THE TANZANIA’S
POVERTY REDUCTION
STRATEGY (PRS)

PRESENTATION TO THE TRAINING
WORKSHOP ON PRS
MONITORING, BUDGET AND
EXPENDITURE TRACKING – BAGAMOYO
16TH-18TH JUNE, 2003
OUTLINE

- EVOLUTION OF THE TANZANIA’S PRS
  - The Early Policies And Strategies
  - Structural Adjustment Reforms Of The 1980s
  - Recent Policy Initiatives And Strategies

- THE KEY GOALS OF THE TZ.’S PRS

- THE MAIN COMPONENTS OF THE STRATEGY
  - Creating Enabling Environment for effective participation
  - Capacity Building For Growth And Poverty Reduction
  - Promoting Social Services

- PRIORITIES, INDICATORS AND TARGETS
  - The PRS priority areas
  - Indicators and targets

- ENTRY POINTS FOR CIVIL SOCIETY INPUT
Early Policies And Strategies

- The period 1961-1970
  - Growth strategies of the colonial era were continued
    - Market oriented approach
    - Transformation and improvement (mechanization of agric. In pilot areas)
  - Policy stance
    - Equality
    - Building national capacity to manage the economy (Africanization)
  - Results
    - Modest growth (5-6 annual growth rate)
    - Income disparities widened
    - Despite the modest growth changes became necessary to conform with the policy stance
EVOLUTION OF TZ’S PRS (cont’d)

Early Policies And Strategy (cont’d)

• The Arusha Declaration Era
  – Policy stance
    • Ujamaa and villagization
    • Equality
    • Self reliance
  – Strategies to achieve more equitable distribution of income
    • Nationalization of the major means of production and distribution
    • Central planning
    • Massive expansion of the public sector (became the dominant sector)
    • Expansion of the social services
  – Results
    • Significant gains in reducing illiteracy and increasing life expectancy
    • The local resource was not growing fast enough to sustain the gains
    • Despite the declared policy of self reliance there was continued dependency on external support
The Structural Adjustment Period

• The economic crisis
  – Was a logical result of the trend of the economy
    • Expenditure > revenue
    • Economic base not growing
    • Massive expansion of infrastructure for social services
  – External factors that exacerbated the situation
    • Break-up of the East Africa Community
    • The war in Uganda
    • Collapse of the commodity prices
    • The oil price crisis
The Structural Adjustment Period (cont’d)

- Major characteristics of the crisis
  - Stalled economic growth
  - High rates of inflation
  - Chronic shortage of consumer goods & poor quality of goods and services
  - Collapse of the socio-economic infrastructure and roads & communication networks
- The reforms
  - National economic survival programme (NESP)
  - Structural adjustment programme (SAP)
  - Economic recovery programme 1 & 2 (ERP)
EVOLUTION OF TZ’S PRS (cont’d)

The Structural Adjustment Period (cont’d)

- Objectives of the Reform measures
  - Reverse the downward trend of the economy and restore growth
  - Reduce inflation rate to a single digit
  - Restore macroeconomic stability
  - Liberalization and re-introduction of market oriented economy
  - Encouraging and supporting the private sector to grow
  - Financial sector reform
  - Increased civil liberty
The Structural Adjustment Period (cont’d)

- Results
  - Improved availability of consumer goods
  - Reversed the downward trend of the economy - It began to grow at an average annual growth rate of 3-4%
  - Income disparities began to widen again
  - Poverty level remained high with fear of worsening esp. in rural areas
  - Social services, and access continued to deteriorate
Recent policy initiatives and strategies

- The vision 2025 -objectives
  - High quality livelihood typical of current middle income countries
  - Eradication of absolute poverty
  - Peace stability and unity
  - Good governance
  - A well educated and learning society
  - A competitive economy for sustainable growth and shared benefits
Recent policy initiatives and strategies (cont’d)

- The NPES objectives
  - Provide overall framework for coordination of PEI in the country
  - Promote effective partnerships
  - Mobilize resources and channel them to identifies priority areas
  - Capacity building of the actors
  - Support facilitation of different actors

The overall aim is to provide the necessary support to enable reduction of absolute poverty by 50% by the year 2010
EVOLUTION OF TZ’S PRS (cont’d)

Recent policy initiatives and strategies (cont’d)

• The TAS –Objectives
  – Address the major concerns regarding donor practice in Tanzania
  – To provide a framework to guide donor assistance in development cooperation
  – Harmonization of donor policies and procedures
  – Promote local leadership and ownership of dev. initiatives supported by donors
  – Promote effective partnerships
  – Improve aid coordination
  – Improve transparency, accountability and predictability of aid.
Recent policy initiatives and strategies (cont’d)

• The PRSP –objectives
  – To channel debt relief funds to broadly agreed priority areas to enable eradication of absolute poverty by the year 2025
  – To continue the ongoing macro-economic reforms aimed at macro-economic stability and shared benefits
  – Is now accepted by the GVT. and donors as providing short term and rolling frame and guidance for priority poverty reduction activities.

