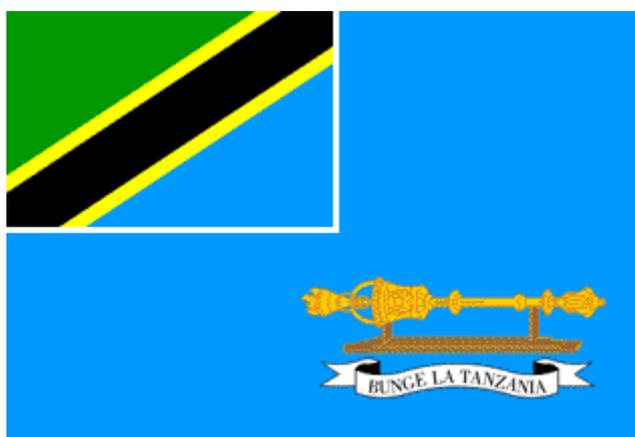


# ODA Parliamentary Oversight Project Country Report and Data Analysis

## United Republic of Tanzania



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## List of Abbreviations

AfDF	African Development Fund
AFP	Afro-Shirazi Party (Zanzibar)
AIID	Amsterdam Institute for International Development
AWEPA	Association of European Parliamentarians with Africa
BFs	Basket Funds
CCM	Chama Cha Mapinduzi
CUF	Civic United Front
DfID	Department for International Development (UK)
EAC	East African Community
EmOC	Emergency Obstetrics Care
EU	European Union
FDI	Foreign Direct Investment
GBS	General Budget Support
GDP	Gross Domestic Product
GNI	Gross National Income
GoT	Government of Tanzania
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
IDA	International Development Association (World Bank)
IMF	International Monetary Fund
JAST	Joint Assistance Strategy for Tanzania
JICA	Japan International Cooperation Agency
MDGs	Millennium Development Goals
MKUZA	Equivalent of MKUKUTA for the Zanzibar region
MP	Member of Parliament
NAP	NEPAD-Network of African Parliamentarians
NGO	Non-Governmental Organisation
Norad	Norwegian Agency for Development Cooperation
NPES	National Poverty Eradication Strategy
NSGRP (I/II) / MKUKUTA (I/II)	National Strategy for Growth and Reduction of Poverty
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OECD/DAC	OECD-Development Assistance Committee
OVC	Orphans and Vulnerable Children
PA	Protected Areas
PPP	Purchasing Power Parity
PRSP	Poverty Reduction Strategy Paper
PRSs	Poverty Reduction Strategies
SADC	Southern African Development Co-operation
SAPs	Structural Adjustment Programs
SMEs	Small and Medium sized Enterprises
TANU	Tanganyika African National Union
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

## EXECUTIVE SUMMARY

The Official Development Assistance (ODA) Parliamentary Oversight Project seeks to strengthen the link between aid effectiveness (defined as resulting in successful development outcomes) and governance by improving the effectiveness and performance of parliaments in five African countries. This involves in particular improving the capacity of parliaments independently to research and analyse data on aid flows, government budgets, and the needs of their constituents. Section A of this report elaborates on these goals. Section B analyses the context in terms of institutional and economic development challenges in Tanzania. The remainder of the report has been developed in co-operation with parliamentary and other researchers, as well as Members of Parliament (MPs), parliamentary committees, and local governments in Tanzania.

The report serves as a concrete example of the sort of analysis that parliaments can develop independently by employing their new capacities so as to promote aid effectiveness, better policy, and better development results. To this end, the report brings together and analyses the relationships among five sorts of data: i) public opinion and citizen preferences; ii) a survey of parliamentary opinion conducted for the project; iii) declared donor and government policy priorities; iv) actual donor aid and Government of Tanzania (GoT) budgetary allocations; and v) development outcomes measured across a range of development indicators. Section C discusses the development priorities of the Tanzanian government, parliament, and public opinion as well as the country's major donors, plus the internationally agreed Millennium Development Goals (MDGs). Section D looks at the actual sectoral breakdown of the national budget of the Tanzanian government and the aid budgets of the donors. Finally, section E analyses Tanzania's development progress over the past decade, relating development indicators to donor and government efforts, and section F comprises a compact and user-friendly 'Data-Pack' for MPs and parliamentary committees that can be printed out for use in parliament.

Section C responds to several questions:

- \* To what extent does Parliament and do established government priorities reflect or represent the clearly expressed development needs and preferences of citizens? Of Parliament?
- \* If government priorities differ in important ways from those of citizens and their representatives, is the departure reasonable and does policy as a whole still respond well to citizen needs and preferences?
- \* Do donor policies address the needs and preferences of citizens as expressed in public opinion and by parliament?
- \* Are donor priorities well aligned with national policy?

Section C then compares data on the preferences of the most important bilateral and multilateral donors to those of Tanzanian stakeholders, in particular members of the National Assembly and the electorate. Across two major rounds of surveys, citizens indicated their top first-choice development priorities as: water supply, infrastructure/roads, health (consistently the top three), poverty/destitution, economic management, and education. With very slight differences in ranking, MPs shared these preferences. Public opinion and the views of parliamentarians overlap well. When one 'bundles' together MP's and citizens' explicit concerns about the experience of poverty in everyday life (poverty and income levels, unemployment, hunger, the problems of subsistence agriculture) these dominate overwhelmingly the expressed development needs and preferences of citizens and their representatives. Parliament clearly understands its constituents.

In turn, government policy as stated in the relevant strategy documents reflects the development priorities of citizens and their representatives on the whole. This is positive. There are nonetheless some differences that stand out: the improvement of roads/infrastructure is not directly specified by the government despite the fact that this is a very high priority for the public and the parliament; the government's priority of environmental sustainability is not particularly shared by either public or parliamentary opinion. Government priorities are also rather less specific than those of the populace and MPs, especially when it comes to the 'bundle' of everyday problems of experiencing poverty. This is not particularly surprising. Much is potentially covered under 'good governance' and it is incumbent on government to show what this means in practice in terms of real expenditure and policy objectives. This is not always clear.

When it comes to the priorities set by donors, they do prioritise a range of issues seen as important by MPs and their constituents, but donors are also frequently rather less focused and

specific as to the measures required. There are also some important disparities between the preferences of Tanzania's stakeholders and the priorities of donors.

- \* Despite strong general support for the MDGs and poverty reduction, donor priorities at best only indirectly address the key issues of poverty relief and unemployment. These material concerns are crucial to citizens and concrete, and targeted measures are supposed to be central to the MDGs. This does not necessarily mean that donor policies are unlikely to have a positive impact on poverty relief and job creation, but concrete measures and goals might be more explicitly highlighted.
- \* Although water supply and sanitation is consistently *The* top single priority for parliament and citizens, relatively few donors claim to devote direct attention to the matter.
- \* Donors address a number of priorities that are not particularly important to parliament or the people, for example civil society issues, the environment, private sector development, regional integration, technical co-operation, privatization, and good governance concerns such as administration and regulation, local government, and debt relief.

In short, both donors and government have a range of broad, structural and arguably tertiary concerns that do not fit very well with those of public and parliamentary opinion. No one could or should meaningfully argue that these priorities do not matter for development. The issue is one of immediacy and priority. At the very least, a better explanation and justification of these tertiary and general priorities to the public and to parliament might be forthcoming, and they might be better linked to concrete measures and expected outcomes that fit explicitly with the concerns of the populace. *It remains the case that donors could make the concerns of poverty in daily life a higher priority, firmly linked to concrete action. The incongruence suggests that neither donors nor government listen adequately to the concerns of MPs or citizens.*

Section D analyses actual GoT and donor patterns of expenditure in relation to both the priorities that they set for themselves, and the preferences of parliament and the people, thereby posing three questions:

- \* Do donors and government live up to their policy commitments with real financial outlays?
- \* Do donor patterns of expenditure reflect the policies of the GoT?
- \* Do actual aid and budgetary outlays of both government and donors properly address the needs and preferences of constituents and their representatives?

In response to these questions, the section concludes: i) neither donors nor the government of Tanzania properly match their stated policy priorities with real financial outlays and thus expenditure does not properly reflect the policy priorities formally established; ii) donors devote a 'significant' or 'large' proportion of their funding to only a few GoT major policy priorities; iii) while actual donor and government expenditure overlaps somewhat with the express needs and preferences of MPs and constituents, above all the *emphasis* of donor and government outlays contrasts in important respects with the needs and preferences of constituents, which are in contrast well represented by parliament.

The real pattern of GoT spending does not yet reflect a firm commitment to its own declared priorities of poverty reduction, inclusive growth, health and education, and infrastructure. These neglected areas are all very high priorities for constituents and MPs. Donors likewise emphasise priorities that they do not always properly fund proportionately to their stated commitment: health, education, water and sanitation, subsistence agriculture, and poverty reduction are all high policy priorities for most or several donors, but concrete funding commitments do not measure up to the declared policy. In turn, the only GoT national priority that receives notable direct donor support is an implicit priority in the first place. Economic infrastructure (especially transport) receives a 'significant' and in two cases 'large' proportion of ODA, from all but one donor. So although donor and GoT policy priorities overlap reasonably well, the funding commitments of donors do not measure up in this regard. The analysis in section D furthermore revealed that the GoT funds few of even its own priorities commensurate with their importance as needs and preferences of constituents or parliament. Budgetary spending is still heavily skewed towards funding the executive and the legislature (although this is changing). Of citizen priorities, only education and transport infrastructure received (just) over 10% of total government outlays. The other priorities of citizens received 5% or less.

The actual expenditure priorities of multilateral and bilateral donors do overlap, again somewhat, with the preferences of constituents and the legislature, but certainly not in the same order of

importance. In particular, donors hugely underplay expenditure to water and sanitation and to a somewhat lesser extent health, energy and electricity supply as well. Neither donors nor the GoT treat as genuine priorities for expenditure the practical 'everyday life' concerns that stem from the ongoing experience of poverty (food security, wage and income levels/poverty, and jobs), while both Parliament and particularly public opinion emphasise these as their top priorities by far. Some donors and the government furthermore devote significant or small portions of their resource allocations to 'good governance', 'civil society', and the environment. Neither parliament nor constituents identify these as priorities at all. This need not be negative if improving the quality of governance improves the concrete achievement of citizen policy, but this is a matter of verification and accountability for parliament.

*Donors and the government all need to pause for reflection on the fit between patterns of development expenditure, identifiable citizen preferences, and development outcomes. We turn to development indicators below.*

Section E undertakes an analysis of development outcomes according to World Bank development indicators, the Millennium Development Goals, and the Human Development Index (HDI), in turn analysing the actual patterns of development expenditure by government and donors in relation to the achievements of the development process in Tanzania.

- \* Are the results of donor and government policies positive and in line with the policy commitments and the concrete investment effort?
- \* Do the results achieved satisfy the needs and preferences of the broad range of constituents in Tanzania?
- \* What can parliament do to ensure better results?

Tanzania has made sound though not rapid progress in the past few decades from a low starting point following the economic crunch of the 1970s and 1980s that was largely caused by ineffectual government policy. Economic growth has been high in the past ten years or so. However, progress remains unbalanced, favouring the urban and the relatively well off as opposed to the rural poor engaged in subsistence agriculture. As a result, Tanzania is on target to achieve only some of the MDGs by 2015, and time is running out. A range of vital World Bank indicators have progressed little if at all; some have worsened (e.g. especially youth unemployment). On the Human Development Index, Tanzania has at last but only just caught up with the average for sub-Saharan Africa.

*Progress is weakest on too many of those development issues that are most important to citizens and the parliament, but these are also precisely the issues to which donors and the government fail to commit an adequate proportion of funding. Worse yet, these areas where progress is weak yet relatively ill funded are too often areas that donors and the government claim to prioritise.*

This is despite clear and easily obtainable evidence that public opinion even tells the government where progress is most required. Parliamentarians echo the message. Agriculture stands out as a sector to which donors and government claim to be committed, where progress is negative, and actual funding levels low. It is no wonder that rural poverty continues at high levels.

In conclusion, this means that there is a strong case for parliament asserting itself with the aim of establishing a better link between donor and executive funding patterns and the needs and preferences of the real stakeholders in the development drama. A better accountability 'feedback loop' would strengthen this parliamentary input, encouraging a better link between setting priorities, expenditure patterns, and outcomes in the long run. Parliament at the very least should assert control over its own resources so as to boost its capacity to participate in the policy process. This is all the more necessary as new resource revenues come on stream, threatening the country with a potential 'resource curse' outcome. *Both the donors and the executive appear to underestimate the benefits for successful development of listening more to parliament and to the people, of providing more information and transparency on policy inputs and results to help stakeholders make choices, and of developing a more open decision-making process.*

## A. INTRODUCTION

### 1. Background to the project

In the late 1980s the World Bank started a debate on the governance and effectiveness of Official Development Assistance (ODA) in relation to the long-term development process in Africa. The Bank argued that 'underlying the litany of Africa's development problems is a crisis of government'.<sup>1</sup> Ever since, many problems have been identified, among which is the link between the weakness of government and the often suboptimal effectiveness of aid. An underlying cause of the failure of donor and African government policies to produce results that conform to the aspirations of Africa's peoples is arguably the lack of indigenously rooted institutions that could tackle adequately the development demands of modern states in a context of global economic integration. This stimulated donor and recipient governments to improve both developing country governance and institutions as well as country 'ownership' of the development process. Ownership came to mean a much stronger role for national governments in the setting of aid priorities, and a larger degree of General Budget Support (GBS, wherein aid is integrated directly into national budgets on the basis of national spending priorities) in overall aid flows from donors. This was combined with improving the capacity of African governments to manage budgets and design and implement policy, and to reduce the prevalence of corruption. Over time the Paris Declaration and Accra/Busan follow-up process highlighted the need to enhance the role of parliaments as a central aspect of what citizen-based 'ownership' should mean. Better representation and accountability are not only crucial to building democracy, but are also practical solutions to the misallocation of aid and problems of corruption and mismanagement by donors and partner countries alike. In particular, the interaction between governments, parliaments, and donors could be greatly strengthened so that the input of citizens into development policy, via parliamentary representatives, is enhanced. The 'feedback loop' from national and especially citizen 'ownership' back to the ongoing revision of priorities by donors could likewise be greatly strengthened. This introduction aims to situate the project in this broader context, outlining its major objectives and activities in relation to this report.

