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<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>ARV</td>
<td>Antiretroviral</td>
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<tr>
<td>BIT</td>
<td>Bilateral Investment Treaties</td>
</tr>
<tr>
<td>BoT</td>
<td>Bank of Tanzania</td>
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<tr>
<td>BRN</td>
<td>Big Results Now</td>
</tr>
<tr>
<td>CMTD</td>
<td>Community Managed Targeting and Distribution</td>
</tr>
<tr>
<td>DMD</td>
<td>Disaster Management Department</td>
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<tr>
<td>DPG</td>
<td>Development Partners Group</td>
</tr>
<tr>
<td>EAC</td>
<td>East Africa Community</td>
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<tr>
<td>EPR</td>
<td>Emergency Preparedness &amp; Response</td>
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<tr>
<td>EPZ</td>
<td>Export Process Zone</td>
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<tr>
<td>ERP</td>
<td>Economic Reform Programme</td>
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<tr>
<td>ESRF</td>
<td>Economic and Social Research Foundation</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FtF</td>
<td>Feed the Future</td>
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<td>FYDP</td>
<td>Five Year Development Plan</td>
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<td>GBS</td>
<td>Government Budget Support</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GER</td>
<td>Gross Enrolment Ratio</td>
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<tr>
<td>HIV</td>
<td>Human Immune-Deficiency Virus</td>
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<tr>
<td>Iagri</td>
<td>Innovative Agricultural Research Institute</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>INSET</td>
<td>In-Service Training</td>
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<tr>
<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
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<tr>
<td>JAST</td>
<td>Joint Assistance Strategy</td>
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<td>JESR</td>
<td>Joint Education Sector Annual Review</td>
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<tr>
<td>LDC</td>
<td>Least Developed Country</td>
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<tr>
<td>LFI</td>
<td>Local Finance Initiative</td>
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<tr>
<td>LGA</td>
<td>Local Government Authority</td>
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<td>MDA</td>
<td>Ministry, Department and Agency</td>
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<tr>
<td>MKUKUTA</td>
<td>Mkakati wa Kukuza Uchumi na Kupunguza Umaskini</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
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<td>NACSAP</td>
<td>National Anti-Corruption Strategy and Action Plan</td>
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<tr>
<td>NAP</td>
<td>National Agriculture Policy</td>
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<td>NAWAPO</td>
<td>National Water Policy</td>
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<td>NBS</td>
<td>National Bureau of Statistics</td>
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<td>NER</td>
<td>Net Enrolment Ratio</td>
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<tr>
<td>NSA</td>
<td>Non State Actor</td>
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<tr>
<td>NTD</td>
<td>Neglected Tropical Diseases</td>
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<td>NWSDS</td>
<td>National Water Sector Development Strategy</td>
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<td>PETS</td>
<td>Public Expenditure Tracking System</td>
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<tr>
<td>PMO</td>
<td>Prime Minister Office</td>
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<tr>
<td>PMTCT</td>
<td>Prevention of Mother to Child Transmission</td>
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<tr>
<td>PPP</td>
<td>Public Private Partnership</td>
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<tr>
<td>SACCOS</td>
<td>Savings and Credit Cooperative Organisations</td>
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<tr>
<td>SAGCOT</td>
<td>Southern Agriculture Growth Corridor of Tanzania</td>
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<tr>
<td>SNV</td>
<td>Netherlands Development Organization</td>
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<tr>
<td>SUA</td>
<td>Sokoine University of Agriculture</td>
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<tr>
<td>TAFSIP</td>
<td>Tanzania Food Security Investment Plan</td>
</tr>
<tr>
<td>TAPP</td>
<td>Tanzania Agricultural Productivity Programme</td>
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<tr>
<td>TASAF</td>
<td>Tanzania Social Action Fund</td>
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<tr>
<td>TDV</td>
<td>Tanzania Development Vision</td>
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<tr>
<td>TIB</td>
<td>Tanzania Investment Bank</td>
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<tr>
<td>TIC</td>
<td>Tanzania Investment Centre</td>
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<td>TISS</td>
<td>Tanzania Inter-Bank Settlement System</td>
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<td>TRA</td>
<td>Tanzania Revenue Authority</td>
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<td>Tanzania Women Bank</td>
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<td>United Nations Capital Development Fund</td>
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<td>UNDACAP</td>
<td>United Nations Development Assistance Plan</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNICEF</td>
<td>United Nations International Children’s Fund</td>
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<tr>
<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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<tr>
<td>URT</td>
<td>United Republic of Tanzania</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>USD</td>
<td>United States Dollar</td>
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<tr>
<td>VICOBA</td>
<td>Village Community Bank</td>
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<tr>
<td>WASH</td>
<td>Water, Sanitation and Hygiene</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WDF</td>
<td>Women Development Fund</td>
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<td>WHO</td>
<td>World Health Organisation</td>
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<td>WIR</td>
<td>World Investment Report</td>
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<td>WSDP</td>
<td>Water Sector Development Programme</td>
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EXECUTIVE SUMMARY

Tanzania is among the Least Developed Countries (LDC) that adopted the Istanbul Programme of Action (IPoA) 2011-2020 and therefore is implementing a set of priority areas as approved by the Fourth United Nations Conference on Least Developed Countries. Endorsing the Plan of Action meant enhanced commitment by Tanzania and other Least Developed Countries, for their own development, with the support of development partners. The commitment centered on eight priority areas which indicated specific areas of action by the LDCs and developed countries. Developing countries, consistent with their capabilities, were supposed to provide support for the effective implementation of the Programme of Action in mutually agreed areas of cooperation within the framework of South – South cooperation.

This report provides assessment of progress, obstacles, constraints, and highlight some of the measures necessary to accelerate the implementation of the programme of Action for the period of five years (2011-15). Tanzania has experienced a stable GDP growth in the period under review where the average growth has been 6.8 percent. By the third quarter of 2015 the rate of GDP growth was 6.3 percent. The main drivers of growth have been investments in the extractive sector, infrastructure, telecommunications, financial services, tourism, and construction. This shows that the economy is slowly being transformed from dependence on agriculture. Another sign of the gradual transformation of the economy is the decline in contribution of the agricultural sector to national GDP from 29.4 percent in 2011 to 28.9 percent in 2014. The services sector contributed over 45 percent of the GDP in 2014.

Despite the strong macro-economic performance, Tanzania’s growth has not been sufficiently broad based, as poverty levels still remain high. The poverty rate declined from 33.3 percent in 2007 to 28.4 percent in 2012 with 43.5 percent of the population living on less than US$1.25 per day. Inequalities include differences between rural and urban poor with 33.4 percent of the rural population living in poverty compared to 4 percent in Dar es Salaam and 21.5 percent in other urban areas. In rural areas, 43 percent and 1.3 percent of households have access to improved water supplies and electricity compared to 85 percent and 34 percent of urban households (World Bank,
Limited education and employment in rural areas has resulted in significant rural-to-urban migration among young people.

With high annual population growth (2.7 percent) combined with about half of the population below the age of 15 years, the country has approximately one million new entrants in the labour market every year. The second defining demographic trend in Tanzania is urbanization, that is, the increase in the urban population as a proportion of the total population. Currently, the proportion of the country’s urban population grows at an average of 5 percent per year. With the current population growth rate, it is obvious that the increase will have both positive and negative implications for human development and poverty reduction.

With regard to performance in the health sector, Tanzania has made significant progress over the past five years. The life expectancy at birth in Tanzania has risen from 55 years in 2010 to 62 years in 2014, with infant mortality declining from 68 deaths per 1000 live births in 2005, down to 41 in 2012/13. With this performance, the country was on-course to achieve the MDG target of reducing infant mortality down to 38 deaths per 1000 live births.

The situation in the education sector in Tanzania over the past five years is mixed. On the positive side, Tanzania’s education sector has witnessed impressive achievements in school enrolments at all levels. Almost 80 percent of primary school-age children (age 7–13) now attend school. On the negative side, however, the quality of education offered by Tanzania’s education system is still of a concern, because the country’s education sector is characterized by increasing student dropout cases, along with a lack of competencies and reduced morale and motivation among teachers.

The country has generally made good progress in the implementation of the Istanbul Program of Action, although more needs to be done in order to achieve the required results. The social sectors including water and sanitation as well as resource mobilization require greater attention in order to ensure that objectives of the IPoA are achieved.
Other challenges identified in the report centre on good governance, implementation capacity, inadequate quality data and low productive capacity. Volatile global commodity prices have been noted as another challenge facing implementation and the country’s growth prospects. The government through the National Development Plan has put in place several strategies in order to address these challenges. Efforts towards economic transformation and diversification of the economy will be part of the efforts to address the volatility of global commodity prices.

In addition, increased support from the international community including the UN System would be very essential in assisting the country to overcome some of the challenges and attain the objectives of the Post 2015 Development Agenda and IPoA.
Chapter One

1.0 Introduction

Tanzania is implementing various international agreements, commitments and agreed regional and international policy frameworks including the Istanbul Programme of Action (IPoA) which was adopted at the Fourth UN Conference on Least Developed Countries (LDCs) in Istanbul, Turkey in May, 2011. The overarching goal of the Programme of Action for the decade 2011-2020 is to overcome the structural challenges faced by the Least Developed Countries in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the least developed country category.

The Istanbul Programme of Action has eight (8) priority areas which are; Productive capacity; Agriculture, food security and rural development; Trade; Commodities; Human and social development; Multiple crises and other emerging challenges; Mobilizing financial resources for development and capacity building; and Good governance at all levels. As the mid-point of the decade long programme of action nears, the country has prepared a mid-term review report of the implementation of IPoA in order to identify obstacles, constraints and actions needed to overcome them.

The report is structured in five main chapters. The first chapter provides introduction which covers the structure of the report and summary of the key issues from the report. Chapter two describes the national development planning process by highlighting the basis of the Tanzania planning framework and showing the trend of national key economic, social, political, and environmental issues. Chapter three gives assessment of the implementation of the Istanbul Programme of Action from 2011-2015, and chapter four indicates how principles, actions and guidelines of major international agreements have been integrated into the national development policies. The fifth chapter provides the conclusion of the report including recommendations on the way forward towards the final phase of five years of 2016-2020.

Since 2000, the Tanzania development planning process is guided by the Tanzania Development Vision 2025 (TDV 2025) that envisages the economic transformation and development to achieve middle-income status with a per capita income of USD
3,000 (in nominal terms) by 2025. The Vision is implemented through the Long Term Perspective Plan (LTTP) which is divided in a series of Five Year Development Plans. The theme of the first Five Year Development Plan (FYDP I) 2011/12-2015/16 is “Unleashing Tanzania’s Latent Growth Potentials”; the second FYDP II (2015/16-2020/21) with the theme “Nurturing Industrialization for Economic Transformation and Human Development”; and the third FYDP III (2020/21-2025/26) has the theme of “Realising Competitiveness led Export Growth”. The FYDP I coincided with the adoption of the IPoA and its overall goal is to unleash the country’s resource potentials in order to fast-track the provision of the basic conditions for broad-based and pro-poor growth. The National Development Plan therefore has to a great extent mainstreamed goals and priorities of the IPoA.

The assessment shows that, Tanzania has done well in some sectors particularly infrastructure, telecommunication, health, education, good governance and environmental issues. However, there are major challenges that the country is facing and need to be addressed in order to enhance implementation efforts. These include; insufficient financial resources, low productive capacity, implementation capacity, and inadequate quality data.

In making sure that there is coherence and linkage with the Post 2015 Development Agenda and other global processes, Tanzania has to a great extent mainstreamed the agreed global policy frameworks with the national plans and strategies. Main issues that have been included in the national planning framework include the promotion of sustainable development with emphasis on ending poverty, agriculture and food security, health, water and sanitation, and energy supplies.

Generally, Tanzania has made good progress in the implementation of the Istanbul Program of Action. However, the country is still facing challenges which have to be addressed in order to overcome the structure challenges and eradicate poverty and therefore graduate from LDC category. Areas that will need to be given special attention include education, health, water and sanitation as well as resource mobilization.
CHAPTER TWO
NATIONAL DEVELOPMENT PLANNING PROCESS

2.0 National Development Planning Process

The thrust of the Tanzania development agenda since independence has been on economic growth and poverty reduction; the prime objective being to ensure that the majority of Tanzanians enjoy the benefits of development. After independence the focus was to fight illiteracy, poverty and poor health through implementation of a three year Development Plan. From 1964 - 1980 and 1981 – 2000 Tanzania was to implement two Long Term perspective Plans which were however intercepted by the implementation of emergency programmes such as the National Economic Survival Programme (NESP) 1981/82, Economic Stabilization Programmes and Economic Recovery Programme (ERP) aimed at addressing emergency and short-term economic problems. The decade of implementing the economic stabilization and recovery programmes did not produce satisfactory results and therefore the need to revert to long-term planning became more pronounced. The preparation of the Tanzania Development Vision therefore started in 1994 and finally the Government launched in 1999.