• Specific areas of concentration
  – Reducing income poverty
  – Improving human capabilities survival and social well-being and
  – Containing extreme vulnerability
THE KEY GOALS OF THE TZ.’S PRS

- Promote broad based growth with special focus in areas where the poor are concentrated (increase productivity of peasant farmers & informal sector and secure markets for the products)
- Improve access to essential basic services for men and women (Basic education, Primary health care, clean and safe water.)
- Maintain stable macroeconomic environment
- Preserve the natural environment
- Improve and maintain the infrastructure of roads and other communication networks
- Promote good governance (accountability, transparency, democracy and participation)
- Effective monitoring and evaluation
THE MAIN COMPONENTS OF THE STRATEGY

- Creating enabling environment for effective participation
  - Good governance
    - Accountability to people, transparency
    - Strengthening democratic processes
    - Promote free and effective media
    - Policy reviews
  - Participation
    - Sensitization and awareness creation of opportunities
    - Enable communities to mobilize own resources and design own poverty reduction programmes
    - Decentralization and strengthening local GVT.
    - Promotion of dialogues and networking
  - Effective coordination and supervision
    - Developing co-ordination mechanism
    - Support establishment of networks
    - Establish clear lines of communication (national, regional, district and communities)
THE MAIN COMPONENTS OF THE STRATEGY (cont’d)

• Building capacity for growth and poverty reduction
  • Growth oriented macroeconomic policies to promote investment and enhance productivity
  • Employment creation by promoting income generating activities
  • Preservation of the natural environment for sustainable development
  • Promoting micro-finance
  • Focus on sectors with greater potential for increasing the incomes of the poor
  • Developing and maintaining the basic infrastructure.
  • Promoting cooperatives
  • Mobilization of resources and redirection to priority areas/sectors

• Promoting social services
  • Education
  • Health
  • Water and sanitation
PRIORITIES, INDICATORS AND TARGETS

• The PRS Priority areas
  – Identified priority sectors
    • Agriculture
    • Basic education
    • Primary health care
    • Water and sanitation
    • Rural roads
    • Legal and judicial system
  – Cross-cutting issues
    • HIV/AIDS; Governance; Gender equality; Employment; Environment; Rural development; public sector reform including the local government reform
  – See status of implementation and planned priority activities in the annex 1 of my paper
• Indicators and targets
  – Income poverty
    • The population below basic needs and food poverty lines; the overall GDP growth rate; agric. sector growth rate; unemployment rate; Road rehabilitation and maintenance.
    • See targets in table 1 page 9-10
• Indicators and targets (cont’d)
  – Non income poverty
    • Human capabilities
      – Illiteracy rates; primary school enrolment rates; drop-out rate; pass rate in std.7 transition rate primary-secondary; secondary enrolment rates; girl/boy ratios; population with access to safe water
    • Survival
      – Mortality rates (infant, under-five & maternal; life expectancy; sero-positive prevalence; coverage of HIV/AIDS campaign; malaria-in-patient case fatality; Births attended by skilled health worker
  • Nutrition
    – Stunting; wasting; and underweight
  • Vulnerability
    – No firmed up indicators yet; expected in the next PRS progress rpt.
      – Waiting analysis of the PPA & Population census data sets
  • See targets in the respective tables in pages 10-12
ENTRY POINTS FOR CIVIL SOCIETY INPUT

- **Participate in poverty diagnosis and strategic planning**
  - carrying out PPAs - to deepen understanding of poverty at national level
  - provide opportunity for the voices of the poor to be heard at the national level

- **Implementation of sectoral strategies**
  - As implementing agents (sub contracts)
  - Complementing activities of the local authorities particularly in providing basic social services and safety nets programmes targeting particular vulnerable groups
  - Provision of micro finance services

- **Participate in poverty monitoring and evaluation**
  - Included in the PMS steering committee and in the TWGs
  - Carry out independent monitoring and evaluation
  - Carry out researches and case studies
ENTRY POINTS FOR CIVIL SOCIETY
INPUT(CONT’D)

• Participate in public expenditure monitoring
  • The PER/MTEF emphasizes on transparency in GVT budget process
  • It's important to have independent evaluation of the impact of public expenditure
  • CSOs are better placed to track service delivery and point out concerns

• Participate in empowering the people
  • Capacity building and skills development
  • Advocate important issues like gender equality, human rights, education, preservation of the environment, good governance, family planning etc.
  • Increase democratization process
  • Campaign against HIV/AIDS

• Contribute in dissemination, advocacy and sensitization
  • Some CSOs have useful networks
  • Have greater proximity to people at grass roots