#### Project aims and partners

In Africa, parliamentarians often know their constituents well, and may do their best to attract benefits for their citizens. What is less clear is that parliaments see it as their task to represent these same constituents in the policy process, and to influence the setting of policy priorities at the national level. Despite the Paris Declaration, Parliaments have been wholly excluded from the negotiations between donors and national governments in the setting of aid policy and its link to national policy priorities. Nevertheless, ensuring that citizen preferences are better integrated into both donor and national executive development policy-making is an important goal of the international aid community. In addition to their representative role, Parliaments also are responsible for holding governments accountable to citizens for the effectiveness of policy outcomes and the improvement of policy over time where it has fallen short. This accountability function could certainly be more effectively exercised by most African parliaments. There is however an additional dimension to this question of accountability. If the donor community claims to honour the principal of national 'ownership' of development aid, then by definition parliaments should be involved in holding *donors* as well as national governments accountable to the people for outcomes. Donors are at the moment clearly answerable to their own parliaments for development aid spending and outcomes, but they owe perhaps a more important duty of care to those whom they claim to be helping. Donors can in this way also be rendered more responsive to the dynamics of the development process in the partner countries, and aid should become more effective and work better as part of realising the aspirations of the rapidly changing emerging societies in Africa. Improving this crucial aspect of democratic governance has too long been neglected by donors and national executives alike. It is time for parliaments to become more assertive and to develop their capacities on their own.

The ODA Parliamentary Oversight Project seeks to strengthen the link between aid effectiveness and governance by improving (and initiating a process of institutionalization of this improvement for the long term) the effectiveness and performance of parliaments in five African countries. The

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<sup>1</sup> World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth: A Long-Term Perspective Study* (Washington, D.C.: World Bank, 1989), p. 60.

project looks at five African countries: Ghana, Benin, Mozambique, Tanzania, and South Africa. Specifically, parliaments could become more effective at including and representing citizen aspirations to donor and recipient governments in the establishment of policy priorities and the design of national and donor budgetary outlays. By implication, this means consulting and representing in each country the broad range of interests, constituencies, and real citizen needs and preferences relevant to the development process. Over time this enhanced parliamentary capacity will shape development policy priorities better to conform to constituent interest and need, better monitoring of the evolution, implementation, and *effectiveness* of policy and holding the executive and aid donor policies accountable to these same citizen groups and needs. In more practical terms, the project substantially strengthens the independent research and analytical capacity of parliament (committee system, research staff) and parliamentarians. The project must build the capacity of parliaments to gather research data on citizen needs and preferences, to analyse this information in relation to actual aid flows and development outlays, and to assess policy outcomes in relation to development indicators and citizen aspirations.

The Amsterdam Institute for International Development (AIID), the Association of European Parliamentarians with Africa (AWEPA), and the NEPAD-Network of African Parliamentarians (NAP), have together set the following overarching objectives.

1. Enhancing the **expertise** of African parliamentarians and parliamentary staff in scrutinizing the setting of priorities and actual effectiveness of development assistance: as representatives of the people and overseers of the public purse, democratically elected parliamentarians have a crucial role to play in the monitoring of ODA policy and spending. African parliamentarians involved in the project accept by their own admission that they lack the information, supporting resources and expertise required to fulfil these functions so as properly to confront both donor and recipient governments concerning allocation priorities and policy effectiveness.
2. Improving parliamentary **representation** ('voice') and **accountability** functions of African polities in developing and implementing aid priorities, including sound 'feedback loops' on the impact of aid: enhancing 'voice' by improving the effectiveness of parliamentary representation can improve the **sensitivity** of government to African people's long-run development needs, and is a crucial element of a stable, democratic future for the continent. The crucial accountability functions of African political institutions, and particularly parliaments, are often only emerging or have not been developed. This means that donors and governments are not fully accountable or sensitive to the issues affecting their diverse electoral and socio-economic constituencies. The simultaneous enhancement of parliamentary representation and accountability is a missing link in the relationship between need, resource allocation, scrutiny and a successful development process. Developing this link will strengthen dialogue between the executive branch of government, elected representatives, and their citizenry. Enhanced voice based on stronger parliamentary links to society and accountability through more effective parliamentary oversight will help reduce the risk of corruption and mismanagement, and bring aid and other resource allocation closer to the needs and preferences of the electorates whom governments ostensibly serve.
3. Strengthening African **research** communities and research into aid allocation and their role in the development process. Building strong links between European and African academic research communities and their respective partners in parliament and civil society is also crucial in order to support capacity-building and strengthen governance in Africa. Academics in developing countries have high-level research and analytical skills and can therefore play an important role in helping parliamentarians to develop expertise, strengthen their representation and accountability functions and to enhance links to civil society. Likewise, European researchers will provide data on the aid programmes approved by donor parliaments, and together with recipient country academics and parliamentarians can follow it to implementation. Aid, in combination with a range of other policy instruments, can play an important role in alleviating poverty and fostering development. Yet the understanding of aid, where it goes and how it contributes to the development process, has been far too limited. Enhanced oversight can yield data for better research, and better data and better linkages between research and policy practice will result.
4. The research and reporting which results from this project should also have an impact on the setting of aid priorities in European donor countries, the better to improve the relationship between donor assistance and the satisfaction of needs in Africa as well as the effective implementation of policies in co-operation with recipient partners. Researchers and African parliamentarians will be encouraged to provide data and develop lasting linkages with European

parliamentarians to enhance the **sensitivity** of both donor and recipient countries to development needs in relation to aid allocation and implementation processes. Building better communication links between European and African parliamentarians can greatly enhance the strengthening of voice and accountability in Africa and the 'ownership' of aid programmes. Improving the capacity of African parliamentarians to assess and communicate the development assistance needs of their societies is part of improving oversight and accountability *in* Africa and the fit of donor country policies with the real needs of African peoples. Increased interaction and the sharing of experiences between Africa and Europe will also help to build the capacity of African parliaments, thereby contributing to the enhancement of their representation and accountability functions.

In sum, the central and longer-run outcome of the project will be that over time, shifts in national economic development policy priorities and international assistance programmes in the five countries should take place so as to conform better to the needs of the full range of their African citizens and constituencies in the development process. This process of change will take place over time in three overlapping phases as follows:<sup>2</sup>

#### *Phase 1: Identification of Needs and of Patterns of Aid*

Parliamentarians in the five African countries have been assisted in establishing, expanding, and maintaining inclusive and cross-constituency linkages with citizens and citizen groups so as better to understand and represent the real development needs and interests across the national economy and society, and to better understand the political benefits and electoral support to be achieved in so doing, linked to the broader benefits of more successful development policy. The AIID research team and local academics, in liaison with Embassy counsellors, European parliamentary contacts, and using other available sources, in this stage of the project collected and began to analyse data on patterns of ODA assistance and their relationship to needs.

This phase of the project has involved Round Table interface with parliamentarians, standing and/or select committees, parliamentary staff, and stakeholders. The project also engaged in Research and Data workshops involving parliaments and African academics and experts, a parliamentary survey in each country, and the citizen consultations that were dubbed 'public hearings'.

#### *Phase 2: Holding to Account*

Based on the on-going needs and data analysis of phase one, parliamentarians were assisted in synthesizing and representing citizen needs to government and in penetrating the national economic development policy process, monitoring and holding the executive accountable and responsible to these same citizen needs in the shaping and implementation of policy and the development of aid priorities in relation to donor assistance programmes.

This report assembles and presents the results of this phase of the project. The report also involves presentation and extensive discussion with parliamentarians, parliamentary staff, European MPs, and academics during a two-day workshop in the country involved. The focus of the workshop is on the active use of the data analysis by Parliament to enhance representation and accountability functions, and on institutionalising the new research and other capacities developed. The end product has been developed in dialogue with the parliamentarians and committee systems as well as the research staff of the five parliaments.

#### *Phase 3: Feedback Loop*

Parliamentarians in this phase can exploit their new linkages with citizens to analyse and assess the impact of improved development policy and international assistance on the society and economy so as to ensure that outcomes conform better to needs, consistently articulating to government (and eventually donors) successes, problems, shortcomings, and new needs emerging in a dynamic environment. This country report with its 'Data-Pack' is an important tool in this regard.

African and European Union (EU) parliamentarians will need to extend and strengthen their contacts with each other. Parliamentary researchers and committee staffers/chairs in Africa will need to realise on the new research and analytical capacities developed, and make sure that reports are regularly updated and disseminated. Parliamentarians in Africa and in European donor

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<sup>2</sup> It must be accepted that this pilot project of 2.5 years could only and at best partially accomplish the process of change required.

countries will need to take initiatives to devise strategies to bring this information to bear (e.g. written/oral questions to ministers, committee hearings and reports, prompting European MPs to press donor governments) as they represent citizens to government and donors and hold executives accountable for outcomes. Eventual policy change will need to be monitored and improvements in aid and policy effectiveness measured, and this requires developing links with government officials involved in negotiations with donors and those who set development policy in the country concerned. Achieving these goals is in the medium and long term heavily dependent on obtaining further funding to carry the project forward beyond its pilot stage, which comes to an end in February 2012.

## 2. Purpose of this report

This report is central to both the second ('Holding to account') and third (or 'Feedback Loop') phases of project activities. Both aim to strengthen the research and analysis capacity of MPs and the parliament, and the Feedback Loop in particular is concerned with the role of parliament in promoting aid effectiveness and policy change. This document serves both as a report to the donor and as an analysis of data and development indicators for the Parliament and other stakeholders. It will be accompanied by a 'data-pack' providing accessible and summary analysis to MPs and committee staffers and researchers in the parliament of the data portions of the report.

The main goal of the pilot project is to improve the monitoring of on and off-budget ODA by strengthening the capacity of parliamentarians as representatives of the public and as democratic guardians of aid allocation and the national development process. African and European researchers have been involved throughout the programme, working with MPs and the research/committee staff of the National Assembly (parliament) of Tanzania in order to collect, analyse and distribute data to stakeholders. The first set of activities involved a Round Table interface to build commitment to the project and to facilitate an open discussion on aid effectiveness, accountability, and on democratic oversight by Parliamentarians on aid flows and development expenditure. The Round Tables were followed by Research and Data Workshops and survey activity which served to better identify citizen developmental needs and preferences in relation to parliamentary opinion and donor/government policy, and to generate data on aid flows coupled with government budgetary outlays. Workshops with local authorities and constituency consultations ('Public Hearings') were also held so as to gauge the reaction of the public and parliamentarians to specific aid projects in relation to citizen need and donor/government policy. The information generated through these activities constitutes the core of this country research paper and the more accessible summary 'data-packs' for parliamentarians (section F).

The strengthening of parliamentary research and analytical capacity will help MPs and parliamentary committees to scrutinise policy and to represent citizens better as well as to hold both donors and government to account so as to improve aid and policy efficiency. The point is that the parliaments possess internally or can develop, with the support of their local research community, the capacity to undertake these exercises themselves in the future. The 'Feedback Loop' activities therefore involve Parliament making ongoing use of the new research capacity and information flows generated so as actively to challenge government and donor policies through the committee system and in plenary session debates, monitoring aid flows and development outcomes, and pressing for the required changes in policy. MPs from EU partner countries of Tanzania were introduced where possible to extend the 'local' feedback loop to their respective parliaments. This is to ensure that outputs from the project also reach donor decision-making processes and that donor policy is challenged directly by those with the mandate to do so. In the process, the capacity of parliament as an essential element of good governance and democracy will be strengthened as an institution.

This report brings together and analyses five sorts of data for parliamentarians, committee/research staff, and other stakeholders, organised in sections B-E plus appendices. Section B introduces the economy and institutions of the country. This is followed by section C dealing with 'Development Priorities':

1. The report examines the pattern of multilateral and bilateral donor aid *priorities* with regard to Tanzania and the development plans of the Government of Tanzania as outlined in documents such as the most recent National Strategy for Growth and Reduction of Poverty (NSGRP or MKUKUTA). These policy priority documents will both be looked at in relation to the *aspirations*

of the relevant Millennium Development Goals (MDGs) which both donors and partner countries pledged to achieve

2. Public opinion data (from the Afrobarometer database) in relation to aid will be discussed
3. Some results of the MP survey carried out under this project in Tanzania will be presented

Care will be taken to determine the extent of correspondence between the commitment and aspiration aspects of development assistance to both public and parliamentary opinion on citizen and national needs.

For Section D looking at 'Aid Flows' and government development expenditures:

4. The report will discuss actual aid flows and budgetary outlays (so as to account for the on-budget aspects of aid). This data will be assessed against the background of commitments/aspirations and to the survey data on both public and parliamentary opinion.

For Section E on 'Development Indicators':

5. The report will focus on the actual achievement in terms of development indicators, including the MDGs, so as to explore the extent to which aid efficiency is being achieved, and how this relates to donor/government policy, the aspirations of the population, and their representatives in Parliament.

The final section F contains the 'Data-Pack' for MPs. This section is intended for download and printout use by MPs and parliamentary committees/committee members. It is a succinct summary of the main data and 'analysis headline' findings of the report presented in a 'user-friendly' format.

On the basis of this analysis, an aid-efficiency-improving 'feedback loop' between citizens/parliament and donor/recipient governments can be created over time. Both Mozambican and European parliamentarians can better represent the development aspirations and needs of recipient constituents before their respective governments. They will also have sounder arguments at hand the better to challenge where required both donor and government policy, pressing for changes where the data suggests that this is required. They will thereby hold donor and recipient executive authorities more accountable to the needs and aspirations of citizens as represented by the parliament and to the improvement of aid allocation and results in terms of development. In this way a crucial plank of the Paris Declaration (2005) and the Accra Agenda for Action (2008) plus Busan review (2011) can better be achieved than has been the case so far, and 'ownership' of the aid process will take on a new and more meaningful dimension in Africa.

The next section will briefly analyse the context of institutional and economic development challenges in Tanzania, setting the scene for subsequent and detailed sections analysing the five sorts of data referred to above. The report will conclude with an examination of the policy implications of the analysis.

## B. THE UNITED REPUBLIC OF TANZANIA

The United Republic of Tanzania was founded after the unification of Tanganyika and Zanzibar on 26 April, 1964. Until independence both regions had effectively been under British control since the Treaty of Versailles. Unification was controversial but supported in some considerable measure by both regions. Nevertheless, independence for Zanzibar remains a recurrent theme in Tanzanian politics. The issue has led to heavily contested elections and referenda and was as recently as 2012 the subject of unrest on the island. In 1965, Julius Nyerere became the first president of the United Republic of Tanzania. The ruling party, the Chama Cha Mapinduzi (CCM) has dominated domestic politics since independence. For some time after independence the CCM was the only officially permitted political formation. In October 2010, CCM candidate Jakaya Mrisho Kikwete was re-elected for his second and last term as president with 61 per cent of the votes. The CCM won 70 per cent of the seats in the National Assembly. Within sub-Saharan Africa Tanzania has been and remains among the most politically stable nations.