Since 2000, the Tanzania development planning process is guided by the Tanzania Development Vision (TDV) 2025. The gist of the vision 2025 is that Tanzania should have gone through an unprecedented economic transformation and development to achieve middle-income status; characterised by high levels of industrialisation, competitiveness, quality livelihood, rule of law; and having in place an educated and pro-learning society. Specifically, the Tanzania Development Vision 2025 outlined the country’s social, economic and political aspirations for the first quarter of the 21st century; with an underlying drive to reaching the middle-income country (MIC) status, with a per capita income of USD 3,000 (in nominal terms) by 2025.

In 2011, the Government reverted back to the long-term and five year planning framework, in a bid to ensure the country is henceforth strategically organised to attain the Vision goals. Since 2011 the Vision 2025 is implemented through a Long Term Perspective Plan (LTPP) which is divided into three Five Year Development Plans (FYDPs). The first Five Year Development Plan (FYDP I) focused on removing
binding constraints to growth, hence its theme: “Unleashing Tanzania’s Latent Growth Potentials for National Prosperity”.

The process of developing FYDP I was informed by a number of regional and international policy, frameworks and initiatives already in place. These include the Millennium Development Goals, including the Gleneagles 9 scenario, the MDG Acceleration Framework (MAF), the SADC Regional Indicative Strategic Development Plan, the EAC Development Strategy, and other national, regional and international frameworks/initiatives which Tanzania has ratified.

The FYDP I that commenced implementation in 2011/12 adopted the IPoA set priority areas that include; Agriculture, Infrastructure, Energy, Trade, Social services and Human Development, and Resource Mobilization. These priority areas are consistent with the priority areas identified in IPoA and its implementation therefore goes hand in hand with the implementation of IPoA. The review of implementation of these two planning frameworks indicates that several economic, social and political factors have contributed positively in achieving the primary objective of IPoA. Such factors include stable macro-economic conditions particularly the growth of the economy, peace and security, good governance, and improvement in the infrastructure and human capital development.

With the FYDP I coming to an end in June 2016, Tanzania is now preparing the FYDP II that will be implemented in 2016/17 - 2020/21 with the theme “Nurturing Industrialization for Economic Transformation and Human Development”. The FYDP II will focus on putting in place basis for industrialisation and human development. Consistent with the FYDP I, FYDP II will mainstream goals and priorities of the IPoA and Post 2015 Development Agenda.

2.1 **Key Economic, Social, Political and Environmental trends**

Tanzania has experienced a stable GDP growth from 2011 to 2014 where the average growth was 6.8 percent. The GDP was projected to grow by 7.2 percent in 2015. The main drivers of growth have been investments in the extractive sector, accelerated infrastructure spending, telecommunications, financial services, tourism, and construction. This shows that the economy is slowly being transformed from
dependence on agriculture. Another sign of the gradual transformation of the economy is that of the agricultural sector\(^1\) contribution to national GDP, falling from about 29 percent in 2006 to 23 percent in 2014, as the contribution of the industrial sector increases from 20 to 22.2 percent over the same period. The services sector contributed over 45 percent of the GDP in 2014.

**Figure 1: GDP Growth Performance at Constant 2007 Prices**

![GDP Growth Performance Graph](image)

**Source:** National Bureau of Statistics (NBS), 2015

In 2014, the industrial sector's performance was driven by increases in manufacturing (7.3 percent), construction (9.9 percent), mining and quarrying (3.4 percent) as well as electricity, gas and water (1.6 percent).

---

\(^1\)Including fisheries sector
Despite the indicated strong macro-economic performance, Tanzania’s growth has not been sufficiently broad based, as poverty levels still remain high. The poverty rate declined from 33.3 percent in 2007 to 28.4 percent in 2012 with 43.5 percent of the population living on less than US$1.25 per day (World Bank, 2015). The Multidimensional Poverty Index (MPI) shows more alarming poverty incidence than Household Budget Survey poverty data for Mainland Tanzania (64 vs. 28.2 percent) and Zanzibar (43.3 vs. 44.4 percent) (Tanzania Human Development Report, 2014). About 61 percent of land is degraded particularly in semi-arid areas (9 regions), high degraded areas constitute about 16 percent and land degradation is mostly felt in areas with a high incidence of poverty (Status of Land Degradation in Tanzania 2014).

With regard to rural and urban poor statistics indicated that 33.4 percent of the rural population are living in poverty compared to 4 percent in Dar es Salaam and 21.5 percent in other urban areas. In rural areas, 43 percent and 1.3 percent of households have access to improved water supplies and electricity compared to 85 percent and 34 percent of urban households (World Bank, 2014). Limited education and employment in rural areas has resulted in significant rural-to-urban migration among young people.
Population
With high annual population growth (2.7 percent) combined with about half of the population below the age of 15 years, the country has approximately one million new entrants in the labour market every year. The second defining demographic trend in Tanzania is urbanization, that is, the increase in the urban population as a proportion of the total population. Since independence, Tanzania has been experiencing high urbanization growth rates. Currently, the proportion of the country’s urban population grows at an average of 5 percent per year. The rate of growth of the urban population can have both positive and negative implications for human development and poverty reduction.

In the health sector, Tanzania has made significant progress over the past four years. The life expectancy at birth has risen from 55 years in 2010 to 62 years in 2014, with infant mortality declining from 68 deaths per 1000 live births in 2005, down to 41 in 2012/13. With this performance, the country was on-course to achieve the MDG target of reducing infant mortality down to 38 deaths per 1000 live births by 2015 (MKUKUTA Annual Review, URT, 2014).

Education Sector
The situation in education sector in Tanzania is mixed. On the positive side, since the early 2000s, Tanzania’s education sector has witnessed impressive achievements in school enrolments at all levels. For example, 80 percent of primary school-age children (age 7–13) now attend school. The Government has also harmonized various education sector policies including: Education and Training policy (1995), Technical Education and Training Policy (1996), National Higher Education Policy (1999) and Information and Communication Technology (ICT) Policy for Basic Education (2007) which has resulted in formulation of Education and Training Policy 2014, which responds to the needs of the current labour market and growth of the education sector. On the other side, however, the quality of education offered by Tanzania’s education system needs to be improved. Areas that need to be improved include reducing student dropout cases, along with increasing competencies and morale by motivating teachers.
Environment

Environmental management in Tanzania is focused on tackling biodiversity conservation while enhancing people’s well-being and livelihoods and strengthening the network of protected areas (AfDB, 2015). As the country continues with the development and adoption of environmental regulations and by-laws, environmental considerations are being mainstreamed in the national planning process especially the fight against wildlife crime and trafficking of wildlife products.
CHAPTER THREE
ASSESSMENT OF THE IMPLEMENTATION OF THE IPoA

3.0 Assessment of progress and challenges in the implementation of the Istanbul Programme of Action for the 2011-2015

Chapter three gives assessment of the implementation of the IPOA for a period of five years (2011-2015). The coverage includes progress, challenges and initiatives being taken by the government in all eight priority areas.

3.1 Productive Capacity

<table>
<thead>
<tr>
<th>Targets</th>
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<tbody>
<tr>
<td>a) Increase significantly the value addition in natural resource-based industries paying special attention to employment generation;</td>
</tr>
<tr>
<td>b) Diversify local productive and export capability with a focus on dynamic value added sectors in agriculture, manufacturing and services;</td>
</tr>
<tr>
<td>c) Significantly increase access to telecommunication services and strive to provide 100 percent access to the Internet by 2020;</td>
</tr>
<tr>
<td>d) Strive to increase total primary energy supply per capita to the same level as other developing countries;</td>
</tr>
<tr>
<td>e) Significantly increase the share of electricity generation through renewable energy sources by 2020;</td>
</tr>
<tr>
<td>f) Enhance capacities in energy production, trade and distribution with the aim of ensuring access to energy for all by 2030;</td>
</tr>
<tr>
<td>g) Ensure that the least developed countries have significant increase in combined rail and paved road mileage and sea and air networks by 2020.</td>
</tr>
</tbody>
</table>

3.1.1 Infrastructure Development

Tanzania has made considerable efforts in the period under review, to improve its infrastructure, which includes railways, roads, energy, ports and air transport.

3.1.1.1 Railways

The railway subsector is one of the key inland transport mode in terms of transporting bulk cargo to the neighbouring and landlocked countries. For the year 2014, an average of 2.9 percent of the bulky cargo was transported through the
railway and the remaining 97.4 percent through other modes. The country’s railway systems have a total length of 3,682 km out of which 2,707 km are owned by Railway Asset Holding Company (RAHCO) and are operated by Tanzania Railway Limited (TRL). The Tanzania-Zambia Railway Authority (TAZARA) is co-owned by the governments of Tanzania and Zambia and has a total length of 1,860 km. Out of these, 975 km are operated by Tanzania only (are on the Tanzania side). The two railway systems link more than 14 regions in mainland Tanzania. During the initial operations of Tanzania Railway Limited –TRL (formerly TRC) and Tanzania and Zambia Railways (TAZARA), the companies were operating at much higher capacities close to 1.5 million tonnes per year each. However, over the last decade the performance of the railways has declined substantially despite the number of opportunities (including: growing economies of the land locked countries; growing domestic economy). The decline in performance was due to inadequate investment in maintenance and rehabilitation as well as lack of enough locomotives and wagons. However, in the period under review, the Government has taken several measures to address this situation as follows:

a) Rehabilitation of the Central Railway line
The government rehabilitated 150 km with 80 pound/ yard rail out of 197 km earmarked for rehabilitation and three bridges in order to make the central railway line (2,707km) fully operational by June 2016. The government also constructed Mwanza and Shinyanga Inland Container Depots in order to facilitate cargo handling. Repair works for Mwanza and Shinyanga ICD’s are being finalized.

b) Improvement of Rolling Stock
During the period under review, the government strived to ensure that TRL resumes its operations effectively. The steps taken include: re-manufacturing of eight locomotives in the local Workshop; procurement of 274 new freight wagons; 25 new ballast hopper wagons; one tamping machine; 13 new locomotives; 34 brake vans; and 22 new passengers coaches. In addition the rehabilitation of 89 wagons was completed using local railway workshop.
c) **Construction of a New Railway Line (DSM–Isaka–Keza–Kigali/Musongati)**

The consultant (CANARAIL) completed a detailed engineering study for construction of new railway line which will cover a length of 1,660 km from Dar-Es-salaam-Isaka-Kigali-Keza-Musongati (upgrading to standard gauge). In addition, the government through Reli Assets Holding Company (RAHCO) signed a contract on March, 2015 with Transactional Advisor Rothschild to package the project for sourcing financing.

d) **Urban Commuter Railway System**

The government introduced commuter train transport in the city of Dar es-Salaam using Tanzania Railway Limited and TAZARA to the suburbs of the City. In 2014, the average number of passengers that was using TRL and TAZARA commuter trains increased and reached 2,646, 654 from 203,009 in 2012. This is a good sign that there is a possibility of easing congestion in Dar es Salaam city roads. In addition, the Government through RAHCO is in the process of hiring a consultant to carry out a feasibility study for construction of new commuter railway lines to connect the city of Dar es-Salaam with neighbouring towns of Kibaha, Kisarawe and Bagamoyo.

3.1.1.2 **Air Transport**

Tanzania has about 541 airports/aerodromes/air strips in total, with three main international airports, namely Julius Nyerere, Kilimanjaro and Abeid Amani Karume located in Dar-es-salaam, Kilimanjaro and Zanzibar respectively.

It is worth to note that the air transport subsector plays an important role in boosting the country’s economy (particularly in the tourism sector and horticulture subsector). As a result of increase in number of licensed service operators/providers from 54 (2011) to 64 (2014), air transport services have undergone credible improvements in the country.

According to the Tanzania Airports Authority statistics, cargo freight on average has been above 25,000 tons for the past five years. In 2010 the total cargo freight was 26,857 tons, compared to 29,132 tons in 2014. For the ear 2011, 2012 and 2013 cargo freight was 31,494, 32,411 and 29,672 respectively. These fluctuations
and decrease may be influenced by the decline in both imports of exploration machines/equipment to the Mtwara region; suspension of services by British Airways to Tanzania; and the fact that most of the cargo originating from China is being consolidated and shipped by sea.

