resources, including land, waters, livestock and minerals. In doing so, we shall give priority to human resource development, especially giving our people the training, skills and capital with which to self-develop. Education, health, water, infrastructure and the co-operatives are matters that will receive greater attention as we seek to empower our people for self-development and self-reliance.

We cannot promise to put money in your pockets, but we commit ourselves to creating opportunities for self-development for as many people as possible. We do not want to leave anybody behind in our march of development. We must move together; we must strive to stop the wealth gap from widening further among our people.

We can, and indeed we must, wage war more effectively on the poverty afflicting our people, ensuring no child or adult goes to bed hungry, ensuring each child is immunised against preventable diseases, ensuring all people have access to safe water, ensuring every child - male and female - gets quality basic education and ensuring that basic medical care is not beyond the reach of the ordinary person."

Source: Inauguration speech of the President of the United Republic of Tanzania His Excellency Benjamin William Mkapa, in November 2000.

For more information please contact *Hakikazi Catalyst* who will put you in touch with the institution best able to help you.

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