**Table 1: Basic indicators<sup>3</sup>**

<b>Population</b> (2011, total millions)	46.22
<b>GDP</b> (2011, billions, current US\$)	23.87
<b>GDP real growth rate</b> (2010, annual %)	7.0
<b>GDP per capita, PPP</b> (2010, current US\$)	1,400
<b>Poverty</b> (2007, % living below US\$ 1.25/day)	33.4
<b>Gini index</b> (2007)	38
<b>Human Development Index</b> (2010)	152/169

### 1. Evolving Government & Public Administration

A few years after the founding of the United Republic, Julius Nyerere as the first president of Tanzania initiated a major shift in economic and development policy that was encapsulated in the 1967 'Arusha Declaration'. He implemented socialist reforms based on self-reliance, a pan-African identity and the family and village as the centre of society.<sup>4</sup> Nyerere proved successful in forging a strong Tanzanian national identity and observers are nearly unanimous in attributing Tanzania's unbroken record of political stability to his social policies. In contrast, Nyerere's economic policies are generally considered to have damaged the development of the Tanzanian economy. The 'villagization' program is thought to have displaced a substantial portion of Tanzanian citizens and disrupted Tanzanian agriculture.<sup>5</sup> In 1985 president Nyerere stepped down from office. He was succeeded by President by Ali Hassan Mwinyi who opted for more liberalization and a reconnection with the West.<sup>6</sup> However, the state bureaucracy remained reluctant to open up the Tanzanian market.

From its inception until the early 1990s Tanzania was a tolerant but nonetheless one-party state, led by Nyerere's CCM party. The CCM was the product of a 1977 merger between its mainland predecessor led by Nyerere, the Tanganyika African National Union (TANU), and the Zanzibar-based Afro-Shirazi Party (AFP). TANU and the CCM were conceived as a forum for Tanzanians to participate in national debate on issues of importance, including economic development. In line with the African socialist philosophy of Nyerere and the party, the objective was to build a sense of national community and participation in the development process. In this sense the parliament and the party were always intended to play a relatively prominent role as intermediaries between citizens and government despite the presidential nature of the regime. Whatever the obvious imperfections of any one-party system, the CCM and parliament did serve as a conduit that channelled in a particular form a relatively broad range of citizen preferences to the capital. Along with the system of education and the party youth organisation, it also provided a conduit for ordinary people from even rural areas to become involved in the political life of the nation. The system arguably dealt less well with outright opposition to government policy, but it was certainly not exhibit the oppressive and exclusionary characteristics of many one-party systems in Africa and elsewhere.

<sup>3</sup> Source: <http://data.worldbank.org/>

<sup>4</sup> Wangwe, S. and Charle, P. (2005): *Macroeconomic Policy Choices for Growth and Poverty Reduction* p.4.

<sup>5</sup> UN-habitat (2002) *Rights and Reality: Are women's equal rights to land, housing and property implemented in East Africa?* p. 99.

<sup>6</sup> ODI (2009) *Parliamentary Strengthening and the Paris Principles Tanzania case study.* p. 6

In 1992 the constitution was changed to allow for multi-party politics and in 1995 Tanzania held its first multi-party elections. Internal democratic deficits, a lack of confidence and cross- and inter-party divisions have over time hampered the constitution of a strong opposition. The strength of the Civic United Front (CUF) and Chadema opposition parties has nonetheless grown as citizens, particularly in urban areas and some specific regions, have responded to a combination of the opening of the political system, the exposure of government corruption, and the perceived shortcomings of development policy. Opposition parties have also had some success in challenging the level of electoral fraud perpetrated by the governing party, increasing their score and lending greater legitimacy to elections along the way. The opposition is particularly strong in Zanzibar where separatist pressures remain present.

Tanzania's unicameral Parliament or 'Bunge' has a maximum of 357 members who serve a five-year term. Of this total, only 239 are directly elected by popular vote, a further 102 of whom represent 'special seats' for women nominated by the President (and allocated to the main parties more or less proportionately to votes obtained). A further five members are elected by the Zanzibar House of Representatives, up to ten more members are appointed by the President and one seat is reserved for the Attorney General. Although the multi-party system has had an impact on power relations between the different branches of government, there are still limitations on the effectiveness of the Tanzanian parliament as a representative body holding the government accountable for policy and other outcomes. One such factor is that there has been in practice a continuous and substantial majority for the government CCM party, holding by far most of the seats in parliament (the only legal party prior to multiparty democracy). The CCM has so far always won the presidency and the hold of the government and party over its parliamentary caucus is strong. The deliberate deselection of 'difficult' CCM elected members is not uncommon.<sup>7</sup> However, during Tanzania's latest elections on October 31, 2010, the CCM faced its most serious competition since the start of multi-party politics. President Kikwete was re-elected with 61.7% of the vote, down from 80% in 2005, and some claimed that because of election fraud the score was rather lower. On a historically low voter turnout, the CCM's parliamentary majority was likewise reduced to 259 of the 357 seats with again just over 60% of the popular vote. These were certainly the 'cleanest' elections since the dawn of multiparty democracy, but reports were mixed while CCM organisational dominance of rural voters and their mobilisation remains considerable. That said, where government policy might challenge constituent preferences, CCM members under pressure from opposition gains now have increased incentives to assert their independence relative to the government.

Another constraint on parliament's power is the historical dominance of the executive branch in a presidential system. In addition to its hold on the career path of CCM MPs, the government and party do not always adhere to the constitutional position of parliament, frequently bypassing the Bunge despite the assurance that the CCM majority might be thought to offer. The executive indeed retains the formal power to dissolve parliament. Moreover, by far most bills are introduced by the executive, placing the initiative firmly in the hands of the government. The problem is aggravated by the fact that the Bunge is also financially dependent on the executive. For the most part, the parliament is unable to establish its own budget. This hampers effective oversight, involvement in budgetary scrutiny, and general representation of member constituencies.<sup>8</sup>

It is thus arguably the case that there is considerable room for improvement as regards the role of parliament in good governance. The situation is, however, evidently far from static. Since the introduction of multiparty democracy, Tanzania's constitution limits the president to two terms in office. During his first period in office, former president Mkapa made 'good governance' a key priority of his time in office, with some success. His successor since 2005, President Kikwete, has furthered attempts to strengthen good governance. The Bunge has also taken a more pro-active stance in fast tracking transparency-enhancing acts, claiming a stronger role in oversight and introducing prospective bills for consideration. The 2010 election gains made by the opposition, particularly in urban constituencies, also led to more independent behaviour on the part of members of the Assembly. As CCM representatives have felt the rising pressure of opposition parties as a direct electoral threat, they have shown an increased willingness to defend parliament and its accountability function in the face of the government and party organisation. The robust reaction

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<sup>7</sup> The 2005-10 CCM Speaker of the Bunge, a staunch defender of parliamentary accountability and an institution builder, was eased out after the 2010 elections, though fittingly if ironically the new incumbent does not appear any less a defender of the privileges and role of the Parliament.

<sup>8</sup> <http://www.state.gov/r/pa/ei/bgn/2843.htm>

of both opposition and government party MPs to a major corruption scandal in the Ministry of Energy that erupted in late 2011 was a fine illustration of this emerging independence of parliament as an institution.<sup>9</sup> The dramatic scenes of member after member challenging the government benches were televised nationally for all to see.

The next presidential and parliamentary elections will be in 2015.

## 2. National Economy

As discussed above, Tanzania adopted 'African socialist' (*Ujamaa*) economic policies after independence that resulted in severe economic decline. The state controlled the economy and owned all of the major enterprises. Many small businesses and properties were expropriated, and these were often owned by the skilled and economically important Asian community in Tanzania. Exchange rate and pricing policies were based on non-market mechanisms, creating low export and real GDP growth, high inflation, and widespread shortages. 'Villagization' was not always welcomed by those to whom it was applied. Agricultural production, the mainstay of the economy, declined steadily. Following a severe economic crisis that took hold in the later 1970s (and most certainly exacerbated by the spillover of war and civil strife from Uganda to Tanzania, as Idi Amin's dictatorial regime took its toll and collapsed), in 1986 the country began to liberalize its economy and make partial market-oriented economic reforms. Economic growth was still slow between 1986 and 1995.

Economic development in Tanzania took off in the early 1990s. Growth was sparked mainly due to an increase in private consumption that was in turn caused by liberalisation and population growth, favourable gold prices and finally growing tourism and mining sectors. Since 1996, the Tanzanian economy has been coping with particularly stringent restructuring policies under the auspices of the IMF and World Bank. The reforms requested have not been without criticism since these kinds of Structural Adjustment Programs (SAPs) have had negative consequences in many African countries.<sup>10</sup> Among the Tanzanian public there is substantial discontent with economic reform. In 2008, 51 per cent of Tanzanians thought that the costs of restructuring were too high and should be abandoned. Furthermore, 77 per cent of the people said economic restructuring had hurt more people than it had benefitted.<sup>11</sup> Nonetheless, overall real GDP growth has averaged about 6% a year over the past 7 years, which was higher than the annual average growth of less than 5% in the late 1990s. Although monetary policy is relatively stable, fiscal discipline is lacking. Since the outbreak of the global economic crisis export and industrial productivity fell and fiscal deficits rose.

Tanzania has also been given debt relief under the Heavily Indebted Poor Countries initiative (HIPC). Public external debt service was approximately 1% of GDP in 2009 and expected to remain so for 2010 and 2011.<sup>12</sup> However, economic growth has not yet been translated to improved living standards for average Tanzanians. Tanzania remains one of the poorest countries in the world in terms of per capita income and is still highly donor-dependent with 30% of the budget coming from donor assistance. Inequalities remain high as do urban-rural differences. The global financial crisis significantly affected the tourism industry, one of Tanzania's top foreign-exchange earners; however, Tanzania was able to maintain relatively strong growth in 2010. high Since a spike in 2008, continuously high food prices have contributed to a rise in inflation to over 10%, a substantial increase from more moderate inflation earlier in the decade.

Agriculture constitutes the most important sector of the economy, providing about 27% of GDP and 80% of employment. The contrast between the sector's substantial proportion of GDP but overwhelming proportion of national employment indicates how low is productivity in the sector. While the volume of crops has increased in recent years, large amounts of produce never reach the market. Poor pricing and unreliable cash flow to farmers continue to frustrate the growth of the agricultural sector. Accounting for about 22.6% of GDP, Tanzania's industrial sector is one of the smallest in Africa. The main manufacturing activities are dominated by small and medium

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<sup>9</sup> The parliamentary reaction to the special commission report on the scandal was an event that participants in this project witnessed directly.

<sup>10</sup> James R. Vreeland (2003), *The IMF and Economic Development* (Cambridge University Press); Brian Cooksey (2004) *Tanzania: Can PRS Succeed Where SAP Failed?* (HakiElimu Working Paper Series)

<sup>11</sup> Afrobarometer 2008: <http://afrobarometer.org/>

<sup>12</sup> <http://www.state.gov/r/pa/ei/bgn/2843.htm>

sized enterprises (SMEs) specializing in food processing including dairy products, meat packing, preserving fruits and vegetables, production of textile and apparel, leather tanning, and plastics. Poor water and electricity infrastructure systems continue to hinder the development of manufacturing. In general, Tanzania's manufacturing sector targets primarily the domestic market. Tanzania has made efforts to encourage foreign direct investment in the country by improving the business climate. The resource base of Tanzania is limited compared to some other African countries but it is still endowed with iron, diamond and other mineral deposits and is home to several gold mines. Recent offshore gas discoveries should come on stream during the next decade.

Zanzibar's economy is based primarily on the clove production has suffered with the downturn in the clove market. However tourism is a promising sector for the island. Zanzibar's manufacturing sector is limited mainly to import substitution industries such as cigarettes, shoes, and processed agricultural products. In 1992, the government designated two export-producing zones and encouraged the development of offshore financial services. Zanzibar still imports much of its staple requirements, petroleum products, and manufactured articles.

A new trade policy was introduced in 2003 which was aimed at furthering the liberalization efforts that started under President Mkapa.<sup>13</sup> This entailed lowering tariff rates, the simplification of trade procedures, reducing the role and extent of state monopolies and domestic intervention, the liberalization of foreign exchange markets, and opening up rural market areas. This liberalization has not yet brought independence from foreign aid and its success will depend on complementary policies that facilitate the development of market relationships and make growth more inclusive. The infrastructural problems remain a constant constraint on the economy, income inequality has risen and income levels are still among the lowest in Africa.<sup>14</sup> There is progress and growing trade nonetheless. Exports are still predominantly aimed at Europe, but the share of exports towards Asia has almost doubled in the last couple of years. The same trend is apparent in imports, where the share of Asian imports is on the rise and relative share of imports from Europe is steadily decreasing. This increases the importance of Asia as trading partner for Tanzania.

### **3. International Aid & National Development Challenges**

Despite the steady growth of the economy, Tanzania still has considerable obstacles to overcome. On-going aid efforts, economic restructuring and liberalisation of goods and services markets have not resulted in a substantial reduction of poverty. In fact, the levels of poverty measured by income have only marginally been improved and income levels are still amongst the lowest in Africa. With regard to the MDGs, Tanzania is most successful in the area of primary education. Mixed results have been achieved for gender equality, child mortality and combating diseases. As for hunger and poverty, maternal health and environmental sustainability, Tanzania still has a long way to go. The challenges and difficulties responsible for these mixed results could be listed under aid-dependency, institutional underperformance, unequal growth, and agricultural and infrastructural issues.

The political context of economic reform and aid was embedded in the transition of power from Julius Nyerere to Hasan Mwinyi beginning in 1985. The socialist reforms of Nyerere in Tanzania were deemed unfit and ineffective for development purposes; the global political context was shifting towards a more liberal economic agenda. Hasan Mwinyi, and the Tanzanian parliament for that matter, were never particularly inclined towards liberalisation and were often reluctant to implement pro-market policies. However, contemporary Tanzania is sometimes characterised as a 'fully-fledged market economy'. This evolution is in considerable measure attributable to the involvement of aid and development assistance, which is predominantly aimed at fiscal rectitude, liberalisation and an open trade regime. These policies have been at the centre of SAPs and this is also the case for the Poverty Reduction Strategies (PRSs). The main difference between SAPs and PRSs is not so much the strategy, but rather the goals and targets of development, and most importantly the notion of 'national ownership' of ODA, which is emphasized in PRSs.<sup>15</sup>

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<sup>13</sup> Ministry of Industry and Trade (2003) *Trade Policy for a Competitive Economy and Export-led Growth*.

<sup>14</sup> AfDF (2011) *Country Strategy Paper for United Republic of Tanzania 2011-2015* & AfDF (2007) *Tanzania: Joint Assistance Strategy and Joint Programme Document*.