**Figure 3: Cargo Transported in Tons (Air Transport)**

![Cargo Transported in Tons (Air Transport)](chart)

**Source:** Economic Survey (2015)

On the other side, the aviation subsector has experienced tremendous increase in the number of passengers from 3,605,532 in 2011 to 4,873,921 in 2014, which is an equivalent of 26 percent. The number of international passengers reached 1,975,900 in 2014 compared to 1,617,014 in 2011 an increase of 18 percent, while the domestic passengers grew from 1,988,518 passengers in 2011 to 2,898,021 passengers in 2014, which is an equivalent of 31.3 percent.
3.1.1.3 Ports

Tanzania has 3 major seaports (Dar es Salaam, Tanga and Mtwara), 3 minor seaports (Kilwa, Mafia and Lindi) and 3 major lake ports (Mwanza, Kigoma and Kyela). The Dar es Salaam port is the biggest port in Tanzania, which handles 90 percent of Tanzania’s international trade amounting to approximately US$ 15 billion of merchandise annually (equivalent to 6.8 percent of Tanzania’s GDP in 2014). The port of Tanga and Mtwara handle the remaining 10 percent of Tanzania’s international trade.

The cargo handled by Dar es Salaam port between 2010/11 and 2014/15 has been increasing annually from 9.9 million tonnes in 2010/11 to 14.4 tonnes in 2014/15. This positive trend has mainly been attributed by the deployment of new and modern cargo handling equipment as well as increase of cargo handling time from 12 to 24 hours per day.
Through initiatives such as the improvement of customs procedures and the use of modern container handling equipment, the country has been able to reduce the container dwell time from 13.3 days as of 2010/11 to 10.3 days in 2014/15. Despite these improvements efficiency is still below both the internationally acceptable standard of maximum 3 days.

3.1.1.4 Roads

According to the assessment of the overall condition of the road network in Tanzania as of December 2014, there has been substantial improvement in the condition of the roads in Tanzania. The Economic Survey report (2015) indicate that as of December 2014, upto 6,038km of roads, which is 60 percent of trunk road, were in good condition, 32 percent in fair condition and 8 percent in poor condition. When compared to situation in 2010, 56 percent of the road network was in good condition, 33 percent in fair and 11 percent in poor condition in 2010. These achievements may well be accredited to the effective supervision of road projects by TANROADS; increased Government spending from Tsh 177 billion in 2010 to Tsh 314 billion in 2014/15 (in the road fund) in construction, rehabilitation and maintenance of road network; and increase in funding by donors on the road development projects aiming at increasing mobility and accessibility of rural areas so as to accelerate economic activities.
With all the above mentioned initiatives being undertaken by the Government in the infrastructure development, it is safe to say that Tanzania is on course to have significant increase in combined rail and paved road mileage and sea and air networks by 2020 as stipulated by IPOA targets on productive capacities.

3.1.2 Energy

The percentage of households connected to electricity by 2014/15 had improved to 30 percent compared to 14 percent in 2010/11 and therefore achieving the National Development Plan target of 30 percent by 2015. However, the percentage of households with access to electricity in rural areas is still very low at 11 percent during 2013/14 compared to urban areas access at 60 percent.

**Figure 6: Household Connected to Electricity (% of Total Population), 2010/11 - 2014/15**

![Graph showing percentage of households connected to electricity from 2010/11 to 2014/15](image)

**Source:** Ministry of Energy and Minerals Budget Speeches 2014/15

Data from the National Bureau of Statistics (NBS, 2015) also reveal that in urban settings like Dar es Salaam, the most common source of energy for lighting is electricity, whereas kerosene/paraffin is most prevalent in other urban and rural areas. However, charcoal and firewood remains the most common source of energy for cooking in both urban and rural areas, with the use of charcoal being higher in Dar es Salaam and other urban centres.
Between 2010 and 2014, the electricity and gas sub sector annual growth rates have been increasing, with highest growth reached in 2013 (13 percent). This was contributed by increase in hydro-electricity generation due to favorable rains and weather conditions. Installed generation capacity consists of hydro and thermal based generation. Hydro contributes 45 percent, gas 35 percent and oil 20 percent of total power generation.

During the review period, the following are some of notable achievements that have been realized in the energy sector:

a. Completion of construction of Natural Gas pipeline from Mtwara and Songo Songo to Dar es Salaam that transports natural gas used for power generation;

b. Completion of 150 MW Gas Fired Power plant at Kinyerezi, Dar es Salaam and 60 MW Heavy Fuel Power Plant at Nyakato, Mwanza;

c. Publication of Electricity Supply Industry (ESI) reform strategy and Roadmap in June 2014, which was prepared by the Government of Tanzania in consultation with other key stakeholders. This strategy provides a clear roadmap on: increasing efficiency; increasing transparency and competition; providing quality services; ensuring availability of affordable power; and reducing Government subsidies in the electricity subsector.

d. Publication of Model Power Purchase Agreement for seven technologies (hydro, natural gas, oil, coal, geothermal, solar and wind). This model will be used as a guiding tool for power purchase agreement negotiations.

e. Reduction of electricity connection fee by 30 – 77 percent for all single phase customers in urban and rural areas.

f. Loss reduction programme of electricity in transmission and distribution networks.

g. Preparation of the Natural Gas Policy, 2013

h. Preparation of the Petroleum Act, 2015

i. Preparation of the Local Content Policy, 2015

j. Preparation of the Extractive Industries Act, 2015 (among others the act proposes the amendment of Tanzania Electricity Act, cap. 131).
k. Establishment of Tanzania Geothermal Development Company (TGDC) as a way of increasing share of electricity generation through renewable energy sources.

3.1.2.1 Rural Energy
The Government has been putting various efforts to ensure that more households in rural areas are connected to electricity through Rural Energy Authority (REA) project (REA- Turkey Project Phase I and II). For the year 2014/15 alone more than 5,210 customers were connected to electricity through this project bringing the total number of customers connected to electricity through this project to more than 8,078 by April 2015.

3.1.3 Science, Technology and Innovation
Science, technology and innovation are key facilitators of development through their augmenting effects on the productivity in all sectors. The great economic strides and the global competitive edge of industrialised and some of the emerging economies that are now known as knowledge-based economies, has happened as a result of transformation of Science, Technology and Innovation (STI) where innovation has been given greater prominence. Tanzania recognizes this statistics show that the Tanzanian R&D system consist of 62 research institutes covering agriculture, livestock and forestry (28), industry (4), medical (11), wildlife and fisheries (4) and higher education. There are also a number of private sector research institutions, including the Tea Research Institute of Tanzania (TRIT), Tanzania Coffee Research Institute (TaCRI), and Tobacco Research Institute of Tanzania (ToRITA). With the exception of small number of low-technology start-up enterprise, the contribution of the private sector to research and development is still limited. The Higher Education institutions that contribute significantly to the national STI performance include the University of Dar es Salaam, Sokoine University of Agriculture, Ardhi University, Muhumbili University of Health and Allied Sciences, Mbeya University of Science and Technology.

Recognizing the need of Tanzania to reposition itself in order to address the new challenges and exploit the opportunities availed by technological advances in 2007, the Government embarked on an ambitious program of reviewing and revitalizing
the national innovation system. The recommendations emanating from the review team has provided the foundation for the STI Reforms Programme. One of the key recommendations was for Tanzania to establish a central locus for strategic leadership where STI planning, analysis, synthesis and prioritization could be made and provide foresight, prepare the overall national STI agenda, prioritize focus areas for intervention, and ensure synergy and coherence within the STI system.

3.1.4.1 Information Communication and Technology (ICT)

The base for transformation in Tanzania particularly in ICT subsector exists with the presence of 7,560 kilometres of Optic Fibre Cable Backbone covering 24 regions of Tanzania Mainland and connectivity to submarine cables (EASSy and SEACOM) and cross-border connectivity with neighbouring countries, namely; Kenya, Uganda, Rwanda, Burundi, Zambia, and Malawi. The Government recognizes that ICT has been a major game changer in Tanzania’s economy with communication sector not only acting as one of key drivers of economic growth observed in the past decade but also enhancing access to information transmission across the country and bringing basic financial services to remote areas through mobile banking. While the overall economy has been growing at an average of 6 percent, the communication subsector grew at around 20 percent. However, despite of the progress made in ICT by the government and private firms, the ICT sector faces a number of challenges and offers a number of opportunities. Tanzania does not have manufactures of critical ICT equipment/tools or computer application packages and local dealers or agents who import these products characterize sector. Furthermore, there are no standards guiding the imports for both hardware and software, some of which are imported at considerably high cost. Presently, there is low pace in the use of open-source software.

3.2 Agriculture, Food security and Rural Development

<table>
<thead>
<tr>
<th>IPOA Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Make substantial progress towards eradicating hunger by 2020;</td>
</tr>
<tr>
<td>b) Substantially increase investment in rural infrastructure;</td>
</tr>
<tr>
<td>c) Ensure access to safe food and emergency food assistance.</td>
</tr>
</tbody>
</table>
3.2.1 Agriculture Sector Performance

During the period under review the agriculture sector registered slight growth. The annual growth rate was 2.7 percent in 2010 as compared to 3.5 in 2011 and slightly declined while maintaining a constant growth at 3.2 percent in year 2012 and 2013 respectively. It increased to 3.4 in 2014 indicating only a slight increase of growth, but below the FYDP growth target of greater than 6 percent by 2015/16. However, crops being the major component of the agricultural sector registered a slightly higher growth rate from 2010 to 2014 compared to livestock, hunting and forestry although it was volatile. The contribution of the agricultural sector to national GDP has declined from 29.4 percent in 2011 to 28.9 percent in 2014.

3.2.1.1 Application of Agricultural Technology

Tanzania’s level of farm mechanization still remains low as 62 percent of land is cultivated using basic manual tools. Small size of farm holdings cultivated by households, low disposable incomes generated by farmers, difficult borrowing conditions from financial institutions leading to low profitability of heavy machinery and low investment capacity explain the poor performance of the sector. However, the Government has put some efforts to ensure improvements in the use of agricultural technology. Specifically, the Government has increased the number of tractors from 8,466 in 2010/11 to 11,276 in 2013/14. The Government has enabled the importation of 2,114 tractors which were sold or loaned to farmers on smart subsidy basis.

The government continued to improve input application for fertilizers and improved seeds through subsidy programme. From 2010/11 to 2014/15, a total of 2.5 million households from 161 districts in 24 regions benefited from input subsidies including fertilizers, seeds for maize and paddy. The beneficiaries of input subsidy managed to use 791,000 tonnes of fertilizer and 70,000 tonnes of improved seeds for maize and paddy. Because of that, the beneficiaries increased their production and productivity. Famers producing maize increased production from 5 bags per acre to an average of 15 bags per acre and paddy production increased from 4 bags per acre to an average of 20 bags per acre. As a result of
input subsidy programme, food availability in the country increased from 103 percent in 2009/10 to 118 percent in 2013/14.

3.2.2 Food Self Sufficiency for reduction in hunger

In order to ensure food security as stipulated by the IPOA targets, over the period under review, Tanzania has been able to raise the food self-sufficiency ratio (FSSR) from 111 percent in 2010/11 to 125 percent in 2014/15, which is above the set target of 120 percent (see Figure 7). The reasons for such achievements are due to increase in food crop production from 10.771 million tonnes in 2010/11 to staggering 16.015 million tonnes in 2013/14-crop season. Furthermore, increased level of stocking by the National Food Reserve Agency (NFRA) has also contributed to ensuring food sufficiency in the country.

Figure 7: Tanzania Food Self Sufficiency Level Performance, 2010/11 - 2014/15

Source: MAFSC Statistics 2013 and Budget speech 2014/15
Table 1: National Food Reserve Agency (NFRA) Stock, 2011 - 2015

<table>
<thead>
<tr>
<th>Period</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>220,035</td>
<td>166,796</td>
<td>72,170</td>
<td>-</td>
<td>495,561</td>
</tr>
<tr>
<td>February</td>
<td>226,281</td>
<td>142,906</td>
<td>60,739</td>
<td>214,157</td>
<td>454,592</td>
</tr>
<tr>
<td>March</td>
<td>224,355</td>
<td>123,312</td>
<td>46,153</td>
<td>199,472</td>
<td>452,054</td>
</tr>
<tr>
<td>April</td>
<td>215,662</td>
<td>105,245</td>
<td>36,982</td>
<td>195,246</td>
<td>433,547</td>
</tr>
<tr>
<td>May</td>
<td>191,419</td>
<td>78,125</td>
<td>26,802</td>
<td>194,175</td>
<td>406,846</td>
</tr>
<tr>
<td>June</td>
<td>165,216</td>
<td>65,985</td>
<td>27,494</td>
<td>189,494</td>
<td>356,814</td>
</tr>
<tr>
<td>July</td>
<td>139,404</td>
<td>61,469</td>
<td>71,141</td>
<td>182,200</td>
<td>290,694</td>
</tr>
<tr>
<td>August</td>
<td>155,348</td>
<td>75,489</td>
<td>175,609</td>
<td>195,791</td>
<td>268,515</td>
</tr>
<tr>
<td>September</td>
<td>200,053</td>
<td>91,021</td>
<td>224,295</td>
<td>300,592</td>
<td>265,076</td>
</tr>
<tr>
<td>October</td>
<td>194,090</td>
<td>98,544</td>
<td>235,817</td>
<td>427,000</td>
<td>253,655</td>
</tr>
<tr>
<td>November</td>
<td>188,702</td>
<td>105,734</td>
<td>234,145</td>
<td>460,295</td>
<td>238,134</td>
</tr>
<tr>
<td>December</td>
<td>179,488</td>
<td>89,951</td>
<td>232,963</td>
<td>466,584</td>
<td>184,065</td>
</tr>
</tbody>
</table>

**Source:** NFRA Statistics 2015/16

### 3.2.3 Irrigation

Tanzania has large surface and underground water resources that can be utilized to put an estimated 2.3 million hectares of potential land under irrigation. However, as National Panel Survey Wave I showed irrigation practices are very low. Only four percent of farmers, countrywide use irrigation in at least one of their fields, which corresponds to less than 2 percent of cultivated fields.

However, in adherence to national agriculture policy and IPOA targets on agriculture, there has been progress in increasing the area under irrigation between 2010/11 and 2014/15 from 345,690 hectares to 461,326 hectares (see Figure 6), which has been greatly contributed by the increase in irrigation schemes under the District Agricultural Developments Plans (DADPs).
These schemes together with irrigation interventions under the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), Feed the Future Programme (FtF), Expanded Rice Production Project (ERPP) and Food Aid Counterpart Fund (FACF) enabled an increase of the area under irrigation of 23.9 percent in 2013, and 19.6 percent of the estimated irrigation potential.

The increase in the area under irrigation is increasingly improving production of food and cash crops, thereby improving food availability and security, as well as farmers’ income. For the case of rice, the irrigation schemes had contributed to increase in productivity from an average of 1.8 tons per hectare in 2012 to 5.0 tons per hectare during the 2013/14 and ultimately 7.5 tons per hectare in 2014/15 farming season. The agriculture initiative intended to improve 78 irrigation schemes in rice cultivation, rehabilitate 275 warehouses for grains and develop 25 commercial farms for rice and sugar cane cultivation with a view to ensure that the country is food secure and lift people out of poverty.

It should be noted that, there are still challenges in reducing dependence on rain fed agriculture with less than 40,000 hectares of new land being put under irrigation per annum, compared to the target of 100,000 ha per year (ESRF, 2013).
3.2.4 Agriculture Sector Development Initiatives

In order to address the problem of slow growth of the agricultural sector, a number of reforms such as the Tanzania Food Security Investment Plan (TAFSIP), Southern Agriculture Growth Corridor of Tanzania (SAGCOT), Feed the Future Program, and Bread Basket Initiative have been initiated (National Agricultural Policy, 2013).

Recognizing a serious decline in the quantity and quality of agricultural statistics in many developing countries, the World Bank, the United Nations, and the United Nations Food and Agriculture Organization (FAO) developed a global strategy to improve agricultural and rural statistics. One of the three pillars of this strategy is to improve statistical capacity to collect and analyse agricultural data.

Other initiatives led to the establishment of the Innovative Agricultural Research Initiative (iAGRI) programme in Tanzania. iAGRI is a five-year program led by The Ohio State University and funded by USAID at the level of 25 million U.S. dollars. Five universities in the U.S. are partnering with Ohio State on this project. Principal partners in Tanzania are the Sokoine University of Agriculture (SUA) and the Ministry of Agriculture Food Security and Cooperatives. iAGRI’s principal objectives are to provide graduate education to the next generation of food and nutrition experts in Tanzania; to undertake research on major constraints hampering achievement of food security in Tanzania; and to strengthen the capacity of SUA to be a model 21st century university leading the Tanzanian agricultural sector.

With regard to exports of agriculture products, the exports are dominated by primary commodities incorporating little application of science and technology while the bulk of manufactured goods and knowledge-based services are imported. More than 70 percent of the value of agricultural products is from unprocessed goods. As a strategy to address the high levels of unemployment and underemployment it is absolutely necessary to move to the next stage of agro-processing in order to absorb a larger proportion of the labour force, add value and fetch better prices.
The government has put in place several other innovative approaches to stimulate production and productivity enhancement as guided by the Agricultural Sector Development Strategy. This has included setting up warehouse receipt systems for raising and stabilizing producer prices and rolling out rural infrastructural services such as rural roads, agricultural finance and electricity. Commercial farming has also been promoted by linking small-scale farmers with suppliers of improved seeds, agro-chemicals, and steady market for their produce. In some parts of the country where small-scale farmers entered into contract farming with commercial farmers, their yields of paddy surpassed 7,000 kg per ha, from less than 2,000 kg per ha before the arrangement (ESRF, 2013).

3.3 Trade

<table>
<thead>
<tr>
<th>IPOA Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Significantly increase the share of least developed countries’ trade in global trade with the aim of doubling the share of least developed countries’ exports in global exports by 2020, including by broadening least developed countries’ export base;</td>
</tr>
<tr>
<td>• Make substantial efforts for an early and successful conclusion of the Doha Round of trade negotiations with an ambitious, comprehensive, balanced and development-oriented outcome.</td>
</tr>
</tbody>
</table>

3.3.1 Tanzania’s Trade Performance

Tanzania’s foreign trade was targeted to increase and reach a world market share of 0.1 percent by 2015. However, the country has been able to increase its market share to the world market by 0.008 percent between 2010 and 2014 (Error! Reference source not found.). Although, the nominal trade value increased by 46 percent in the same period, attaining the world trade share of 0.1 by 2015 as under the FYDP I was not achieved.

The country has experienced a shift from traditional agricultural commodities to non-traditional exports, such as tourism, travel services and transportation, minerals and manufacturing products (Bank of Tanzania, 2014). There has also been an increase of export of dynamic products such as fish, Oil seeds, Vegetables and spices. One of the areas that have taken long to reform is that of cereals
marketing where cereals export bans have been introduced to control shortages and thus affecting commercial production of grain. However, since 2012 the government took some bold steps to officially allow controlled exports of maize and paddy. This led to a huge increase in the production of maize and paddy in 2013/14 giving rise to a major challenge of storage.

Over the period under review, the value of exports increased by an annual average of 9.5 percent, due to a continuous increase in exports of traditional and non-traditional goods and receipts from services such as tourism and transportation.

Table 2: Tanzania's Total Trade Value and its Share to the World, 2010 - 2014 (USD Million)

<table>
<thead>
<tr>
<th>Country</th>
<th>2011 Value</th>
<th>2012 Value</th>
<th>2013 Value</th>
<th>2014 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>19,431.40</td>
<td>21,361.80</td>
<td>22,136.00</td>
<td>22,492.50</td>
</tr>
<tr>
<td>World</td>
<td>45,245.88</td>
<td>45,629.59</td>
<td>46,720.10</td>
<td>46,612.77</td>
</tr>
</tbody>
</table>

Source: UNCTAD statistics 2015; Economic Survey 2015, Ministry of Finance

Figure 9: Tanzania Export Value Trend, 2010 - 2014 (USD Million)

Source: Data Compiled from Economic Survey, 2015

The Bank of Tanzania’s (BoT) Monthly Economic Reviews (July 2012, 2013, 2014 and 2015) show that since 2012, Tanzania has gradually being diversifying
her exports, with commodity exports such as gold and traditional exports being slowly replaced by manufactured goods and travel (which includes tourism activities) as leading export earners in the country.

Figure 10: Tanzania Leading Export Earners, 2010 - 2015

On the other hand, the value of imports increased by an annual average of 11.5 percent in the period under review. This was attributed to an increase in importation of capital, intermediate as well as consumer goods. Much of the increase in imports originated from the imports of oil due to rising demand of oil for both motor vehicles and thermo-power generation. The main origin for the Tanzania imports include India, Switzerland, China, and European Union, United Arab Emirates.

3.3.2 Trade Capacity Building Initiatives in Tanzania

In an effort to enhance the country’s capacity for trade development and trade policy, in 2010 the Board of External Trade was transformed to a Tanzania Trade Development Authority (TANTRADE) with the view of building the capacity of the authority to carry out all matters related to external trade including the management of the Dar es Salaam International Trade Fair. The fair attracts a large number of both local and international exhibitors. The Trade Development Authority also participates in international trade fairs overseas taking with it a
number of local producers as a way of showcasing Tanzanian products as well as learning best practices of quality improvements.

In addition, the Government has established Export Processing Zones (EPZs) as a tool for export promotion. Some of the Zones are producing and exporting garments that meet international standards.

Tanzania has also been able to establish and register the GS1 (Tz) National Limited which is responsible for registering Companies and products to use Tanzania Barcodes as from the year 2011. Through this initiative, the country has seen more than 14,200 products already being registered as of June 2015. The use of Tanzania barcode will ensure easy availability of trade data for policy formation.

For the case of regional trade, several measures are being implemented such as the cross-border trade initiative through strengthening trade supportive infrastructure such as the construction of the Arusha–Namanga–Athi River road where the construction of Arusha – Namanga road was completed since 2012, with Namanga – Athi River road to be completed by the Government of Kenya. For the Malindi–Lungalunga road and the Tanga–Bagamoyo road; the Feasibility Study and Detailed Design were conducted as initial stage of implementation of this project. Up to June 2015, Tanzania managed to complete the construction of all One Stop Border Posts except for Kabanga/Kobero (Tanzania - Burundi), of which 85 percent of the construction has been completed. Completion of these posts help traders and other travellers to use less time and costs when trading between the Partner States.

The Government has also taken a number of initiatives to increase her trade share in the world market including the use of bar codes, continuous implementation of the Export Processing Zones (EPZ) and Special Economic Zones (SEZ), reciprocal and non-reciprocal trade agreements with various countries along with negotiations around market access issues, improvement of tourist attractions and services and continuation of Export Guarantte schemes overseen by the Bank of Tanzania. Other initiatives include establishment of Commodity Exchange Market, construction of Border Markets to facilitate trade across borders and ensure market availability of
market information for policy making and establishment of National Business Portal for informing business community on business procedures and regulations that facilitate operations in the country.

3.4 Commodities

**IPOA Target**

Broaden least developed countries’ economic base in order to reduce commodity dependence.

As it has been indicated elsewhere in this report, Tanzania is natural resource rich with large tracks of arable land, wildlife, fishery, minerals including gas and prospectively oil. Most of Tanzania’s exports are natural resource based and therefore face wild fluctuations in the international market. Commodity booms and busts affect prices and hence the amount of foreign exchange that the country earns, and the ability to finance development projects. Measures to address vulnerabilities associated with external shocks and commodity price volatility include initiatives to increase productive capacity, increasing value addition to exported products and capitalising on the services sector by strengthening the financial sector and increasing efficiency of ports.

In the case of natural resource management, the Government has formulated a National Natural Gas policy (2013), that will govern the exploration and exportation of natural resource based products. The Government has also formulated laws that will govern the exploitation of oil and gas and management of oil and gas revenues. During the last sitting of parliament in July 2015 three bills were passed; The Oil and Gas Revenue Bill, Tanzania Extractive Industry (Transparency and Accountability) Bill 2015, and the Petroleum Bill 2015; which among other things spelt out stiff penalties to people misappropriating proceeds from the Oil and Gas Fund. Under the proposed law, Oil and Gas Management Policy will be established to provide the framework for fiscal management of oil and gas revenues. All these measures taken by the Government are expected to increase the efficiency of the country in managing natural resources.
3.4.1 Private Sector Development

Significant progress has been made in the promotion of the private sector. In facilitating and supporting private sector to grow and flourish, the Government has made the following deliberate efforts and important interventions to improve private sector participation in PPP projects:

i. Amendments of the Public Private Partnership Act, (Cap. 103) with a view to making better provisions for supervision and co-ordination of public private partnerships;

ii. Establishment of Public Private Partnership Centre under the Prime Minister’s Office aimed at simplifying and fast tracking the approval process of public private partnership projects;

iii. Recapitalization of the Tanzania Investment Bank and the establishment of the Agricultural Development Bank, to offer long-term finance; and

iv. Continued support to the Tanzania Women Bank, promotion of community banks and rural finance institutions.

Some of the measures taken to facilitate a business friendly environment include the transformation of the Tanzania Investment Bank to TIB Development Bank with a view to supporting the growing private sector including small and medium enterprises. In 2015 the Government has established the Tanzania Agricultural Development Bank with a view to support agricultural investment including smallholder farmers.

Investing in port infrastructure, where new cranes, a conveyor belt and anchorage tankers at the port of Dar es salaam helped reduce berthing and unloading time as well as congestion. The reduction in the time required for port and terminal handling activities benefits not only traders in Tanzania but also those in the landlocked economies of Burundi and Rwanda that use the port.