<sup>15</sup> Brian Cooksey (2004) *Tanzania: Can PRS Succeed Where SAP Failed?* p. 4

Total aid flows to Tanzania increased from US\$ 2.3 billion in the 1970s to US\$ 7 billion in the 1980s and US\$ 7.8 between 1990 and 1997. Currently it averages at US\$ 1 billion a year. The success of the first SAPs, starting in 1985 and 1986, could be characterised as economic stabilisation. Inflation was kept in check and provided a stable base for steady economic recovery, government monopolies have been reduced and import liberalisation has made more consumer goods more widely available. Another pillar of SAPs, agricultural liberalisation, was met with more resistance. During the mid-1990s, crop boards made their return to the agricultural stage. These boards were first instigated by Julius Nyerere but were deprived of their absolute authority on agriculture during the first wave of SAPs. They once again assumed a more important role during the 1990s due to discontent with the liberalisation of the agricultural sector. Legislation since then has provided the legal basis for the considerable influence and power of the Ministry of Agriculture. Despite the success of monetary and economic stabilisation, improved macroeconomic conditions failed significantly to reduce poverty in Tanzania as population growth among the poor has outrun their income growth. Poverty Reduction Strategies (PRSs) were therefore developed that targeted health, education and rural roads, which could be characterized as more 'pro-poor' than the targets in the SAPs.<sup>16</sup> PRSs take a private-investment approach, emphasising the desirability of bigger role for the private sector in infrastructural and agricultural investments. Also, there is much more attention to the role played by civil society and intra-sectoral linkages.

Aid dependence remains high. Net ODA received as a percentage of Gross National Income (GNI) in Tanzania was still 13.7 in 2009.<sup>17</sup> Tanzania's aid dependency is the cause of much uncertainty and planning difficulties for the Tanzanian government. Aid dependency implies that the economy is highly sensitive to changes in the levels foreign aid. This impact is felt in the measure of coherence in economic planning, in budgetary policy and monetary policy, but more importantly this directly affects the capacity of the Tanzanian government to provide basic services to its people. This relates to another challenge to development: institutional underperformance. As stated above, the involvement of the Bunge in government policy and especially in budgetary policy leaves room for improvement and is aggravated by this stark dependence on aid and vulnerability to fluctuations thereof. Corruption, which is essentially an element of institutional underperformance, is rampant in Tanzania in spite of efforts to combat it that began as early as 1966. Over time there has been little public information available, little monitoring and little reporting on corruption or the efforts to combat it for that matter. Most notable actions include the 1971 Prevention of Corruption Act, 1975 Anti-Corruption squad (which formed to basis for the current Prevention and Combating of Corruption Bureau), the revision of the Prevention of Corruption act in 2007 and most recently, the National Governance and Corruption Survey report in 2009. Regardless, corruption remains a constant factor in the government and economic development of Tanzania.<sup>18</sup>

Other interconnected challenges include highly heterogeneous growth patterns and a lack of efficiency in the agricultural sector. Income inequality has consistently characterised Tanzanian economic growth and development since the 1990s. Furthermore, 87% of the poor live in rural areas. This historic and contemporary predominance of rural poverty in Tanzania is closely interconnected with the inefficiency of the agricultural sector and results in social discontent and exclusion. Most of Tanzania's agricultural sector and labour force could be described as subsistence agriculture. Rural underdevelopment is exacerbated by environmental issues, weak infrastructure and a lack of education that prevent growth and efficient food production. Protracted infrastructural obstacles include poorly developed roads, ports and especially railways but also power outages and a shortage of power distribution and reliable supply leading to high construction costs and a decline in the transport sector. These infrastructural and labour force challenges may therefore be understood as amongst the greatest obstacles to developing the Tanzanian economy. Efforts have been made to help Tanzania achieve its potential as a logistical centre or hub for the region but so far the effects have been marginal at best.

Efforts to reduce some of the uncertainties of aid dependence have been undertaken. In December 2006, most of Tanzania's major donors signed the JAST (Joint Assistance Strategy for Tanzania). This is a national medium-term framework for managing cooperation between the government of Tanzania and development partners at a country level. The strategy is aimed at strengthening Tanzania's ownership of the development process, and harmonising processes and procedures in ways that make aid from multiple country sources more effective and simpler to manage. The

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<sup>16</sup> Ibid. p. 15-16

<sup>17</sup> <http://data.worldbank.org/>

<sup>18</sup> The Transparency International Corruption Perception Index 2010 puts Tanzania at the 166<sup>th</sup> place

JAST highlights the need for all aid to be integrated into or at least better co-ordinate with the national budget and Exchequer system. The JAST also promotes a 'division of labour' in order to achieve optimal allocation of responsibilities and tasks both within the Government and among Development Partners based on their respective comparative advantage.<sup>19</sup> There are as a result three modalities used to provide assistance to Tanzania: General Budget Support (GBS, aid flows directed via the national budget), Basket Funds (BFs) and direct project funds. GBS is considered the preferred mode since it is consistent with the government's legal framework and national policies and processes. Nonetheless, a large proportion of aid to Tanzania continues to be delivered through the direct project modality which in many instances remain off-budget and outside the government system. This multiplies the problems of coherence, ownership, and consistency with the nation's development priorities. The JAST framework is an effort to encourage more donors to shift away from their own individual programmes and area based projects towards programme-based and GBS aid flows.<sup>20</sup>

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<sup>19</sup> <http://www.tzdp.org/external/aid-effectiveness/joint-assistance-strategy-for-tanzania-jast.html>

<sup>20</sup> <http://www.tzdp.org/external/dpg-tanzania/overview-of-aid-in-tanzania.html>

## C. DEVELOPMENT PRIORITIES

The aid policies of Tanzania's donors are built upon a range of guidelines and frameworks such as the JAST, the MDGs and the Paris Declaration on Aid Effectiveness. This section discusses the development priorities of the Government of Tanzania, of its major multilateral and bilateral donors, of Tanzanian public opinion and the National Assembly, and the finally the MDGs. Looking at these development priorities allows us to get a good overview of the overlap and differences between the respective priorities of these crucial actors in the Tanzanian development process. Thus section C responds to several pertinent questions:

- \* To what extent does Parliament and do established government priorities reflect or represent the clearly expressed development needs and preferences of citizens? Of Parliament?
- \* If government priorities differ in important ways from those of citizens and their representatives, is the departure reasonable and does policy as a whole still respond well to citizen needs and preferences?
- \* Are donor priorities well aligned with national policy?
- \* Do donor policies address the needs and preferences of citizens as expressed in public opinion and by parliament?

### 1. The Government of Tanzania

Development policy is dynamic over time and is regularly updated. This report covers the years 2005-2010. The overarching development strategy of the Tanzanian government developed towards the end of this period was laid down in the Tanzania Development Vision 2025.<sup>21</sup> This document was born out of the realisation that until 1986 the socio-economic policies of the Tanzanian government had not adequately addressed the changes in the country's domestic and international development context. Supported and promoted by its aid donors, the Tanzanian government moved into a new and more strategic, long-term direction.

The development vision aimed to develop five broad attributes for Tanzanian citizens:

- (1) High quality **livelihood**
- (2) **Peace, stability and union**
- (3) **Good governance and the rule of law**
- (4) A **well-educated** society
- (5) A **competitive economy** capable of producing **sustainable growth** and **shared benefits**

The three targets to be achieved by 2025 (high quality livelihood; good governance and the rule of law; competitive economy) had a considerable list of more specific targets that are parallel to the MDGs:

Under **High quality livelihood** were listed: food self-sufficiency and security; universal primary education a level of tertiary education equal to the development challenges; gender equality and the empowerment of women; access to quality primary health care for all; access to quality reproductive health services; reduction infant and maternal mortality rates by three-quarters; universal access to safe water; life expectancy comparable to typical middle income countries; absence of abject poverty. Under **Good governance and the rule of law** were listed moral and cultural uprightness; strong adherence to and respect for the rule of law; an absence of corruption and other vices; a learning society which is confident, learns from its own development experience and determines its own development agenda. **A strong and competitive economy** included: a diversified and semi-industrialized economy comparable to typical middle-income countries; macroeconomic stability (low inflation and external balance); a growth rate of 8% per annum or more; sufficient physical infrastructure needed to realize the Vision; a competitive and adaptable regional and world market player.

This was an ambitious list of objectives that required elaboration. The government has therefore also set general and more specific development priorities in its short and medium term strategies. Originally the government had five year plans to achieve in phases the objectives of the long-

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<sup>21</sup> [http://www.tanzania.go.tz/vission\\_2025f.html](http://www.tanzania.go.tz/vission_2025f.html)

term vision documents, but this system was altered in the 1990s. Since 1997 the government has developed four poverty reduction strategies:

- 1997: The National Poverty Eradication Strategy (NPES)
- 2000: The Poverty Reduction Strategy Paper (PRSP)
- 2005: The National Strategy for Growth and Reduction of Poverty (NSGRP or MKUKUTA)
- 2010: The NSGRP II or 'MKUKUTA II'

Although there has been a very recent update in the planning approach to be applied in the future,<sup>22</sup> this report will examine Tanzania's development strategy on the basis of MKUKUTA II because it corresponds to the period of data covered and used in this report. Just like the first MKUKUTA, MKUKUTA II was meant to be a vehicle for implementing broader strategies such as the Development Vision 2025 and the MDGs. The lessons learned from MKUKUTA I included a shift of focus towards secondary and tertiary education and access to health care and infrastructure. This shift was caused by the government's orientation towards 'growth and enhancement of productivity, with greater alignment of the interventions towards wealth creation as a way out of poverty'. The difference with its predecessor is also defined by the expressed desirability of private sector involvement.<sup>23</sup> MKUKUTA II has three central tenets, which are outlined in Table 2 below.

**Table 2: Key Objectives of NSGRP or MKUKUTA II (2010-2014)**

**1. Growth and reduction of income-based poverty**

- Pursuing sound macroeconomic management
- Reducing income-based poverty through the promotion of inclusive, sustainable, and employment-enhancing growth
- Ensuring the sustainable creation of productive and decent employment, especially for women, youth, and people with disabilities
- Ensuring food and nutritional security, environmental sustainability and climate change adaptation and mitigation
- Leveraging returns on national resources for enhancing growth and benefits to the country at large and communities in particular, especially in rural areas

**2. Quality of life and social well being**

- Ensuring equitable access to quality education at all levels for males and females, and universal literacy for adults, both men and women
- Ensuring expansion of vocational, technical, polytechnic, and higher education, and improving non-formal and continuing education
- Improving survival, health, nutrition and well-being, especially for children, women and vulnerable groups
- Increasing access to affordable clean and safe water; sanitation and hygiene
- Developing decent human settlements while sustaining environmental quality
- Providing adequate social protection and rights to the vulnerable and needy groups

**3. Good governance and accountability**

- Ensuring systems and structures of governance which uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption-free at all levels
- Improving public service delivery to all, especially to the poor and vulnerable
- Promoting and protecting human rights for all, particularly for poor women, children, men and the vulnerable, including people living with HIV/AIDS
- Ensuring national and personal security and safety of properties
- Promoting and preserving culture of patriotism, hard work, moral integrity, and self-confidence

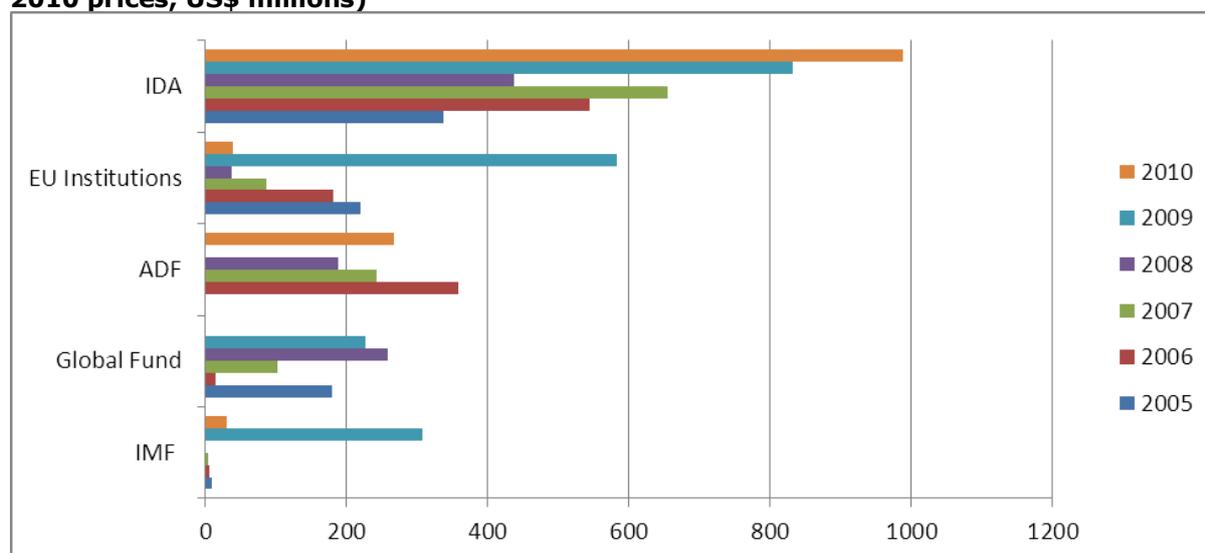
<sup>22</sup> MKUKUTA II and the Vision 2025 strategy have been enhanced since this report was in its finishing stages by the Long Term Perspective Plan 2025 (<http://www.tanzania.go.tz/pdf/mpango%20Elekezi.pdf>) that seeks to specify more concrete measures than were included in MKUKUTA documents. The new approach reverts to 5 year plans to achieve targets. For the GoT and other useful URL addresses with documentation on Tanzanian development, see final page of section F in this report.

<sup>23</sup> <http://www.povertymonitoring.go.tz>

## 2. Major multilateral donors 2005-2010

Between 2005 and 2010 Tanzania received over US\$ 7714 million in multilateral aid. During this period Tanzania's top five multilateral donors were: (1) the International Development Association (IDA) of the World Bank Group; (2) the EU institutions; (3) the African Development Fund (AfDF, concessional arm of the African Development Bank); (4) the Global Fund; and (5) the International Monetary Fund (IMF).<sup>24</sup> Figure 1 below gives an overview of the annual aid flows from these donors. While the IDA provided large and indeed effectively if not consistently growing amounts of aid throughout the years, the aid flows of the other donors fluctuated rather more. The EU institutions provided declining levels of aid until 2008, a large amount of aid in 2009 and again a much reduced amount in 2010. AfDF aid declined from modest levels eventually to zero in 2009, to rise again in 2010. Global Fund aid likewise fluctuated, diminishing to zero 2010. Finally, the IMF provided little except in 2009, and by 2010 its aid flows were only US\$ 30.06 million.

**Figure 1: Top 5 multilateral donors to Tanzania 2005-2010 (total commitments, constant 2010 prices, US\$ millions)**



Source: <http://stats.oecd.org>

The analysis below discusses the priorities of Tanzania's top three multilateral donors as outlined in their aid policies for the country. Moreover, we will compare the donor's focal points to those priorities set in Tanzania's national development plan MKUKUTA II. It is as yet unclear to what extent the global recession will have an impact on aid flows, but the initial evidence is not positive despite donor commitments to maintain consistent funding levels.