Other measures include, improving credit information systems by enhancing access to credit information through creating credit bureaus. The Democratic Republic of Congo and Tanzania both established new credit reporting agencies. Tanzania’s central bank issued an operating license to the country’s first credit
bureau, Credit info Tanzania, in June 2013, and to its second one, Dun & Bradstreet Credit Bureau Tanzania, in September 2013. Credit info Tanzania began responding to inquiries from data users 2 months after receiving its license.

**Box 1: UNCDF LFI Programme on Private Sector Development**

The Local Finance Initiative (LFI) programme is an innovative approach of UNCDF designed to unlock the flow of capital in least developed countries for financing small and medium sized infrastructure projects that are needed to accelerate local economic and private sector development.

Since its inception in 2012, the LFI Programme has reviewed and supported over 42 projects in Tanzania. At present, LFI supports more than 30 infrastructure projects, launched by both public and private developers, with an aggregate estimated cost of USD 303 million. Currently at different stages of development or implementation, these projects are spread across several sectors — agro-processing, renewable energy, community infrastructure, telecommunications, and manufacturing — in 15 regions in Tanzania.

### 3.5 Human and Social Development

#### 3.5.1 Education

**IPOA Target**

a. Ensure universal access to free primary education in least developed countries by increasing the enrolment and retention rates, and also increase access to secondary, tertiary and vocational education and skill development training;

b. Increase the quality of education and training that is offered at all levels and increase literacy and numeracy rates of adults and children;

c. Eliminate gender disparities in education and training and ensure equal quality of education between males and females.
a. Universal Access to Education

Committed to achieving Universal Primary Education (UPE), the Government of Tanzania has developed various plans based on sector policies and plans. The objectives of UPE were to: enhance access and equity; improve quality; strengthen capacities; address cross cutting issues; strengthen institutional arrangements; undertake educational research, and conduct educational monitoring and evaluation.

Since 2011, the number of students enrolled in primary education at the correct age has been improving after a slightly decline in 2012, enabling the government to achieve its target of universal access to primary education. The primary education enrolment was; 8,363,386 pupils in 2011, 8,247,172 students in 2012, 8,231,913 students in 2013, 8,222,667 students in 2014 and 8,298,282 students. In secondary school education, the enrolment level is reported to have also increased from 1,789,547 students in 2011 and 2,087,915 students in 2015 equivalent to an increase of 16.7 percent.

However, the primary school net and Gross Enrolment Rates for the period 2010-2015 have continued to decline, the main reason being increasing dropouts at higher grades. Dropout rates in Tanzania’s primary schools has been increasing from 76,246 pupils in 2011 to 84,796 in 2015 equivalent to the increase of 11.2 percent, and in secondary schools were 66,069 students in 2011 to 72,559 students in 2015 equivalent to 8.9 percent. The main causes for dropout in primary schools have been reported to be truancy (75.7 percent), lack of basic needs (5.8 percent), pregnancy (4.4 percent), death (2.6 percent), illness (2.0 percent) taking care of ill people (under 1 percent) as well as other unspecified reasons (8.8%) (MoEVT, 2015). Student’s dropout remains to be one of the main reported challenges facing the secondary education subsector. The rate of dropouts is higher at Ordinary level compared to Advanced level. The main causes of dropout were again truancy (76.1 percent) followed by lack of basic needs (12.9 percent).
Table 3: The Trend of Students Enrolment and Dropout, 2011 - 2015

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENROLLMENT</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PRIMARY</td>
<td>8,363,386</td>
<td>8,247,172</td>
<td>8,231,913</td>
<td>8,222,667</td>
<td>8,298,282</td>
</tr>
<tr>
<td>SECONDARY</td>
<td>1,789,547</td>
<td>1,884,272</td>
<td>1,804,056</td>
<td>1,947,349</td>
<td>2,087,915</td>
</tr>
<tr>
<td>DROPOUT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRIMARY</td>
<td>76,246</td>
<td>69,015</td>
<td>55,302</td>
<td>67,192</td>
<td>84,796</td>
</tr>
<tr>
<td>SECONDARY</td>
<td>66,069</td>
<td>76,002</td>
<td>94,990</td>
<td>80,153</td>
<td>72,559</td>
</tr>
</tbody>
</table>

Source: MoEVT, 2015

a. Improving Quality of Education and training

Through the Joint Education Sector Annual Review (JESR), the Government of Tanzania through the Ministry of Education and Vocational Training, Development Partners (DPs), Non State Actors (NSAs), Civil Society Organisations (CSOs), Faith Based Organisations (FBOs) and the community at large have been conducting several successful annual reviews with the aim of assessing the overall performance of the sector. This modality has provided an open space for discussion, criticism, and agreement on technical and policy issues with a view to improving the quality of education services delivery in Tanzania.

There have been a number of activities introduced in Tanzania aimed at improving the quality of education. These include:

- Preparation of a draft “Strategy for Management of Teachers Attendance,”
- Conducting in-service Training (INSET) for 2,052 primary school teachers, 60 licensed teachers and 120 tutors in teaching English, Mathematics, ICT and teaching skills and bridging course to 1,415 form six leavers in Science, Mathematics, Languages and ICT programme.

b. Other Efforts to Improve Provision of Primary Education

The School Feeding Programme for primary schools

The National Nutrition Strategy (NNS) 2011–2016 prioritises interventions targeting children under five years and women of reproductive age, and recognises the importance of promoting good nutrition in other groups which include school age children. The Government of Tanzania, through the Ministry of Education and Vocational Training in collaboration with the World Food Programme (WFP) continued to expand the School Feeding Programme by increasing the coverage of pupils in 5 regions namely Singida, Dodoma, Manyara, and Arusha. According to
MoEVT (2014), an evaluation conducted in 2012 in the 16 Councils showed an increase in school attendance and reduction of dropouts. Apart from the schools, which are supported under the WFP, other schools, especially those in agricultural zones provide meals during harvest periods.

The Government’s plan is to ensure that, school meals are provided to all schools throughout the school calendar. In that regard, the Government has continued to sensitize parents and other stakeholders to contribute resources including grain to ensure sustainable provision of meals to children at school to promote attendance and retention.

**Primary Education Child Friendly Schools (CFS)**

The main aim of the Child Friendly School (CFC) initiative is to make schools conducive for teaching and learning as well as to promote child rights in schools. The Child Friendly Schools Programme advocates for child-centred teaching and learning approaches and methodologies. It also relies heavily on community participation and involvement as part and parcel of the teaching and learning processes whereby parents and school communities are seen to have key roles for contributing to school performance.

With regard to the impact of the CFS in the education system, the annual Joint Education Sector Reviews (JESR) reveal that as a result of community participation, commitment to schools, community support in construction of school infrastructure, and provision of essential facilities such as water and meals, school attendance rates, retention and achievement of learners have increased in schools. Other outcomes of the initiative include developing guidelines and distributing to all schools, improvement of learning environment, and improvement of attendance.
3.5.2 Population and Primary Health

IPOA Target

a. Achieve targets under Millennium Development Goals 4 and 5 by 2015 and, building on these, further significantly reduce the infant, under-five and maternal mortality rates and child under-nutrition by 2020;

b. Provide universal access to reproductive health by 2015, including integrating family planning, sexual health and health-care services in national strategies and programmes;

c. Achieve targets under Millennium Development Goal 6 by 2015 and, building on this, further reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases.

a. Child Mortality and Promoting Maternal Health

Since 2008, the Government has been implementing the “Strategic Plan for Accelerating the Reduction of Maternal and Childhood Deaths” (2008-2015). Along with it, the Government embarked on implementation of a Project on Maternal Mortality Reduction in collaboration with the African Development Bank (AfDB) in some of the regions where maternal mortality rates are high, particularly in Mtwara, Mara and Tabora regions (MoF, 2014). These projects have contributed towards reduction of infant and maternal mortality rate.

The proportion of pregnant women who delivered in a health facility increased from 50 percent in 2010 to 59.1 percent in 2011; further to 60.6 percent in 2012 before declining marginally to 55.9 percent in 2013. However, these proportions are reported to be off track to achieving the Health Sector Strategic Plan (HSSP) III target of 80 percent by 2015 as well as the MDG 5 target of 90 percent by 2015.

Initiatives to improve the proportion of under-five children receiving vitamin A have also been undertaken in Tanzania with a target of 80 percent by 2015. As of May 2014, it has been reported that a total of 215,700 kilograms of nutritional supplements had been added to wheat flour and 3,000 kilograms of Vitamin A to
cooking oil with an estimated number of 14 million people being reached with food that had been fortified with vitamins and minerals (MoF, 2014).

Child mortality rate in Tanzania has also been decreasing with likelihood of the country attaining MDG 4 target by 2015. As of 2010, under 5 mortality rate had reached 81 per 1000 live births, down from 191 in 1990 (TDHS, 2010), but still higher than the MDG target of 64 per 1000 live births by 2015. Infant mortality rate has shown good progress, with 45 per 1000 live births in 2012, which is 7 births higher than desired target of 38 by 2015.

b. Combating Pandemic Diseases

The country is also implementing the Third National Multi-Sectoral Strategic Framework for Mainland Tanzania 2013/14-17/18 (NMSF III) which provides a common understanding for all HIV and AIDS stakeholders: government, civil society, the private sector, and development partners to work together towards achieving the expected results. The NMSF III provides the context within which other sectoral strategic plans and budgets should be formulated, monitored, and coordinated.

Multi-sectoral development planning in Tanzania includes targets related to HIV incidence, prevalence, HIV care and treatment services, and HIV stigma and discrimination in the current medium and long term plans. The Tanzania Five Year Development Plan includes a target to “increase and strengthen services for care and treatment of people living with HIV and AIDS to reach 800,000 by 2015/16 (Tanzania Five Year Development Plan, 2011).” In the Tanzania Long-Term Perspective Plan (LTPP) 2011/2012-25/26, the HIV objectives for the health sector include reaching a “national prevalence rate of about 1.5 percent” as well as “having a society in which our children can grow up free from the threat of HIV and AIDS and which cares for and supports all those who are still infected and affected by HIV and AIDS (LTPP 2012)”.

The Governments efforts have helped in scaling-up access to antiretroviral treatment and therefore help Tanzania minimize the impact the HIV epidemic. Between 2010 and 2013, they contributed 5% to the global total number of people
newly accessing treatment. Across the country, the severity of the epidemic varies with some regions reporting an HIV prevalence of around 1.5% (Manyara) and others as high as 14.8% (Njombe). Overall, the epidemic has remained steady because of on-going new infections, population growth and increased access to treatment. Key affected populations in Tanzania Tanzania’s HIV epidemic is generalised, with pockets of concentrated epidemics among key populations such as people who inject drugs (PWID), men who have sex with men (MSM), mobile populations and sex workers. Heterosexual sex accounts for the vast majority (80%) of all HIV infections in Tanzania and women are particularly affected. 

Since nearly a fifth of all HIV new infections in Tanzania are due to mother-to-child transmission (MTCT), Tanzania aims to virtually eliminate MTCT and reach 90 percent of all pregnant women with treatment, reduce the MTCT rate to less than 5 percent, and maternal and child mortality by 90 percent by 2017. In 2013 77 percent of all pregnant women were on antiretroviral treatment for PMTCT.

Although HIV prevalence has fallen in Tanzania, tens of thousands of people become infected with HIV every year. Stigma against HIV positive people and human resource shortages are among the obstacles to ensuring a sustained reduction of new HIV infections and to providing care and treatment to those already infected. There is also a greater need for targeted HIV programming for key affected populations, as well as programmes that reach hard-hit pockets of communities along high traffic areas. Increased funding for HIV and AIDS from the Government and commitment from donors to prevention efforts will be necessary if Tanzania is to overcome the effects the HIV.

3.5.3 Youth development

The Government of the United Republic of Tanzania is committed to empower young men and women population in the country which comprise more than 35 percent of the total population and about 68 percent of the total labor force in social, economic and political aspects.
The National Youth Development Policy has facilitated the implementation of various youth development programs which include skills for competence for economic empowerment, good values, ethics and good conduct, youth participation and provisions for youth friendly services.

The country has implemented various measures including those with partnership with the private sector and civil society to ensure that Youth Development becomes one of the priority areas. Some of the measures include the following:

- Initiating the skills Development Program for Youth where three Youth Training Centers have been established for skills development,
- Developed an apprenticeship training programme where the industry takes the responsibility of training in close collaboration with training institutions,
- Enhancing Employability through Vocational Training (EEVT) with the objective of improving the employability of young people,
- Establishing National Youth Development Fund to help the youth establish, own and run sustainable development projects and businesses. For 2013/14, 2014/15 and the 2015/16 the Youth Development Fund set aside a total of 5 Billion Shillings to fund more than 333 youth projects.

3.5.4 Water and sanitation

<table>
<thead>
<tr>
<th>IPOA Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation and strive to provide sustainable access to safe drinking water and basic sanitation to all by 2020.</td>
</tr>
</tbody>
</table>

a. Policies Guiding the Water and Sanitation sector

The Government has instituted a number of sector reforms in relation to water resources management, water supply and sanitation in both rural and urban areas. Through the National Water Policy (NAWAPO-2002) and the National Water Sector Development Strategy (NWSDS - 2006), it has enabled and reinforced execution of water projects countrywide and led to substantive progress in implementation of various planned interventions in the Water Sector Development Programme (WSDP 2006-2025).
Tanzania committed to achieving the Millennium Development Goals (MDGs) for access to safe water, sanitation and a sustainable environment by increasing proportions of the rural population with access to clean and safe water 65 percent by 2010, 79 percent by 2015 and to 90 percent by 2025 for the rural population. It also calls for increased access to clean and safe water to the urban population to rise from 90 percent by 2010, to 95 percent by 2015; and 100 percent by 2025.

b. Water Sector Development Initiatives
The proportion of households in rural settlements and townships (districts and small towns) provided with improved sources of water increased from 57.8 percent in 2010 to 55.9 percent by 2015 and from 53 percent to 60 percent during the same period respectively. The proportion of households in urban settings provided with improved sources of water also increased from 86 percent in 2010 to 86 percent by 2015; and the proportion of households in Dar es Salaam provided with improved sources of water from 55 percent in 2010 to 68 percent by 2015.

In Tanzania, only 23 percent and 27 percent of the households have access to improved sanitation in rural and urban areas respectively (NBS, 2014). The Government target was to achieve 35 percent and 45 percent access to improved sanitation in rural and urban areas respectively by 2015. With implementation of National Sanitation Campaign (NSC), it is also expected to attain a significant increase in the number of households with improved sanitation facilities, aiming to increase additional 1.68 million households and 812 schools that use improved toilets, hand washing with soap and maintaining general environmental cleanliness in both urban and rural by 2015 (MoF, 2014). Moreover, the Water, Sanitation and Hygiene (WASH) programme, supported by UNICEF has been very vital for assuring sustainable solutions to WASH in schools.

c. Outputs and Outcomes of the National Sanitation Campaign
The total target on rural household sanitation for 4 years under the National Sanitation Campaign (NSC) was 1.52 million improved latrines and 812 schools in school WASH. In 2014, a total of 384,709 improved latrines were achieved
(25 percent), and 128 schools equivalent to 16 percent of total planned schools planned WASH activities, were achieved by June 2014. Delay of funds transfer to LGAs was one of the causes for not achieving the target.

The total funding commitment for sanitation and hygiene under phase I (2011-2014/15) was USD 24.2 million from the Development partners. As of June 2014, only USD 8.5 million (35%) of the funds had been released for sanitation and hygiene. This level of funding has translated to achieving 25 percent and 16 percent of household and school WASH targets. The bulk of funds (USD 15.7 million) for implementation of sanitation and hygiene campaign were not released in time. This indicates the urgency needed to advocate for improvement in release of funds; especially from development partners in order to implement sanitation and hygiene projects as planned (Water Sector Status Report, 2014).

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Status in 2010 (%)</th>
<th>Status by 2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of population in rural settlements provided with water supply services increased from 57.8 percent in 2010 to 65 percent by 2015</td>
<td>57.8</td>
<td>55.9</td>
</tr>
<tr>
<td>Proportion of population in district and small towns provided with water supply services increased from 53 percent to 57 percent in 2015</td>
<td>53</td>
<td>60</td>
</tr>
<tr>
<td>Proportion of urban population in regional centres provided water supply services increased from 86 percent to 95 percent by 2015</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Proportion of population in Dar es Salaam provided with water supply services increased from 55 percent in 2010 to 75 percent by 2015</td>
<td>55</td>
<td>68</td>
</tr>
<tr>
<td>National sanitation campaign and school WASH</td>
<td></td>
<td>1.52 million household reached</td>
</tr>
</tbody>
</table>

**Source:** FYDP I Mid-term Review, 2015
3.5.5 Gender Equality and Empowerment of Women

**IPOA Target**

a. Achieve equal access of women and girls to education, basic services, health care, economic opportunities, and decision-making at all levels;

b. Take steps to realize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, including sexual and reproductive health;

c. Accelerate efforts to promote women’s rights and gender equality, including women with disabilities.

During the period under review, the government sustained efforts to empower women. Proportion of women in Parliament increased from 15 percent in 2005 to 36.8 percent in 2015; that of women Regional Commissioners from 10 percent in 2005 to 24 percent in 2013. Also the proportion of women Judges increased from 33 percent to 36 percent over the period under review.

The Government also continued to empower women economically. Different financial institutions and schemes have been providing funds and loans to women groups as well as providing entrepreneurship training. Such schemes included Women Development Fund (WDF), Women Covenant Bank, Village Community Banks (VICOBA) and SACCOS. For example, WDF provided TZS 629 million in loans between 2011 and 2013; and Tshs.445 million to 40 Councils during 2013/2014. During the period under review the Government continued to conduct monitoring implementation of WDF in nine regions.

In order to ensure that financial services reach targeted clients especially women entrepreneurs, the Government, through Tanzania Women’s Bank (TWB), continued to establish credit centres in seven regions namely Dar es Salaam, Dodoma, Mwanza, Mbeya, Iringa, Ruvuma and Njombe. During the period under review, a total of 63 credit centres were established for purpose of providing credit facilities and training entrepreneurs. The established credit centres included 20 centres in Dar es Salaam; 8 in Dodoma; 5 in Mwanza; 11 in Mbeya; 9 in Ruvuma;
5 in Iringa; and 5 in Njombe Regions. As a result, credits centres increased from 18 centres in 2012/13 to 63 in 2013/14.

3.5.6 Social Protection

<table>
<thead>
<tr>
<th>IPOA Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enhance social protection systems to improve the resilience of all, including poor and disadvantaged groups.</td>
</tr>
</tbody>
</table>

The government has established conditional cash transfer programmes through Tanzania Social Action Fund (TASAF) with a view to supporting poor households in Tanzania. TASAF supports poor households through a scheme known as Productive Social Safety Net Program (PSSN). A total of 274,493 beneficiary households were targeted from 1976 villages in 41 Project Area Authorities (PAAs). By the end of the financial year 2013/14, a total of 266,601 poor beneficiary households (about 97.1 percent) out of the targeted 274,493 had been enrolled (MKUKUTA Annual Review, 2014).

In terms of cash transfers, payments for achieving health, education and consumption benefits 137,714 eligible households benefited in 1,194 villages from 22 PAAs. Payments for the remaining 95,258 beneficiary households were effected in September, 2014.

3.6 Multiple Crises and Other Emerging Challenges

<table>
<thead>
<tr>
<th>IPOA Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Build the resilience of least developed countries to withstand economic shocks and to mitigate their adverse effects;</td>
</tr>
<tr>
<td>b. Strengthen least developed countries’ ability to withstand and overcome the adverse effects of climate change, enhance sustainable growth and protect biodiversity;</td>
</tr>
<tr>
<td>c. Build the resilience of least developed countries to withstand natural hazards in order to reduce the risk of disasters.</td>
</tr>
</tbody>
</table>
3.6.1 Economic Shocks resilience
Following economic reforms implemented by Tanzania since mid-1980s, the country’s external sector has undergone considerable diversification, with a shift from traditional agriculture exports to non-traditional exports. This has made the economy to become resilient to shock due to strong macroeconomic performance. However, the economic growth remains vulnerable to spill over-effects from slowdown in emerging market economies and tight financial conditions, which have contributed to fall in commodity prices such as gold and other traditional commodities (BoT, 2015).

Tanzania gained export competitiveness as the shilling depreciated against currencies of major trading partners between 2010 and 2015. Following the strengthening of the US dollar, Tanzania has witnessed increases in exchange rate volatility as well as increase in debt burden to private and public sectors (Bank of Tanzania, 2015). As a result, the shilling depreciated against the U.S dollar and Chinese Yuan but slightly appreciated against other major currencies, notably the Euro and Yen, in the second half of 2014 (see Figure 11). With the depreciation of the shilling, decline in capital inflows, increased cost of offshore borrowing and debt service burden; and sharp asset market corrections are the potential transmission channels of the risks (BoT, 2015).
Source: Bank of Tanzania, 2015

Annual headline inflation in Tanzania is highly influenced by food inflation. However, due to consistent and sustained tight monetary policy and general decline in food and global commodity prices, especially oil, Tanzania has witnessed a gradual decrease in headline inflation between 2012 and 2014 maintaining single digit for the last two years reaching 6.3 in 2014.

3.6.2 Resilience to Natural Hazards
Droughts and floods are considered to be the primary hazards affecting Tanzania. The country is indeed vulnerable to repeated natural disasters, shifts in agricultural productivity due to climate change, declining environmental sustainability and food insecurity. In the light of these challenges, the country has put in place an Emergency and Disaster Response Framework, which is centrally coordinated. In keeping with international best practice, relevant ministries are required to coordinate their emergency and disaster response through the Emergency and Disaster Response Directorate in the Prime Minister’s Office in Mainland Tanzania and Second Vice-President’s Office in Zanzibar. The policies, strategies, plans and structures needed to support disaster management in Tanzania have been put in place in order to ensure effective implementation of the framework.
There are several challenges in disaster management such as local government authorities’ capacity to effectively manage disasters. It is to this effect that, the United Nations designed a 4 year programme spanning from 2011 to 2015 to enhance the disaster management capacity of government authorities and local communities so as to maintain effective and coordinated emergency preparedness and response. The UNDAP (2013/14) report highlights the following successful outcomes of this programme in Tanzania:

- Disaster Management Departments (DMDs) have been able to effectively lead Emergency Preparedness and Response (EPR) with a focus on areas most susceptible to disasters,
- Access to improved credible emergency information to enable early action,
- Relevant MDAs, LGAs, and NSAs have adequate sector capacity and provide an effective intra coordinated response in emergencies, and
- PMO/DMD are now able to provide timely access to emergency food assistance to insecure and vulnerable households in emergency situations.

The Purchase for Progress (P4P) programme have enabled 5,100 farmers to increase their storage capacity and reduce post-harvest losses through knowledge sharing and provision of equipments. The farmers groups have been able to aggregate nearly 3,000 MT of maize for sale to the National Food Reserve Agency (NFRA) at competitive market prices. As a result, the NFRA has been able to increase emergency stocks for food insecure populations. In addition the introduction of Community Managed Targeting and Distribution mechanisms (CMTD) has ensured efficient distribution of food to the most food insecure and vulnerable populations during emergencies.

Since the country still needs to improve the management of natural disasters once they occur, the following measures will be taken:

- Supporting public agencies to improve waste collection, drainage, water and sanitation programs due to lack of funding needed to meet the responsibilities or supervision capabilities,
- Integrating disaster risk management approaches in urban planning,

• Supporting public health programs through cost effective mass treatment
  programs for several Neglected Tropical Diseases (NTDs),
• Supporting existing successful urban upgrading programs, and
• Encouraging long-term planning horizon.

3.7 Mobilizing financial resources for development and capacity building

3.7.1 Domestic resource mobilization

<table>
<thead>
<tr>
<th>IPOA Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Enhance the mobilization of domestic resources, including by raising domestic savings, increasing tax revenue and strengthening institutional capacity;</td>
</tr>
<tr>
<td>b. Reduce corruption and increase transparency at all levels.</td>
</tr>
</tbody>
</table>

The Government places high importance on the mobilization of financial resources from alternative sources to reduce overreliance on conventional sources such as domestic tax revenue; non-tax revenue (dividends, fees, and licenses); domestic borrowing; grants and concessional and non-concessional loans from both bilateral and multilateral sources. These sources are used to finance both recurrent and public investment expenditures.

The Tanzania Revenue Authority is implementing its 4th five-year Tax Modernization Programme and Corporate Strategy (2013-2018) aiming to raise the ratio of revenue to GDP to 19.9 percent by 2018 (Bevan, 2012). The strategy focuses on four main aspects: (a) broadening the tax base; (b) strengthening TRA to increase the efficiency and effectiveness of tax administration; (c) improving tax administrative infrastructure; and, (d) curbing tax evasion and minimizing revenue loss through tax exemptions and informal sector.

The revenue collection has generally increased over the recent years. Figure 12 show that the revenue has increased from Tsh 5,578 billion in 2010/11 to Tsh 10,811 billion in 2014/15. Also, the revenue–to-GDP ratio increased from 11.6 percent in 2010/11 to 13 percent in 2014/15. This performance shows that the targeted 19 percent had not being attained and that the government will have to
increase tremendously its tax effort (tax and non-tax revenue) in order to achieve the ambitious target of 19 percent by 2015/16.