### 2.1 The IDA: development priorities

The IDA, the World Bank's concessional fund for poor countries, aims for convergence with the JAST, MKUKUTA II and MKUZA (the equivalent of MKUKUTA for the Zanzibar region). The IDA has four key objectives for Tanzania (see Table 3 below).

**Table 3: Development priorities of the IDA**

#### 1. Inclusive and sustainable private sector-led growth

- Strengthening the financial sector
- Expanding the broadband network
- Supporting productive agricultural techniques
- Constructing the agricultural infrastructure
- Improving land management and governance

<sup>24</sup> Other multilateral donors to Tanzania in this period were: the IFAD, UNICEF, OFID, BADEA, GAVI, GEF, UNDP, Nordic Development Fund, UNFPA, AfDB, and UNAIDS.

<p><b>2. Building infrastructure and delivering goods</b></p> <ul style="list-style-type: none"> <li>- Building infrastructure</li> <li>- Providing municipal services such as waste collection; street lighting; and urban transport</li> </ul>
<p><b>3. Strengthening human capital and the social safety net</b></p> <ul style="list-style-type: none"> <li>- Increasing secondary education enrolment</li> <li>- Special attention to girls' schooling</li> <li>- More births in health facilities</li> <li>- Increasing the income of targeted beneficiaries</li> </ul>
<p><b>4. Promoting accountability and governance</b></p> <ul style="list-style-type: none"> <li>- Public financial management</li> <li>- Public service reform</li> <li>- Decentralization</li> </ul>

The IDA's goals are aimed at the improvement of Tanzania's private sector, enabling better transport, more effective agriculture and food production and providing adequate human capital to support these developments.<sup>25</sup> These development priorities to a large extent match the key areas for development as identified by the GoT. However, the IDA does not directly support the government's efforts in the fields of employment, food security, environmental sustainability, water and sanitation, and human rights. The IDA essentially places less direct emphasis on poverty reduction and access to basic services, though a range of their policies are arguably tributary to these goals. IDA policy claims to be most concerned with the private sector, education, and infrastructure.

## 2.2 The EU institutions: development priorities

The EU claims that its development priorities are in line with the JAST and MKUKUTA I and II as relevant over time. The EU also works within the framework of the Cotonou Agreement which forms the EU's financial framework for cooperation with African countries. The goals of the Cotonou Agreement are: economic growth, human and social development, promoting cultural values, institutional reforms, and environmental sustainability.<sup>26</sup> EU aid can be divided into general, sectoral, and project support.<sup>27</sup> Moreover the EU directs some of its aid to non-state actors and civil society organizations. The development priorities of the EU for Tanzania are summarized in Table 4 below.

**Table 4: Development priorities of the EU institutions**

<p><b>1. Macro-economic support</b></p> <ul style="list-style-type: none"> <li>- General budget support (GBS)</li> </ul>
<p><b>2. Infrastructure, communication and transport</b></p> <ul style="list-style-type: none"> <li>- Physical road transport</li> <li>- Privatization of railways</li> <li>- Air transport management</li> <li>- Effectiveness of sea transport and ports</li> </ul>
<p><b>3. Trade and regional integration</b></p> <ul style="list-style-type: none"> <li>- Agriculture</li> <li>- Facilitating market access of smallholders</li> <li>- Sanitary standards</li> <li>- Institutional support</li> <li>- Regional programming</li> <li>- Environment sustainability</li> </ul>
<p><b>4. Non-focal areas</b></p> <ul style="list-style-type: none"> <li>- Supporting democratic governance</li> <li>- Climate research</li> </ul>

<sup>25</sup> IDA (2011) *Country Assistance Strategy for the United Republic of Tanzania for the period FY 2012-2015* & <http://siteresources.worldbank.org/IDA/Resources/IDA-Tanzania.pdf>

<sup>26</sup> European Community (2010) *Second revision of Cotonou agreement 2007-2013 financial framework of development assistance*.

<sup>27</sup> European Community (2006) *The European Consensus on Development* & European Community (2008) *Country Strategy paper and National Indicative Programme for the period 2008-2013*.

The EU's development priorities largely fit the policies of the GoT. The EU's GBS funding can directly be used by the government to implement its national development priority as the government itself sees fit. Infrastructure support, agriculture, environmental sustainability, and governance are also Tanzanian national priorities. Poverty reduction might be more directly addressed as a priority, but this is in part covered by the claim of attention to agriculture and to smallholders as well as in GBS support. However, regional integration is not a specific priority for the Tanzanian government – although regional integration and the economic growth it might generate is arguably part of the broader picture. There are also several priority areas that are not specifically addressed by the EU, including: employment, education, health, water and sanitation, and human rights. Certainly the human capital and development dimensions of the GoT strategy receive less direct attention from the EU, although once again these are arguably covered in the GBS envelope.

### 2.3 The AfDF: development priorities

The AfDF is the concessional window of the African Development Bank (AfDB). It has the central goal of 'supporting Tanzania towards greater competitiveness and more inclusive growth'.<sup>28</sup> The AfDF has the primary goal of regional integration. It aims to achieve this goal by working on two pillars which are outlined Table 5 below.

**Table 5: Development priorities of the AfDF**

#### 1. Infrastructural development

- Physical transport system
- Agriculture
- Water supply and sanitation
- Energy

#### 2. Building and enabling institutional and business environment

- Human resource development
- Economic and financial governance

Several of the AfDF's priorities are also considered by the GoT to be key areas for development. Since the AfDF only works through two pillars there are also several development areas that are not covered by the Fund. The priorities that are not supported lie mostly within the social sector and they include employment, food security, education, health, and human rights. These are important priorities for the government's development strategy, especially the human capital and human rights dimensions, but the omission of course is a clear policy choice. The AfDF also focuses more on supporting the development of physical and economic/business infrastructure than the government, and direct efforts to reduce poverty are not prioritised to the same extent as in the GoT policy strategy papers. There is also no GBS in the aid AfDF package.

### 3. Major bilateral donors

Between 2005 and 2010 Tanzania received over US\$ 11083 million in bilateral aid. Tanzania's five largest donors, the US, Japan, the UK, Norway and Sweden, were responsible for over 70 per cent of the total bilateral ODA to Tanzania in this period. Figure 2 below outlines the annual aid flows of Tanzania's top ten donors between 2005 and 2010.<sup>29</sup> As we can see US aid to Tanzania grew steadily to a major peak in 2008, declining considerably thereafter. Japanese aid also grew with an outlier in 2007. The UK and Sweden provided large amounts of aid in 2009 but a great deal less in other years. Despite the pledges of donors to aim for consistency, the levels of Overseas Development Assistance provided per year remain relatively volatile.

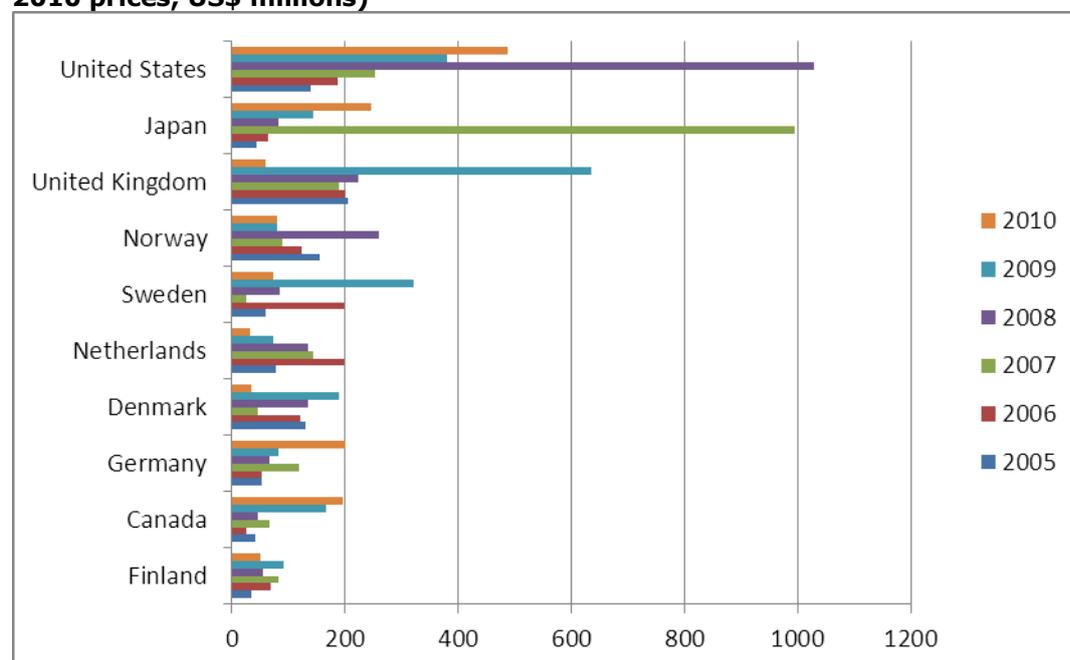
Section three below provides an overview of the development priorities of Tanzania's five largest bilateral donors as outlined in their declared aid policies for Tanzania. Moreover, we will compare the donor's priorities to the development goals of the GoT. Once again, the effects of the global

<sup>28</sup> African Development Fund (2011). *Country Strategy Paper for United Republic of Tanzania 2011-2015*, p. 1

<sup>29</sup> Other substantial bilateral donors over these years were: Ireland, Korea, Switzerland, Belgium, France, Spain, the United Arab Emirates, Italy, Austria, Australia, and New Zealand.

financial crisis and recession on aid flows in the medium to longer term are not yet clear from the figures available, but initial indications are less than positive.

**Figure 2: Top 10 bilateral donors to Tanzania 2005-2010 (total commitments, constant 2010 prices, US\$ millions)**



Source: <http://stats.oecd.org>

### 3.1 The United States: development priorities

The aid given by the US Department of State and its development arm USAID (United States Agency for International Development) has the central goal of transformational diplomacy. USAID's ODA policies for Tanzania are also shaped by the MDGs.<sup>30</sup> The four pillars of US aid policy in Tanzania are outlined in Table 6 below.

**Table 6: Development priorities of the US**

#### 1. Governance

- Civil society
- Local government
- Election monitoring

#### 2. Health

- Combating diseases (HIV/AIDS and malaria)
- Child health
- Combating infant and maternal mortality
- Family planning

#### 3. Education

- Primary education facilitation
- Gender equality in secondary education

<sup>30</sup> [http://www.usaid.gov/locations/sub-saharan\\_africa/countries/tanzania/index.html](http://www.usaid.gov/locations/sub-saharan_africa/countries/tanzania/index.html) and USAID (2010) *U.S. Foreign Assistance Performance Publication Fiscal Year 2009*

#### 4. Economic growth

- Agricultural productivity
- Market access
- Credit access in the agricultural sector
- Food security
- Wildlife and land management
- Environmental regulation

As we can see, the declared aid policy of the US covers most of Tanzania's national development priorities. The areas that are not targeted by USAID include: employment, higher education, water and sanitation, and human rights. Moreover, the US focus on civil society is not reflected in Tanzania's national priorities. One might also remark that there is no direct commitment to poverty reduction as such, although that goal could in effect be well served by in particular the US policy attention to the agricultural sector and to growth.

### 3.2 Japan: development priorities

The guideline for Japan's ODA to Tanzania is the JAST. The broad development priorities of the Japan International Cooperation Agency (JICA) are sustainable economic growth and poverty reduction, with the bulk of Japanese aid being given as GBS and debt relief. Furthermore JICA's aid strategy for Tanzania builds upon three pillars: (1) enhancement of productivity and competitiveness; (2) good governance; and (3) social development and sustainable livelihoods. The first two pillars are considered priorities and make up a large part of Japan's development assistance.<sup>31</sup>

**Table 7: Development priorities of Japan**

#### 1. General budget support and action relating to debt

#### 2. Agriculture

- Productivity and technical cooperation
- Market access

#### 3. Infrastructure

- Improving roads
- Energy and power supply
- Water management and rural water supply

#### 4. Governance and accountability

- Local government
- Financial management
- Monitoring capacity

Japan's aid policy covers most of Tanzania's national development priorities. Although the GoT does not specifically ask for debt relief we can expect this to be an essential part of its strategy towards economic growth and poverty reduction and is in line with the desire to enhance GBS. Since Japanese aid is highly focused on the economic sector, it does neglect direct support to some of Tanzania's development priorities in the social sector. Areas that are not specifically addressed by Japan include: employment, food security, health, education, gender issues, and human rights. That said, Japanese development aid priorities are far from incompatible with the social policy goals of the GoT.

<sup>31</sup> Government of Japan (2008) *Country Assistance Program for the United Republic of Tanzania*: Two pillars are directed at Broad Based Growth and the promotion of good governance, the other pillar is of secondary importance: social development and sustainable livelihoods. p. 14

### 3.3 The United Kingdom: development priorities

The British government's Department for International Development (DfID) cites the MDGs as the guideline for development in Tanzania.<sup>32</sup> Although DfID has a large number of priorities, by far the largest amount of ODA is given as GBS. The UK's development priorities are summarized in Table 8 below.

<b>Table 8: Development priorities of the UK</b>	
<b>1. General budget support</b>	
<b>2. Wealth creation</b>	<ul style="list-style-type: none"> <li>- Smallholder market access</li> <li>- Transport and construction efficiency</li> <li>- Access to financial sector for households</li> <li>- Agricultural innovation</li> <li>- Business environment</li> </ul>
<b>3. Governance and security</b>	<ul style="list-style-type: none"> <li>- Civil society and the media</li> <li>- Democratic oversight and corruption</li> <li>- Improving availability and quality of data</li> <li>- Quality of the public sector</li> <li>- Elections</li> </ul>
<b>4. Education</b>	<ul style="list-style-type: none"> <li>- Quality and equality in secondary education</li> <li>- Water and sanitation in schools</li> </ul>
<b>5. Health</b>	<ul style="list-style-type: none"> <li>- Malaria prevention</li> <li>- Improving nutrition</li> <li>- Family planning</li> <li>- Improving health statistics</li> </ul>
<b>6. Water and sanitation</b>	<ul style="list-style-type: none"> <li>- Rural water supply</li> <li>- Water resource management</li> </ul>
<b>7. Climate change</b>	<ul style="list-style-type: none"> <li>- Innovation in the private sector</li> <li>- Institutional strengthening</li> <li>- Civil society and media</li> </ul>

The UK's large contribution to GBS can be broadly and directly used by the GoT to implement its national development strategy. Moreover, the UK's more specific development priorities address most of Tanzania's main development policy concerns, including the social sector and development of human capital aspects. The only areas that are not specifically addressed are employment and human rights.

### 3.4 Norway: development priorities

Norway has provided aid to Tanzania since 1999. Ever since, it has closely monitored Tanzania's democratic process, especially in Zanzibar, as the status and autonomy of the Zanzibar region is still a poignant topic in Tanzanian politics. The Norwegian Agency for Development Cooperation (Norad) cites the MKUKUTA and the MDGs as the principle guidelines for its aid policy in Tanzania.<sup>33</sup> Most of Norway's ODA is directed to GBS as well as energy and environmental issues. Other priorities include good governance, health, and education (see Table 9 below).