**Figure 12: Tanzania Revenue Performance, 2010/11 - 2014/15**
*(Tsh Billion & % of GDP)*

![Graph showing Tanzania Revenue Performance](image)

**Source:** Ministry of Finance Budget Speech 2014/15

Main tax measures undertaken include strengthening of existing sources through reduction of tax exemptions, review of VAT Act, establishment of tax service centres in the concentrated business areas in Dar es Salaam to improve tax compliance, recovery of tax arrears, enforcement on the use of electronic fiscal devices - EFDs and intensified risk-based and quality tax audits. Efforts still continue of identifying new potential sources of revenue with a view to reduce foreign dependence.

As for non-tax revenue, performance was on average around 50 percent of the estimates for the entire period of the review. The underperformance is explained by poor collection systems, lack of enforcement, weak capacity of the implementing bodies and delays in application of the new rates of land rents passed by Parliament are to be blamed for the poor performance.
Despite the efforts in revenue collection, the gap between domestic revenue and total expenditure has been increasing over the past years, raising concern on the sustainability of funding for development in Tanzania (see Figure 13).

**Figure 13: Tanzania Financial Resources Gap, 2010/11 - 2014/15**

The domestic tax revenue to GDP ratio has been rising slightly from 10.9 Percent in 2010 to 12.6 percent in 2014. The ratio has been stabilizing at equivalent of around 11-12 percent of GDP. The recent increase recorded in 2013/14 of the equivalent of 0.6 percent of GDP is largely derived from the taxation of one time capital gains in the oil exploration sector. Compared to other Developing Countries, Tanzania (148th in PWC Paying taxes rankings) will need to improve significantly domestic revenue collection in order to increase this ratio.

**Source:** Ministry of Finance, 2015

**3.7.1.1 Tax Revenue to GDP**

The domestic tax revenue to GDP ratio has been rising slightly from 10.9 Percent in 2010 to 12.6 percent in 2014. The ratio has been stabilizing at equivalent of around 11-12 percent of GDP. The recent increase recorded in 2013/14 of the equivalent of 0.6 percent of GDP is largely derived from the taxation of one time capital gains in the oil exploration sector. Compared to other Developing Countries, Tanzania (148th in PWC Paying taxes rankings) will need to improve significantly domestic revenue collection in order to increase this ratio.
In order to address the financing gap, the government has continued to depend on grants, domestic borrowing and non-concessional external borrowing though each has its own repercussion in terms of accessibility and conditionality.

3.7.2 Official Development Assistance

**IPOA Target**

- Ensure the fulfillment of all ODA commitments to least developed countries;
- Ensure the alignment of aid with least developed countries’ national priorities and increase the alignment of aid with least developed countries’ national systems and procedures.

While the government has made considerable efforts to mobilize domestic resources, ODA continued to be the largest source of external financing for the national development. In order to manage aid and development assistance cooperation, the government has been implementing the Joint Assistance Strategy (JAST) which takes into account the international principles of aid effectiveness. The main focus of JAST is to promote national ownership and government leadership in development cooperation through joint actions that seeks to enhance the impact of development effectiveness in the country. In doing so, this has made
it possible to harmonize and align aid systems and priorities in Tanzania, hence avoiding the challenges and constraints faced in relation to aid fragmentation, donor coordination, volatility and unpredictability of aid flows or other factors limiting the development impact of ODA. The major form of aid modality in Tanzania is budget support. Other modalities of support are basket funding and project support.

For the period under review, the pledges for support by DPs have not been equal to their actual disbursement, thus creating an average gap of 24 percent. The level of commitment therefore has averaged 76 percent from 2010/11 to 2014/15 (see table 5 and Figure 15). This performance has to a large extent affected the implementation of some of the projects and programmes which were to be financed by external sources. Apart from increasing local financing to finance development projects, the Government has continued to emphasize the need for Development Partners to honour their pledges and obligations as agreed in different international Conferences and meetings such as the UN General Assembly (General Assembly Resolutions) and the International conference on Financing for Development in Monterrey, Mexico.

Table 5: Trend of Budgeted and Actual Disbursement of Grants and Loans from Development Partners (in Tsh Billion)

<table>
<thead>
<tr>
<th></th>
<th>YEAR</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUDGET SUPPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUDGETED</td>
<td>822</td>
<td>869</td>
<td>842.5</td>
<td>1163.1</td>
<td>922</td>
<td>4,619</td>
<td></td>
</tr>
<tr>
<td>ACTUAL DISBURSEMENT</td>
<td>928</td>
<td>916</td>
<td>645</td>
<td>1040.65</td>
<td>756.01</td>
<td>4,286</td>
<td></td>
</tr>
<tr>
<td><strong>BASKET FUNDING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUDGETED</td>
<td>478</td>
<td>688</td>
<td>415</td>
<td>415</td>
<td>415</td>
<td>2,411</td>
<td></td>
</tr>
<tr>
<td>ACTUAL DISBURSEMENT</td>
<td>559</td>
<td>471.9</td>
<td>434</td>
<td>434</td>
<td>434</td>
<td>2,333</td>
<td></td>
</tr>
<tr>
<td><strong>PROJECT SUPPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUDGETED</td>
<td>1,975</td>
<td>2,366</td>
<td>1,899</td>
<td>1,899</td>
<td>1,899</td>
<td>10,038</td>
<td></td>
</tr>
<tr>
<td>ACTUAL DISBURSEMENT</td>
<td>1,193</td>
<td>1,424.9</td>
<td>1,235.7</td>
<td>1,235.7</td>
<td>1,235.7</td>
<td>6,325</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUDGETED</td>
<td>3,275</td>
<td>3,923</td>
<td>3,157</td>
<td>3,477</td>
<td>3,236</td>
<td>17,068</td>
<td></td>
</tr>
<tr>
<td>ACTUAL DISBURSEMENT</td>
<td>2,680</td>
<td>2,813</td>
<td>2,315</td>
<td>2,710</td>
<td>2,426</td>
<td>12,944</td>
<td></td>
</tr>
<tr>
<td>PERCENT</td>
<td>82%</td>
<td>72%</td>
<td>73%</td>
<td>78%</td>
<td>75%</td>
<td>76%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Ministry of Finance, 2015*
3.7.3 National debt

**IPOA Target**

- a. Achieve sustainable debt levels in all least developed countries, bearing in mind least developed countries’ special development needs;
- b. Remain vigilant in monitoring the debt situation of least developed countries and continue to take effective measures within the existing frameworks;
- c. Provide specific debt relief measures for least developed countries that are not HIPC countries on a case-by-case basis.

Tanzania national debt has been increasing gradually reaching 33.6 trillion Tanzanian shillings in 2014 from 18.8 in 2011 equivalent to an increase of 78.7 percent. The debt increase was due to increase in concessional and non-concessional borrowings and accumulation of interest arrears on external debt especially from Non Paris Club creditors which have not provided debt relief as per the agreement.
a. External debt

Tanzania’s external debt stock has been increasing annually since 2011, reaching USD 14.4 billion at the end of 2014, an increase of USD 1.6 billion from the preceding year due to new disbursements and accumulation of interest arrears (Economic Survey 2015) and an increase of 61.8 percent from 2011. Concessional loans from multilateral international organizations continued to be the main source of external loans. Other sources include bilateral creditors and non-concessional loans.

b. Domestic Debt

The Domestic stock has increased by 89.1 percent from 4.6 trillion in 2011 to 8.7 trillion in 2014. The increase in domestic debt was largely contributed by new borrowing to finance development projects. The domestic debt holders (excluding treasury bills) include commercial banks, the Bank of Tanzania, Social Security Fund, individuals and other entities.
Table 6: Trend of Domestic Debt and External Debt Stock

<table>
<thead>
<tr>
<th>Debt</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic debt (Tsh Trillion)</td>
<td>4.6</td>
<td>6.17</td>
<td>6.81</td>
<td>8.7</td>
</tr>
<tr>
<td>External Debt (USD Billion)</td>
<td>8.9</td>
<td>10.5</td>
<td>12.79</td>
<td>14.4</td>
</tr>
</tbody>
</table>

**Source:** Economic survey (2015, 2014, 2013)

Tanzania has been annually reviewing its debt sustainability through the Debt Sustainability Analysis and the Medium Term Debt Strategy Review. Based on Debt Sustainability Analysis conducted in July 2015, the present value (PV) of public debt as a share of GDP remains way below 20 percent of GDP throughout the projection period (against the threshold of 40 percent).

The profile of disbursed outstanding debt at the end of 2013/2014 by use of funds shows that large proportion was in transport and telecommunication, followed by balance of payments and budget support, and social welfare and education (Figure 13).

**Figure 17: Disbursed Debt by Use of Funds, 2013/14**

**Source:** Bank of Tanzania, 2014
3.7.4 Foreign Direct Investment

**IPOA Targets**

a. Attract and retain increased foreign direct investment in least developed countries, especially with the aim of diversifying the production base and enhancing productive capacity;

b. Enhance initiatives to support investment in least developed countries.

In the past decade, Tanzania has witnessed an overall increased FDI, although fluctuating in some of the years. The National Economic Survey (2015) show that FDI in increased from USD 1,229.5 Million in 2011 to USD 2,142 Million in 2014 equivalent to the growth of 74 percent. The FDI inflows into Tanzania were at the highest level in 2014 where the total value was slightly over USD 2,142 million (See Figure 18). The high FDI inflows in the country are due to increased investments in extractive projects including oil and gas.

![Figure 18: Tanzania FDI Inflow, 2011 - 2014](chart.png)

**Source:** National Economic Survey, 2015

In order to continue attracting more investors in the country, the Government has continued to promote investments by offering a well-balanced and competitive package of fiscal incentives to investors both international and domestic with a view to attract new investments. The Government has successfully signed new
bilateral investment treaties (BITs), which are aimed at promoting and protecting new and existing investments. It also signed Avoidance of double taxation treaties (DTTs) with various countries. As of 2013, the Government of Tanzania had signed BITs with the Governments of Germany, Italy, Finland, South Korea, The Netherlands, United Kingdom, Sweden, Denmark, Canada, Switzerland, Thailand, China, Oman and Kuwait. Furthermore, the Government of Tanzania had also entered into DTTs with the Governments of United Kingdom, Italy, Sweden, Norway, Denmark, Finland, South Korea, Switzerland, Oman, Malaysia, Thailand, Canada, The Netherlands, and Kuwait. Also, Tanzania is a member of Multilateral Investment Guarantee Agency (MIGA), International Centre for Settlement of Investment Disputes (ICSID) and is signatory to the United Nations Commission on International Trade Law (UNCITRAL).

The Government has also taken some initiatives to improve the business environment, these include: Establishing integrated online electronic licensing systems; Streamlining the regulatory regime through Parliamentary approval of the Non-Citizens’ Employment Regulation Act that aim to fasten issuance of work permits and better protection for domestic and foreign labour workforce, as well as the approval of the Whistle-blowers and Witness Protection Act for curbing corruption; Developing an Integrated Land Management Information System (ILMIS) in process to provide real-time online information on land ownership and use status; and Simplifying business registrations.

### 3.7.5 Remittances

<table>
<thead>
<tr>
<th>IPOA Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce the transaction cost of remittance flows and foster the development impact of remittances</td>
</tr>
</tbody>
</table>

The trend in remittance inflow in Tanzania has for many years been low compared to outflows. Furthermore, Tanzanians living outside the country contribute less to GDP through sending money home when compared to other East African Community (EAC) Member States. The World Bank statistics database shows that in 2011, the share of remittances inflow to GDP reached a high point of 0.23
percent but decreased to a low of 0.13 percent in 2013. Outflows have also started decreasing after reaching a peak in 2012 (see Figure 19).

**Figure 19: Tanzania Remittances Flow and Share to GDP, 2010 - 2013**

The contribution of remittances to Tanzania’s economic development as an alternative source of financing is very small. Modernising and making remittance system more efficient and effective is therefore an important element in poverty reduction and national development. The Government has taken several initiatives by making agreement with the telecommunication sector in collaboration with remittance companies such as Western Union, Money Gram to enable transfer of remittance through mobile banking. The advent of mobile banking has hugely increased the inflow and outflow of remittance. Another area that the Government need to focus includes the aspect of lowering the high cost of remittances to the country.