Again, GBS can be used directly by the GoT to address as it sees fit its national development concerns. The other focal points of Norwegian aid also cover some of the country's top development priorities. However, since Norwegian aid has a specific focus, there are several areas which are not specifically addressed by Norad. These areas include: macroeconomic management, employment, education, water supply, general good governance, and human rights. Neither poverty reduction nor education and human capital development are directly addressed either

<sup>32</sup> Department for International Development (2011) *Operational Plan 2011-2015 Tanzania*

<sup>33</sup> Norad (2010) *Annual Report on Norwegian Bilateral Development Cooperation 2009*, p. 106-107

**Table 9: Development priorities of Norwegian government**

<b>1. General budget support</b>
<b>2. Energy</b> - Zanzibar electricity supply - Pemba electricity supply - Equal access to electricity
<b>3. Environment and climate</b> - Agriculture - Deforestation - Corruption
<b>4. Child and maternal health</b> - Local government - Financial management - Monitoring capacity

### 3.5 Sweden: development priorities

The basic premise of Swedish development assistance is to create the opportunities for poor people to improve their lives. Sweden's Ministry of Foreign Affairs declares a strong commitment to the Paris Declaration on Aid Effectiveness, the JAST and the MKUKUTA as guidelines for providing ODA to Tanzania. Poverty reduction is the most important motivation for Swedish aid.<sup>34</sup> This is translated into several priority areas which are outlined in Table 10 below.

**Table 10: Development priorities of Sweden**

<b>1. General budget support</b>
<b>2. Energy</b> - Power in rural areas - Improving ICT
<b>3. Trade related to private sector development</b> - Private sector regulation - Promoting private-public relationship - Agricultural development
<b>4. Education</b> - Higher education (secondary and tertiary)
<b>5. Local government and public financial management</b> - Capacity and accountability building
<b>6. Human rights and democracy</b> - Civil society organisations - Gender equality - Zanzibar

Sweden addresses some of Tanzania's primary economic and social development concerns. Moreover, it provides GBS which the GoT can direct towards its own development priorities. Priority areas that are not specifically targeted by Sweden are: employment, food security, environmental sustainability, primary education, health, and water and sanitation. Poverty reduction is only indirectly addressed through attention to, for example, the agricultural sector and GBS.

<sup>34</sup> Government of Sweden (2006) *Regional strategy for development cooperation with Tanzania 2006–2010* p. 3

#### 4. Public opinion in Tanzania

To analyse the development priorities of the Tanzanian public, data from the Afrobarometer opinion survey rounds of 2005 and 2008 is explored.<sup>35</sup> One question in the survey is: 'In your opinion, what are the most important problems facing this country that government should address?' Respondents were not prompted with possible answers. The respondents were furthermore requested to give three separate responses, thus listing three development priorities ranked in order of their perceived importance to each respondent. One should therefore understand that what was ranked by each respondent as the *top* issue and named as priority one might be rather different from the rankings *on average* across all three priorities listed. The results (in % of total responses) of the 2005 and 2008 survey are summarized in Figures 3 and 4 below.

According to the 2005 results in Figure 3 below, the five most pressing issues for the Tanzanian people were:

1. Water supply;
2. Infrastructure/roads;
3. Health;
4. Poverty/destitution; and
5. Education.

Water supply scored highest as both a first and second priority among respondents. The first three scored high as either a first, second or third choice among respondents and on average across respondent priorities 1-3 these top three issues clearly stood out among the list of others. It should be noted that poverty/destitution stood out in fourth place only as a first priority, whereas education was more frequently named as a second or third priority and on average scored higher across responses 1-3. Further down the list, both unemployment and food shortages/famine ranked relatively high in particular as first priorities. Other important development problems were thought to be: management of the economy; farming/agriculture; wages, incomes and salaries; crime and security; corruption; loans/credit; and electricity provision.

There is a further but very important point: *many of the issues cited by respondents clearly overlap*. If one combines the overlapping but separately listed concerns that related directly to poverty, income levels and economic prosperity in general (poverty/destitution, unemployment, food shortage/famine, management of the economy, farming/agriculture, wages/incomes and salaries), *then it is absolutely clear that this bundle of very concrete 'economic development' issues relating to the daily experience of poverty are the most important to Tanzanian citizens*.

The 2008 survey produced similar results, showing that concerns had changed little in three-four years. In Figure 4 the five top 'first choice' priorities according to public opinion were:

1. Water supply;
2. Infrastructure and roads;
3. Health;
4. Management of the economy; and
5. Poverty/destitution.

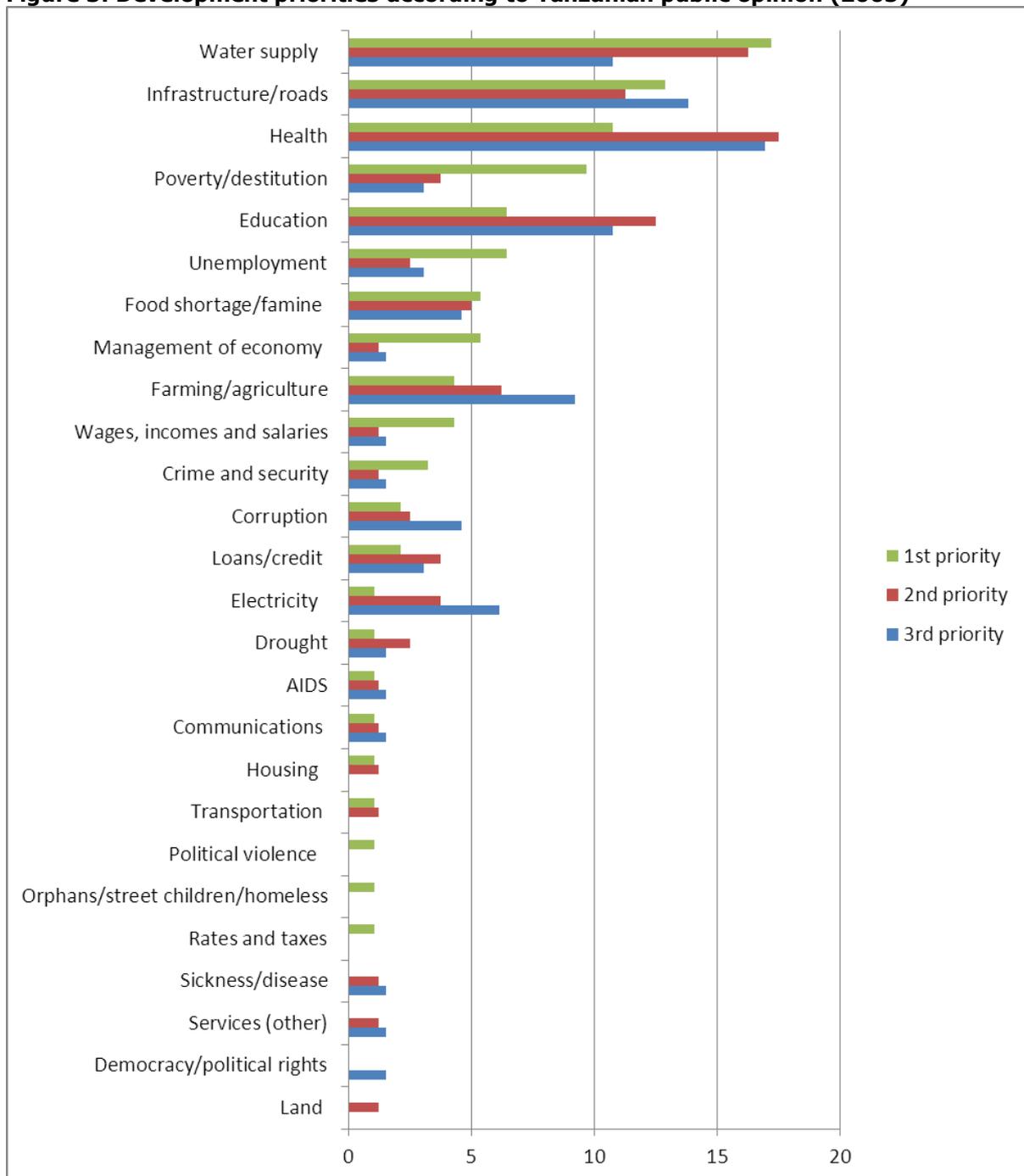
Most noteworthy was the relative drop in first priority given to education (although on average across responses 1-3, education was seen as far from unimportant). That said the message was somewhat more complicated when one relates the first, second and third priorities of respondents to the *average* across all three. While concern for water supply is clearly ahead, health as a concern clearly outstrips infrastructure on average across responses 1-3. Once again, if one bundles the 'economic development/experience of poverty' and income concerns of daily life that are frequently listed separately, these issues clearly top the list as a whole across all three

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<sup>35</sup> The Afrobarometer is an independent research project that measures public opinion in relation to social, political, and economic issues across Africa. Surveys are conducted in more than a dozen African countries and are repeated on a regular cyclical basis. Since the instrument asks a standard set of questions, countries can be systematically compared over time. This is a randomly selected national probability sample representing a cross-section of 1200-1300 adult Tanzanians. The next survey was to be conducted in 2012-13 and was not yet available at the time of writing.

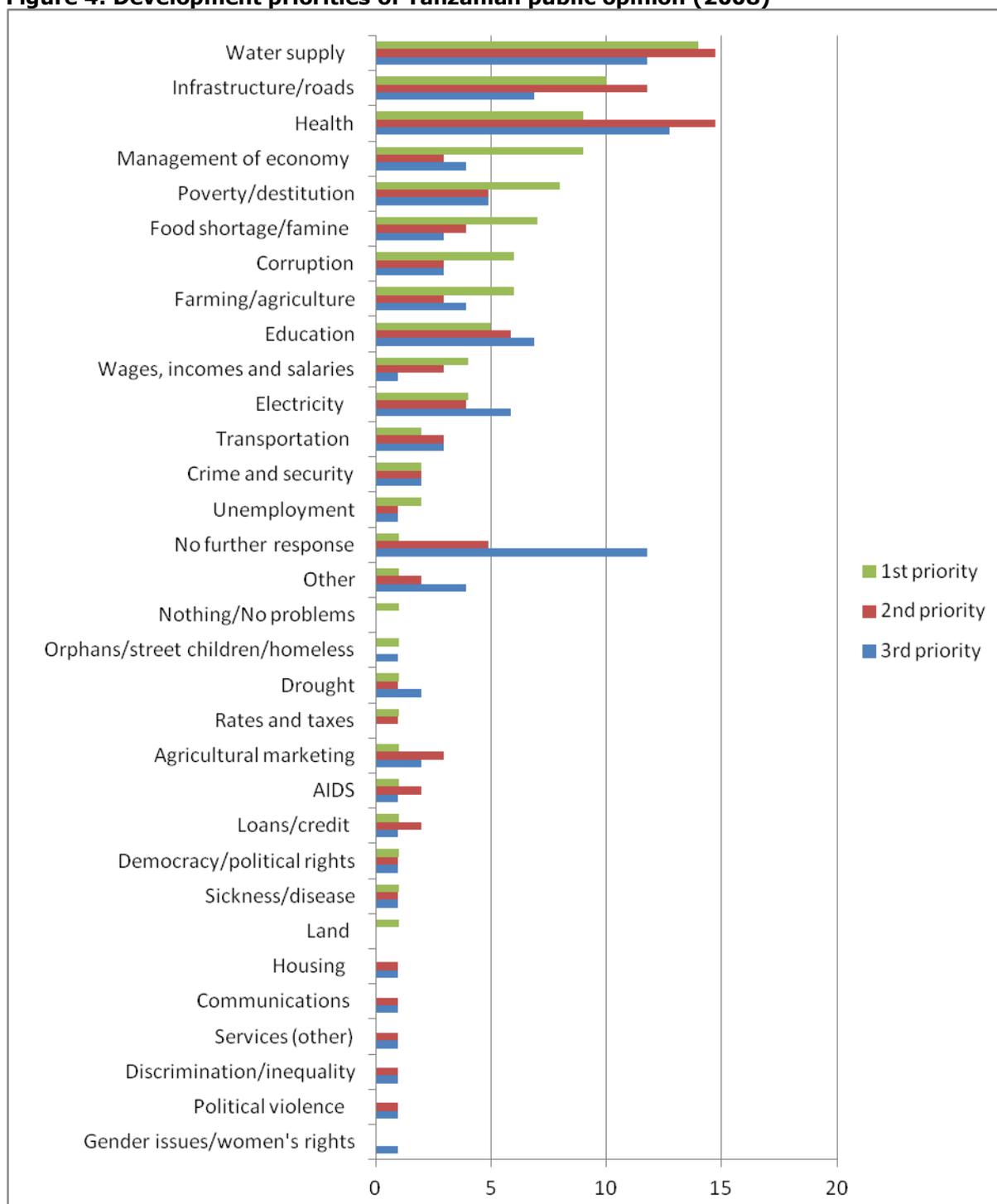
responses. One might also note that the data indicates that corruption had also clearly moved up the rankings, especially as a first priority.

**Figure 3: Development priorities according to Tanzanian public opinion (2005)**



Source: Afrobarometer 2005

**Figure 4: Development priorities of Tanzanian public opinion (2008)**

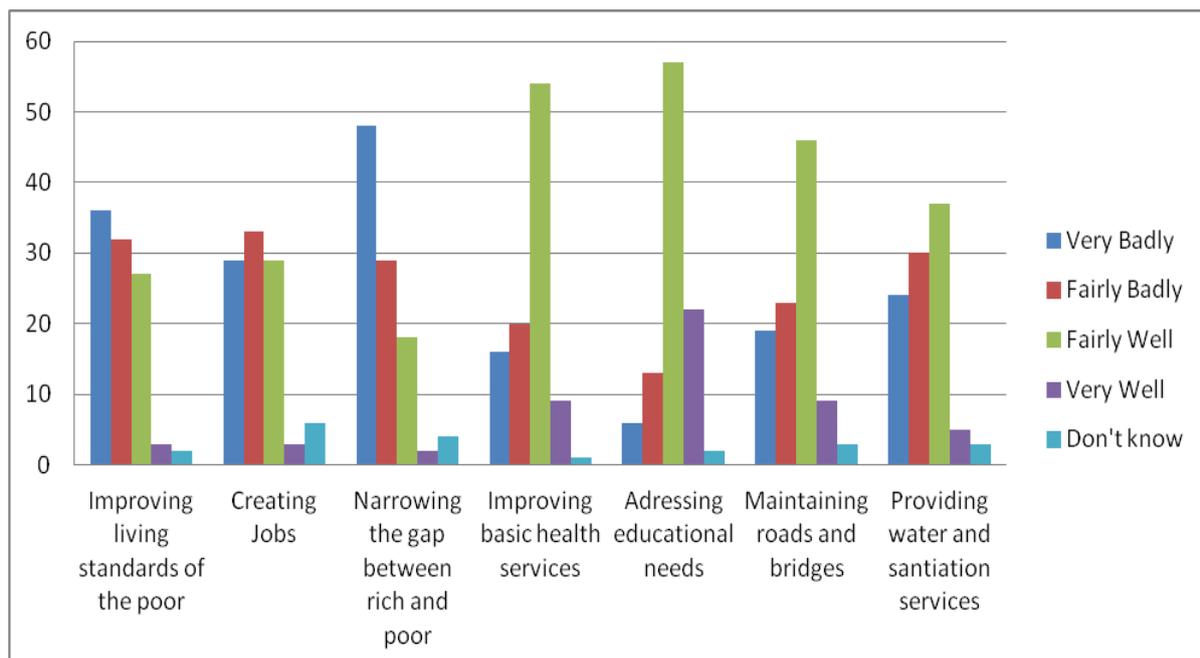


Source: Afrobarometer 2008

When we compare the national development priorities of the GoT to the development priorities listed by the Tanzanian public opinion, we can conclude that there is a considerable overlap. This should mean that the Tanzanian government is investing in the areas which are of most concern to its people. The question arises as to the perceived efficacy of the policy in the implementation phase. Fortunately there is data relating to this issue: Afrobarometer asked respondents to evaluate the government's performance in the priority areas for development. Figure 5 below gives an overview of Tanzanian's evaluation of government action in the field of poverty, job creation, health, education, infrastructure, and water. We can conclude overall that Tanzanian public has a borderline view of the effectiveness of the policies of the Tanzanian government, but the assessment varies considerably according to the issue. As we can see the government was thought to have performed worst in improving the living standards of the poor: some 68-70% thought the

government had performed 'fairly badly' or 'very badly'. Performance was almost equally negatively assessed in relation to 'creating jobs' and the assessment on narrowing the gap between rich and poor demonstrates that nearly 80% of respondents judged performance negatively. Concerning the provision of water and sanitation, just about half the respondents rated government performance as very or fairly bad. On improving health and education, the majority of the people said the government performed fairly well and a large plurality felt that the government had done fairly well in *maintaining* roads and bridges (this does not necessarily mean that they had a favourable opinion of government *provision or improvement* of such infrastructure). Where citizens identify the top priorities, the 'bundle' of economic development concerns, government performance is not positively assessed at all.

**Figure 5: Assessment of government performance on priority areas for development according to Tanzanian public opinion (% of total answers)**



Source: Afrobarometer 2008

## 5. The Parliament of Tanzania

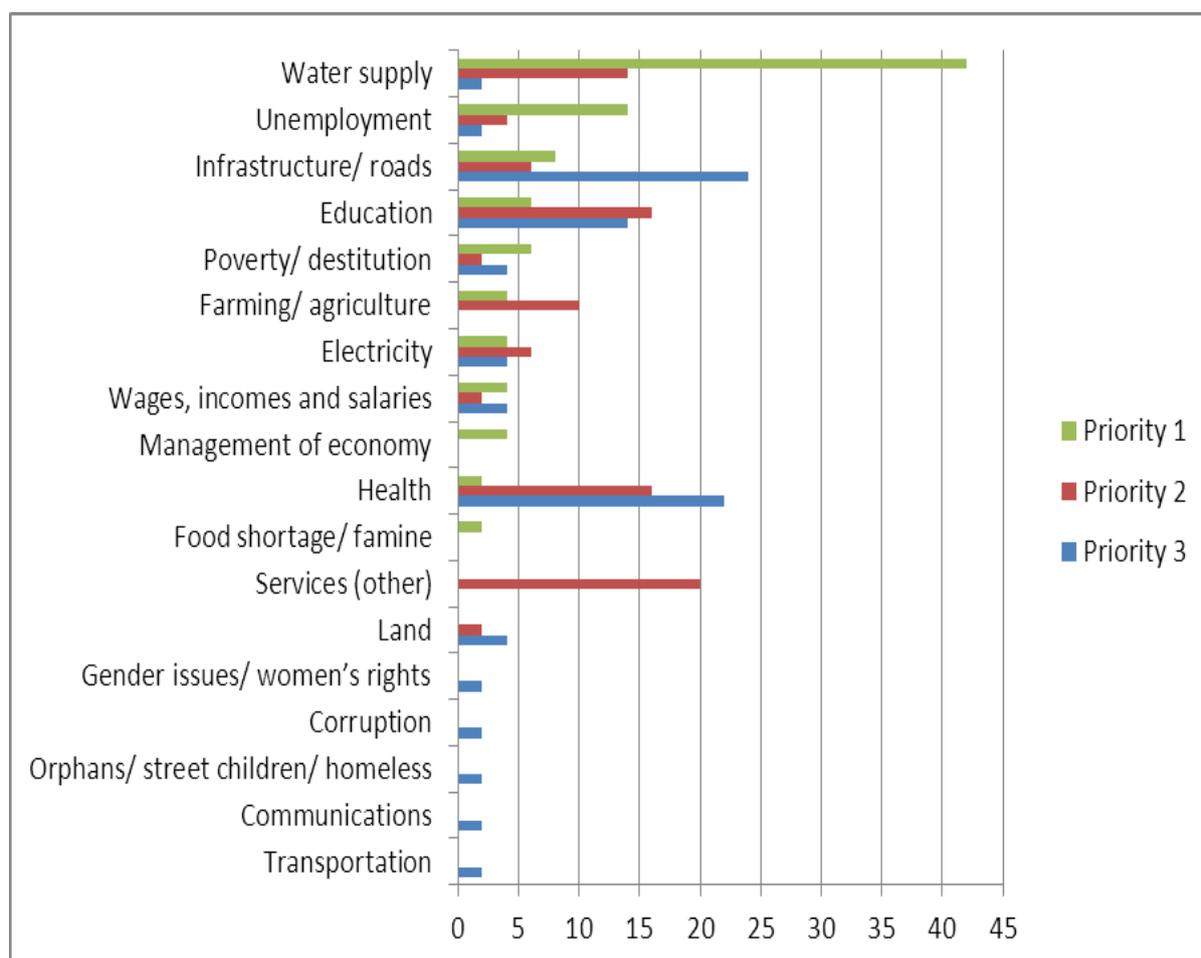
In order to assess the preferences and perceptions of parliamentarians, the ODA Parliamentary Oversight Project commissioned a survey conducted to scholarly standards of a sample of members of the National Assembly. The interview-based survey collected and analysed data on the relationship between parliament and constituencies/citizens; on governmental accountability; and on the issue of transparency in the aid allocation process. The random sample was composed of 50 Tanzanian parliamentarians adjusted for party affiliation, gender, and function (e.g. committee membership). Care was taken to develop questionnaires which overlapped in important respects with the public opinion survey of Afrobarometer so that the two surveys would be compatible where relevant. One question thus appropriately asked parliamentarians about their understanding of citizens' development priorities: 'In your constituency, what do you consider to be the most important issue facing constituents?' As in the Afrobarometer survey, no prior list of potential responses was provided to prompt MP's answers. The parliamentarians were asked to name three development priorities and to rank them in order of perceived importance, yielding the following results for priority one (see also Figure 6):

1. Water supply;
2. Unemployment;
3. Infrastructure/roads;
4. Education; and
5. Poverty/destitution.

Other areas that were listed by a large number of MPs were: health; farming/agriculture; electricity; and wages, incomes and salaries.

As we can see in the survey results in Figure 6, the lack of clean and consistent **water supply** is by far the largest 'first response' development priority according to the Tanzanian parliamentarians that were surveyed. Many MPs noted in commentary that there is a serious shortage of clean water for home use as well as for farming purposes. Water was only said to be readily available in (semi-)urban areas. In many constituencies there is no tap water service in most settlements and citizens therefore depend on bore holes, wells and seasonal rains. Existing water sources are often insufficient, especially since the population has increased over the years. Since the dry season is long in many regions, local natural water sources are frequently exhausted. Some MPs mentioned that rains have decreased over the years, possibly due to climate change. In some constituencies the water was considered too salty to drink. Others were saying there is too much fluoride or other mineral content in the water: it is not always safe, potentially causing diseases. Because of the lack of water people have to spend their meagre income on buying bottled water. Moreover the lack of water affects other sectors such as agriculture and health care.

**Figure 6: Development priorities of the Tanzanian parliament**



Source: AIID survey of members of the parliament of the United Republic of Tanzania (2011)

**Unemployment** was listed as the second largest development problem. Because of the lack of employment, people too often have no income and thus cannot afford to buy food, pay for medicine, school fees or bus fares. One MP mentioned that people increasingly come to them asking for money for school fees, house construction etc. The high rate of unemployment was said to be caused by industries that have collapsed. Unemployment rates were said to be especially high amongst the young. Students graduating from colleges were said to be unable to find employment. A lot of youths are thus working in the informal sector and they are in constant conflict with the local authorities. Moreover, one MP remarked that employers favour the ruling party.

**Infrastructure** and roads were also listed as a top development priority and on average across all three ranked responses was about equal to the concern for unemployment (although as a first choice this priority was markedly less frequently named). The roads in rural areas were said to be in a very poor condition, not tarred or paved, and unusable during the rainy season. The railway system was also said to be unreliable and coverage of the territory was poor.

**Education** was also high on the list. The problems that were mentioned were a lack of schools, bad quality of education, and a lack of teachers at all levels. Next to teachers, schools were said to lack equipment. Several MPs mentioned that people cannot afford to pay for school fees. Another problem was the high level of dropouts. One MP mentioned that the attitude towards education in his/her constituency was very negative. The lack of proper education was thought to create backwardness in areas such as agriculture, project management etc.

**Health** is also considered an important development priority, though more as a second/third ranked response than as a first priority. The health sector was said to lack facilities but mostly qualified staff and medicines. As one MP said: 'If you're not in good health, you cannot produce anything, not even educate yourself'. Many MPs mentioned the shortage of health facilities as an important development problem. One MP mentioned that the few health centres available were located very far away from some of the villages. The lack of medicines and qualified personnel was often mentioned as the core problem. One MP claimed that despite the presence of enough dispensaries in his constituency there was still a serious shortage of competent/qualified medical staff and actual medicines. When available, people often cannot afford to pay for medicines that they require.

**Agriculture** was also mentioned as a core development area. According to one MP agriculture is the backbone of the society since a lot of the people are small farmers. Eighty per cent of the people were said to be employed in agriculture. However, farmers were said to lack agricultural inputs (e.g. fertilisers), modern machinery, and other farming equipment. Agriculture was said to be too dependent on rainfall. The lack of water supply and roads for market access was thought to aggravate these problems.

Many constituencies were also said to face a problem of **electricity** supply since they are not connected to the national grid. The lack of electricity was said to cause problems for many income-generating activities. One MP mentioned that Tanzania was still using electricity from neighbouring Uganda.

Other issues that were brought up were the **management of the economy**. According to one MP improvement on this could solve a number of issues. One other MP mentioned the lack of **credits** as a problem for development: 'When people have no income or business we should help them to get loans from banks'. **Environmental problems** were also mentioned anecdotally by a few parliamentarians. According to one MP a lot of people do not care about the environment while there are a lot of problems around. One of them is deforestation; people harvest many times more than they are planting. The issue of **land rights** was also brought up a couple of times. As one MP said: 'The big influx of pastoralists and the influx of migrants in search of land has caused serious conflicts'. Big investors were also said to monopolize huge tracts of land. Finally, the large number of **orphans** and **corruption** were said to be serious problems.

As in the Afrobarometer survey, one may 'bundle' together the economic development/poverty related issues such that these clearly constitute the most important underlying concern. The comments from MPs link water supply and even health issues to poverty, farming and employment concerns. Overall the picture developed by MPs reflected to a great extent the concerns of their constituents. This overlap with citizen responses in the public opinion survey indicates that MPs understand their constituents and their development concerns well.

## 6. UN Millennium Development Goals

Besides the development priorities of the bilateral and multilateral donors listed above, 193 United Nations member states and at least 23 international organizations have agreed to eight Millennium Development Goals to be achieved by the year 2015. An overview of the MDGs and the accompanying targets can be found in Table 11 below.

<b>Table 11: The UN Millennium Development Goals</b>	
<b>Goal 1: Eradicate extreme poverty and hunger</b>	<p><i>Target 1:</i> Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 per day</p> <p><i>Target 2:</i> Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>
<b>Goal 2: Achieve universal primary education</b>	<p><i>Target 3:</i> Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</p>
<b>Goal 3: Promote gender equality and empower women</b>	<p><i>Target 4:</i> Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015</p>
<b>Goal 4: Reduce child mortality</b>	<p><i>Target 5:</i> Reduce by two thirds, between 1990 and 2015, the under-five mortality rate</p>
<b>Goal 5: Improve maternal health</b>	<p><i>Target 6:</i> Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio</p>
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases</b>	<p><i>Target 7:</i> Have halted by 2015 and begun to reverse the spread of HIV/AIDS</p> <p><i>Target 8:</i> Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases</p>
<b>Goal 7: Ensure environmental sustainability</b>	<p><i>Target 9:</i> Integrate the principles of sustainable development into country policies and programs, and reverse the loss of environmental resources</p> <p><i>Target 10:</i> Halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation</p> <p><i>Target 11:</i> Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers</p>
<b>Goal 8: Develop a global partnership for development</b>	<p><i>Target 12:</i> Develop further an open, rule-based, predictable, non-discriminatory trading system (includes a commitment to good governance, development, and poverty reduction – both nationally and internationally)</p> <p><i>Target 13:</i> Address the special needs of the Least Developed Countries (includes tariff- and quota-free access for Least Developed Countries' exports, enhanced program of debt relief for heavily indebted poor countries [HIPC] and cancellation of official bilateral debt, and more generous official development assistance for countries committed to poverty reduction)</p> <p><i>Target 14:</i> Address the special needs of landlocked developing countries and small island developing states (through the Program of Action for the Sustainable Development of Small Island Developing States and 22nd General Assembly provisions)</p> <p><i>Target 15:</i> Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p> <p><i>Target 16:</i> In cooperation with developing countries, develop and implement</p>

	<p>strategies for decent and productive work for youth</p> <p><i>Target 17:</i> In cooperation with pharmaceutical companies, provide access to affordable drugs in developing countries</p> <p><i>Target 18:</i> In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies</p>
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Source: <http://www.un.org/millenniumgoals>

## Conclusion: development priorities

When comparing the development priorities of the different stakeholders we can draw some interesting conclusions at this relatively early stage in the analysis. To start with, we see that Tanzania's public opinion is well understood and represented by parliament. With some minor differences in ranking, parliamentarians and the public have the same essential assessment of needs and preferences. There are however some important differences between the development priorities of these two sets of stakeholders and those of the national government. First of all, the development and improvement of infrastructure receives no direct mention by government and is only obliquely referred to in the national development strategy: under priority 3 'Good Governance' there is reference to public service delivery, and under 2 'Quality of life' there is reference to health and education as well as water and sanitation. Yet infrastructure is not a clearly declared government development priority while this issue is seen as a key priority by both the public and the parliament. Moreover, while public opinion and parliament do not see the environment as a top priority, the government has placed environmental sustainability high on its priority list when it comes to economic and other matters. One might round this assessment off by arguing with at least some grounding in the data that government policy priorities are perhaps less specific and focused on 'everyday concerns', particularly jobs and poverty reduction, than those of MPs or the public. Given how poorly public opinion rates government performance on employment, poverty reduction and equality issues, there is cause for reflection here.