Source: World Development Indicators, 2015
3.8 Good governance at all levels

<table>
<thead>
<tr>
<th>IPOA Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Strengthen good governance, the rule of law, human rights, gender equality and empowerment of women, and democratic participation, including by enhancing the role of parliaments;</td>
</tr>
<tr>
<td>b. Strengthen and effectively implement measures to prevent corruption and to increase transparency of budgets and expenditure;</td>
</tr>
<tr>
<td>c. Enhance the institutional capacity of least developed countries to ensure good governance;</td>
</tr>
<tr>
<td>d. Ensure that resources to least developed countries are provided and used in a predictable, transparent and timely manner;</td>
</tr>
<tr>
<td>e. Provide continued support for strengthened and effective voice and participation of least developed countries in relevant international forums;</td>
</tr>
<tr>
<td>f. Build durable peace and ensure stability, security and sustainable and inclusive development in least developed countries.</td>
</tr>
</tbody>
</table>

3.8.1 Governance

Government effectiveness, control of and perception of corruption indicators in Tanzania show a declining trend since 2011 (World Bank 2013; Mo Ibrahim 2014). Oversight institutions, such as Parliament, the Controller and Auditor General, the Prevention and Combating of Corruption Bureau, and the Registrar of Political Parties need to be strengthened further, in order to improve accountability and good governance (Bertelsmann Stiftung, BTI, 2014).

Capacity to ensure citizens voice, participation and accountability through elections and parliamentary work is improving, building on progress related to voter registration for 2015 General Election and parliamentary oversight of government.

3.8.1.1 Corruption and Rule of Law

The Government has continued to fight corruption with efforts being directed towards addressing various dimensions of corruption including political and bureaucratic corruption, public funds embezzlement, fraudulent procurement
practices, and judicial corruption. Awareness and anti-corruption education campaigns to various groups and clubs are among the cited government interventions. Other measures include the establishment of anti-corruption office for zonal coordinators that are responsible for making follow-ups of Public Expenditure Tracking System (PETS); establishment of Asset Tracing and Asset Recovery Unit which is responsible for coordinating the returning or transferring back of public assets or funds that had been acquired illegally or owned through corruption or bribery-related transactions.

Strengthening the capacity and working environment of responsible organs for handling corruption-related complaints and the Judiciary has led to increase in the efficiency of processing reported complaints and processing files and cases which is a positive outcome of the decision made by government to separate prosecution from investigation. These efforts have enhanced good governance through transparency and curbed corruption, re-assuring donor confidence in the country’s commitment to development. Such efforts go a long way in ensuring investors and donor confidence in an economy operating with rules and regulations.

Despite remaining challenges, the Prevention and Combating of Corruption Bureau (PCCB) has tried its best to fight corruption. The table below portrays the efforts made in the allegations received, case investigated, conviction cases, total cases prosecuted and money saved and assets recovered.
<table>
<thead>
<tr>
<th>Category</th>
<th>Allegations received</th>
<th>Cases Investigated</th>
<th>Ongoing Investigations</th>
<th>Closed Investigations</th>
<th>File sent to DPP</th>
<th>Completed Investigations</th>
<th>New Cases filed into courts</th>
<th>Ongoing cases into courts</th>
<th>Conviction cases recorded</th>
<th>Acquitted cases recorded</th>
<th>Total Cases prosecuted</th>
<th>Saved Money/Assets recovered</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4,765</td>
<td>829</td>
<td>2,546</td>
<td>323</td>
<td>143</td>
<td>868</td>
<td>193</td>
<td>435</td>
<td>52</td>
<td>61</td>
<td>709</td>
<td>4,639,939,558</td>
</tr>
<tr>
<td>2012</td>
<td>5,084</td>
<td>1,178</td>
<td>2,911</td>
<td>273</td>
<td>221</td>
<td>882</td>
<td>288</td>
<td>551</td>
<td>47</td>
<td>71</td>
<td>723</td>
<td>9,667,354,594</td>
</tr>
<tr>
<td>2013</td>
<td>5,456</td>
<td>1,100</td>
<td>2,785</td>
<td>209</td>
<td>358</td>
<td>1,027</td>
<td>343</td>
<td>684</td>
<td>89</td>
<td>62</td>
<td>894</td>
<td>4,260,043,591</td>
</tr>
<tr>
<td>2014</td>
<td>5,056</td>
<td>808</td>
<td>3,004</td>
<td>2,420</td>
<td>337</td>
<td>828</td>
<td>256</td>
<td>646</td>
<td>135</td>
<td>142</td>
<td>923</td>
<td>39,406,398,654</td>
</tr>
<tr>
<td>2015 (Jan-March)</td>
<td>1,158</td>
<td>197</td>
<td>3,050</td>
<td>50</td>
<td>77</td>
<td>225</td>
<td>90</td>
<td>664</td>
<td>25</td>
<td>33</td>
<td>722</td>
<td>636,209,552</td>
</tr>
<tr>
<td>TOTAL</td>
<td>56,947</td>
<td>10,265</td>
<td>27,037</td>
<td>4,937</td>
<td>1,6</td>
<td>11,26</td>
<td>2,0</td>
<td>4,73</td>
<td>654</td>
<td>694</td>
<td>87,754,986,551</td>
<td></td>
</tr>
</tbody>
</table>

Source: PCCB, 2015

The trend of new cases filed in court from 2010 to 2014, and number of cases prosecuted portrays the efforts and emphasis that the PCCB take in fighting corruption. These efforts enabled Government to recover around Tsh 87.75 billion between 2010 and March, 2015.
Other initiatives include; establishment of the Judicial Service Commission which is responsible for improving efficiency in judiciary system; reinforcement of the legal sector reform programme through improving infrastructure facilities of law enforcers such as establishing of gender and children's desks in police stations, connection of six regional police stations and three police posts to the national broadband; updating communication systems from analogue radio calls to digital systems and installing an Offender Management Information System and strengthening community policing through improvement of police mobility and visibility. Further, government is supporting conducive working environment and increasing the number of Judges, Magistrates, Lawyers, Advocates, Police and other important stakeholders as well as building courts and renovating old ones.
These initiatives are undertaken amidst challenges posed by inadequate institutional capacity to implement good governance due to corruption and red tape as well as low level of education and awareness of issues of human rights and good governance, rule of law amongst the population.

3.8.2 Transparency and Accountability

The Government has undertaken several measures to ensure transparency and accountability in all facets of its operations. For instance, to ensure transparency in auditing, the consolidated financial statements of the Central Government are now prepared according to the International Public Sector Accounting Standards (IPSAS) Accrual Basis and the bank payment system, Tanzania Inter-Bank Settlement System (TISS), extended to 20 regions in the country.

Donors have been extending financial support to the country to enable the civil society to monitor accountability and transparency in governance by engaging citizens in local budgeting, planning, public expenditure tracking and support governments ability to supply better transparency and accountabilities services. Governance at the local level requires the active participation of citizens in all processes. The Government and external support in this area adds some impetus to the drive.

\[\text{3See } \text{https://results.usaid.gov/tanzania/democracy-and-governance#fy2014}\]
4. Coherence and linkages with the Post-2015 Development Agenda and other global processes

Tanzania’s Development Vision 2025 has three main objectives which are; attaining a high quality livelihood, good governance and a strong and competitive economy. In order to achieve these objectives, the government develops and implements five-year development plans and sector plans, which take into account developments in the local socio-economic environments as well as global developments agenda that are consistent with the national objectives. For example, over the last ten years, the Government has been implementing development plans that took into account the Millennium Development Goals. To ensure smooth linkage and harmonization between MDGs targets and the national development agenda, the national policy frameworks and strategies have drawn MDGs targets. Thus, in practice all Tanzanian national strategies and policy frameworks were MDG based, and therefore well linked to the MDGs targets.

Box 2: The First Two MDGs and Respective Targets

<table>
<thead>
<tr>
<th>Goal I: To eradicate extreme poverty and hunger</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Proportion of the population living below ($1, PPP) (based on national income poverty line) – 19.5</td>
</tr>
<tr>
<td>• Proportion of the population living below ($1, PPP) (based on national food poverty line) – 10.8</td>
</tr>
<tr>
<td>• Under-5 Underweight (%) (weight-for-age below -2SD – 14.4</td>
</tr>
<tr>
<td>• Under-5 Stunted (%) (height-for-age below -2SD – 23.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goal II: To achieve universal primary education</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Net enrolment ratio in primary education (%) - 100</td>
</tr>
<tr>
<td>• Gross enrolment ratio in primary education (%) - 100</td>
</tr>
</tbody>
</table>

As noted earlier, the NSGRP goals and targets drawn from MDGs were reading as follows:

Box 3: NSGRP II Goals and Targets

CLUSTER I
Goal 2: Reducing income poverty through promoting Inclusive, sustainable, and employment-enhancing growth and development

- Income poverty incidence at national level reduced from 33.6% in 2007 to 24% in 2015; in rural area from 37.6% in 2007 to 26.4% in 2015
- Working poverty reduced from 36% in 2007 to 20% in 2015
- Unemployment and underemployment reduced from 10% in 2008 to 5% by 2015

CLUSTER II
Goal 1: Ensuring Equitable Access to Quality Early Childhood Development Programmes, Primary and Secondary Education for all Boys and Girls

- Early childhood development (ECD) and number of young children prepared for schools increased
- Universal access for boys and girls to quality pre-primary and primary education (NER to 100% for pre-primary and primary)
- Access to secondary education for girls and boys improved (NER to 45% for lower secondary, 5% for upper secondary)

The preparation of the Five Year Development Plan (2016/17 – 2020/21) starts at a time when the Third United Nations International Conference on Financing for Development, the United Nations Summit on the Post 2015 Development Agenda and the 21st Session of the Conference of the Parties of the United Nations Framework Convention on Climate Change have been held. As it was the case in the FYDP I which took into account the objectives and targets of the Millennium Goals, the FYDP II as well will take into account the principles, actions, and international guidelines and agreements.
Some of the issues included in the National Planning Framework which are part of priorities in the Post 2015 Development agenda include: Industry, Innovation and Infrastructure; Ensuring good health and wellbeing; Access to quality education; Affordable and free energy; Clean water and sanitation; and Sustainable cities and community management.

Similar to the experience gained during the implementation of MDGs, there is no doubt that successful implementation of the Post-2015 Development Agenda hinges on their synchronization or link to the goals and targets of the National Development Agenda. Harmonization of Post-2015 Development Agenda and the national development agenda is therefore a requisite if the Post-2015 development Agenda and goals and targets spelt out in the Tanzania national policy frameworks are to be attained.

Several measures were also taken by both local and international institutions to localize the MDGs. The International Development Partners together with the Local Government Authorities and Civil Society Organizations conducted pilot projects in several rural districts on access and use of information to assess the MDGs implementation. These efforts will be scaled-up to effectively domesticate the Post 2015 Development Agenda towards the remaining period of implementing the IPoA.
CHAPTER FIVE
CONCLUSION AND WAY FORWARD

The Mid-term Review Report of the Implementation of the Istanbul programme of Action for the LDCs for the Decade 2020 for Tanzania highlighted the status of implementation for a period of five years 2011 - 2015. The report indicates that Tanzania has made good progress in some of the priority areas identified in the Plan of Action and in some areas achievements have not been satisfactory. Some of the areas that the country has done well include some aspects of Human and Social Development such as education and health. However, as mentioned before, a lot more needs to be done in order to raise the level of human development, and removing economic and structural barriers to growth and limiting resilience to vulnerabilities. More efforts will be needed to address the remaining challenges particularly in the human and social development such as population, youth development, water and sanitation and social protection.

Other challenges to be addressed in the remaining period of implementing the programme of action include limited productive capacity, infrastructure deficits, implementation capacity, inadequate financial resources, lack of good quality data and remittance.

The government is aware of the challenges and efforts to address them through the implementation of the National Development Planning Frameworks such as the National Development Plan and Sectoral Strategic Plans are underway.

Since the Programme of Action identified specific areas of intervention by the Development Partners, increased support from the international community including the UN System will be essential in assisting the country to overcome some of the challenges of implementing IPoA and attain the objectives of the Post 2015 Development Agenda.

As pointed out in the report, the preparation of the Second Five-year Development Plan (2016/17 – 2020/21) for Tanzania comes at an opportune time when the agreed set of priorities through the three major international
conferences: the Third International Conference on Financing for Development, the United Nations Summit on the Post 2015 Development Agenda and the 21st Session of the Conference of the Parties of the United Nations Framework Convention on Climate Change have been endorsed. The challenge is to ensure that all key aspects become part of the National Development Agenda. The process of domesticating the Post 2015 Development Agenda will therefore be important to ensure that the spirit set during the first phase continues. This move is expected to accelerate the implementation of the IPoA during the remaining period of five years.

To enhance capacity building of the local institutions and human capital, partnership with stakeholders must be a priority throughout the implementation of the IPOA. Since financing was a critical factor during the implementation of the Plan, the government will ensure that adequate resources are mobilized and allocated in the national priority areas throughout the remaining implementation period. Innovative financing methods will be highlighted in the National Development Plan and will be used to ensure that more financial resources are allocated to the priority areas. Other potential alternatives funding options such as partnership with the private sector will be explored.
References