While the national priorities identified by government, parliament and the people seem to be well enough aligned, there are important dissimilarities between the priorities of Tanzania's national stakeholders and those of the country's major donors. Few donors claim directly to attend to the problem of unemployment. While donor support to areas such as education, health, the private sector, trade and regional integration and other aspects of economic growth should have a spill-over effect on unemployment, the omission stands out as problematic relative to the intensity of citizen and other national stakeholder preferences. Another priority area which receives rather little direct attention relative to the high extent of concern from national players is water and sanitation. While this is *the* top priority for public opinion and the parliament and stands out as such, and is also a top national development priority, only the AfDF, Japan and the UK mention a focus on this area. This incongruence having been identified, the real question will be to look at actual donor outlays (see below, section D) so as to assess the actual level of donor or government support for the priorities identified by parliament, government and citizens in Tanzania. If it turns out that there is a division of labour among the donors such that only a few direct their attention to particular issues but their attention yields real resources, then the concern expressed here would be far less relevant. There seems little doubt however that donors could place this issue higher on their list of priorities for aid disbursement.

There are of course other priorities highlighted by national stakeholders that do receive direct attention from the donors. Just like the Tanzanian stakeholders, all donors emphasize agriculture/food security as important areas for development. Moreover, almost all donors pay close attention to the overarching goal of economic growth/poverty reduction. Education and health are supported by the majority of bilateral donors, with Japan being the big exception. However, amongst the multilateral donors the IDA is the only one that prioritises direct support to these social sectors. The multilateral donors focus on infrastructure, while amongst the bilateral donors this area is only addressed by Japan.

As we could see the development priorities of Tanzania's donors differ quite widely. This is not necessarily a problem as long as donors agree among themselves and with Tanzanian stakeholders on how the breadth of economic development issues will be covered. In the context of the JAST, the government and the donors have indeed agreed on a division of labour. Donors are appointed roles, according to their previous commitments and expertise. A practical and positive consequence is the limitation of the number of donors that are active in specific sectors, as to keep the development process manageable. Looking at the division of labour we can explain some of the differences in donor focus. For example in 2010, the GoT and its development partners agreed on the following division of labour:

- *IDA*: Agriculture; Environment/Climate; Energy/Mineral Development; Public Service Reform
- *EU*: Roads and Transport; Agriculture.
- *AfDF*: Water and Sanitation
- *US*: Health; HIV/AIDS
- *Japan*: Roads/Transport; Agriculture; Education; Health; Energy/Mineral Development
- *UK*: Accountability
- *Norway*: Environment/Climate; Energy/Mineral Development
- *Sweden*: Health<sup>36</sup>

When trying to judge the extent to which the donors meet the priorities of the GoT it is thus always important to look at the agreements made under the JAST. Once again, the analysis can only be completed when real aid disbursements and results achieved have been analysed.

At this stage in the analysis one might also take a step back and look at differences between donor priorities and those of national stakeholders from afar. In addition to differences in the identification and ranking of priorities, there are also differences in approach that represent different understandings of the problems at hand. Public opinion and parliamentarians are once again very focused on the problems of everyday life. In contrast, the multilateral donors display a systemic or macro-economic approach, which reveals a commitment to poverty alleviation and development through economic restructuring, privatization, and long-run development. These differences are not unexpected but depending on the actual results might prove problematic. The 'systemic' view of multilateral donors and the on-the-ground experience of the members of parliament and Tanzanian citizens arguably converge on the infrastructural issue, but it is not clear to what extent multilateral donors actually prioritise the concerns of the rural majority. On the other hand bilateral donors are more focused on the relationship between government and public: good governance and civil society issues, technical co-operation, privatization and the environment, with bilateral donors more focused on the social sector. This translates into an emphasis on sectors such as education and health. Finally, some sectors are considered priority areas by the donors while they are not on the wish list of the Tanzanian stakeholders. This is the case with the private sector, trade/regional integration, debt relief, civil society, and to a lesser extent energy.

In sum, both donors and the government have a range of broad, structural and arguably tertiary concerns that do not fit terribly well with those of public and parliamentary opinion. These consist of privatization, concern for the environment, regional integration, technical co-operation, and 'good governance' concerns such as the quality of administration, local government, financial sector regulation and functioning, and attention to civil society. *No one could meaningfully argue that these issues do not matter.* They do very much indeed: improving infrastructure or social services or employment prospects will not be helped by a dysfunctional public service or under-skilled private sector. The issue is not therefore one of the validity of these concerns. *The issue is one of immediacy and priority:* if one were really to achieve a better record on poverty alleviation, employment, or inclusive and more equal growth, then a higher prioritisation of the concerns of daily life to which Tanzanians draw attention would not go amiss.

A last point concerns 'civil society' and 'good governance' once again. These are important priorities for both the government and the donors, but neither public opinion nor parliamentarians rank them highly as a development funding priority or problem when asked. On the civil society front, the clear congruence between parliamentary and public opinion and the historically high levels of electoral participation, to which one might add decent and widespread primary education provision, not to mention the growing sensitivity of MPs for their constituents under multi-party democracy, illustrate that civil society is far from dysfunctional or lacking potential. The post-independence history of Tanzania bequeathed a vibrant and wide ranging set of civil society institutions to the nation. Do donors need to prioritise this domain to the extent that they do? Turning to the 'good governance' issue, at the very least the discrepancy in prioritisation requires explanation because this agenda has been so central to the aid architecture of the past fifteen years.<sup>37</sup>

To the extent that improving the quality of governance improves the concrete achievement of citizen policy priorities then the efforts aimed at improving governance may well be in line with the needs of constituents, but this is a matter of verification and accountability for parliament. There is a risk that 'good governance' or 'civil society' budgets become pet projects of government and the

<sup>36</sup> <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/TANZANIA-%202011-2015%20CSP.pdf> (Annex XII)

<sup>37</sup> And of course this ODA oversight project is very much part of that agenda.

donors that foster privileged client groups. This need not be the case in the face of sound measures to ensure the linkage of policy objectives to actual outcomes, and robust 'feedback loop' accountability mechanisms to hold donors and governments responsible in the case of failure. The question will be taken up again below when *actual* aid and budgetary allocations are examined, not to mention when we investigate development progress and indicators. At this stage suffice to say citizens *are* concerned (reminder Figure 5, and there are several more indicators available in the Afrobarometer data) about government performance and do not always rate it highly, and parliament does understand that its role is important in ensuring effective prioritisation and outcomes in the development process. It could be that donors and the government need to explain better to citizens the relationship between the 'governance' priority and the development outcomes that constituents wish to see. Parliament could play a role in this case.

Overall, donor policies are reasonably aligned with government priorities expressed in the MKUKUTA II and JAST, with some reasonable division of labour among donors, and national development priorities are reasonably aligned with the preferences of citizens and their elected representatives. In turn, donor policies are somewhat aligned with the needs and preferences of Tanzanians. It is worth commenting briefly on potential explanations for a benign overlap in development priorities. While in the case of Tanzania we have yet to examine actual budgetary and donor outlays, such an overlap was by no means observable in all five countries covered by this project (Benin, Ghana, Mozambique, Tanzania, and South Africa).

The role and capacity of parliament seems to be important variable in the degree of overlap. Both anecdotal and more systematic evidence gained in the course of this project suggests that despite the long-run dominance of the CCM in both the executive and the parliament of Tanzania, parliamentarians and parliamentary committees take and have been taking their role as discreet players in the policy process increasingly seriously. The opposition is growing, as is dissent within the government party, and the CCM as a caucus has always had serious grassroots linkages that reached deep into rural Tanzania. However, the parliament has limited capacity, does not control its own resources, and its role in the setting of policy priorities and establishing spending patterns in the budget remains constrained. Deals with donors are chiefly made between the powerful executive and donor governments. Improvements in parliamentary capacity and the strengthening of the accountability 'feedback loop' may well increase the overlap between donor and government policy and the needs and preferences of MPs and the populace. As we shall see, when it comes to real funding commitments, the overlap in priorities is by no means as benign as in the setting of policy commitments. Executive arrogance serves the needs of the electorate poorly.

In terms of harder data to back up these assertions, the parliamentary survey in Tanzania provided some results concerning i) the representation of citizen preferences and needs; ii) on the perceived level of accountability of donors and the government to people and parliament; and iii) on the involvement of parliament in the determination of aid and national development priorities and allocation. MPs saw room for (sometimes considerable) improvement on all three counts. One should preface this analysis by pointing out that in comparative terms, budgetary and aid transparency in Tanzania is relatively high by African and indeed general standards (annual budget reports are available online to all), and that in Tanzania donors do confer with parliament to some extent.

i) Representation: the survey indicated that MPs had relatively little confidence that the government well understood the needs and preferences of the people. Nor did MPs have a high degree of confidence that the government listened to parliamentary representations concerning the setting of allocation priorities on donor development policy – although there was a slightly greater if not great degree of confidence that the executive listened when it came to setting the general budget policy of the government. MPs were also rather less than convinced that donor aid was actually spent in line with citizen preferences (a view which turns out to be correct according to the data, see Sections D and E).

ii) Accountability: parliament certainly takes this element of its duties seriously to the extent of its limited capacity and powers over the executive. In a parliament dominated by the government party and where it was perceived that party loyalty often detracted from the role that parliament might play in this regard, nonetheless few Members thought that holding government and donors accountable on development issues was unimportant. There was a strong perception that the government provided insufficient information on budgetary allocations, and also (*viz.* the fact that parliament cannot set its own budget) that parliamentary resources were insufficient to achieve

proper accountability (although the committee system as such was seen as doing rather better).<sup>38</sup> Non-Governmental Organisations (NGOs) in particular but donors in general were seen as providing too little information to MPs on off-budget aid allocations. The aid allocation process was seen as lacking accountability in general, and MPs did not believe that they had an adequate overview of either donor or government policies to ensure that aid might be spent effectively, nor did NGO and official donors do enough in helping the country.

iii) Involvement in and influence upon policy-making: when asked if they felt that they were part of the process of setting national development priorities, the negative vs. positive opinion of MPs was fairly evenly divided. However, opinion was rather negative when it came to the specific issue of involvement in the actual allocation of the national budget in this regard. On the other hand, MPs saw the influence exercised by donors over the government and on government policy as on the whole considerable and indeed positive. A significant number of MPs claimed that they had some or (very) frequent direct contact with donor governments. Very few however claimed that they had any significant specific involvement in the negotiation of actual agreements between the executive and donors. In all, MPs were more complimentary of donors than of their government in this regard.

In sum, neither the government nor donors listen to citizens and parliament sufficiently. Parliament requires greater capacity to hold government and the donors accountable to the needs and preferences of citizens while both donors and the executive could and should provide more information to parliament. Finally, while the Tanzanian parliament is more involved in setting donor allocations than some others in Africa, there is more that could be done. Perhaps somewhat alarmingly, MPs were convinced that donors were more responsive to Parliament than the executive (although not by a large margin).

In short, it seems that when parliamentarians take their representative and accountability functions seriously and have a sound grasp of grass roots needs and preferences, this may enhance the chances that government and donor policies will reflect in some considerable measure the preferences of citizens – if only donors and the government can be persuaded (or forced) to take parliament more (consistently) seriously and augment parliament's meagre resources. In countries in the project where this was less the case, the fit between aid/development priorities and perceived development needs at the local level was not as good as in countries where parliament played a more robust agenda-setting role. Where parliament performs its representative and accountability functions relatively well in the policy process, it could well be that development allocations are more responsive to needs, and perhaps results may be better as well (see section E below).

It is of course one of the premises of this ODA Parliamentary Oversight project that a functioning accountability 'feedback loop' from people via parliament to government/donors and back again, including ongoing citizen and parliamentary evaluation of concrete development outcomes in constituencies, for example via the constituency consultations sponsored by this project and the regular testing of public opinion data, should improve aid and national development policy effectiveness. Actually operationalizing the 'Triple A' commitments originally contained in the Paris Declaration is not short of potential benefits. This point will be taken up again in the conclusion to section D on Aid and government disbursements below, as well as section E on results.

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<sup>38</sup> In this sense, parliamentarians were strong supporters of the research/data and analysis capacity-building efforts of this project.

**Table 12: Summary of development priorities**

	General Budget Support	Economic growth/poverty reduction	Employment	Education	Health	HIV Aids	Water & Sanitation	Agriculture & food security	Environment	Good governance	Private sector	Infra-structure	Trade/Regional integration	Energy	Gender	Debt relief
<b>Tanzanian stakeholders</b>																
Government																
Public opinion	n/a															
Parliament																
<b>Multilateral donors</b>																
IDA																
EU institutions																
AfDF																
<b>Bilateral donors</b>																
United States																
Japan																
United Kingdom																
Norway																
Sweden																
<b>Other</b>																
MDGs	n/a															

- Development area of high priority
- Development area of medium priority

## D. AID FLOWS

This section looks at the spending pattern of the GoT and its major donors for the period 2005-2010.<sup>39</sup> By looking at the national budget of the Government of Tanzania, which includes GBS aid disbursements, we can assess the extent to which the government responds its own as well as to the development priorities of the Tanzanian parliament and public opinion as outlined in the previous section. We can do the same for Tanzania's largest bilateral and multilateral donors by looking at the sectoral distribution of aid flows. Section D appropriately responds to three questions:

- \* Do donors and government live up to their policy commitments with real outlays?
- \* Do donor patterns of expenditure reflect the policies of the GoT?
- \* Do actual aid and budgetary outlays of both government and donors properly address the needs and preferences of constituents and their representatives?

While the previous section allowed us to assess the match in development priorities as outlined in development policies, this section enables us to see to what extent the Government of Tanzania and the donors actually follow up upon their promises and to what extent they are responsive to the needs and preferences of citizens and their representatives. The section begins with GoT outlays, and then in turn analyses the expenditure patterns of the major multilateral and bilateral donors.

This section should begin with a health warning about aid statistics and budgetary expenditure. GoT budgetary statistics were taken from the 2009 *Economic Survey*. Expenditure for 2009-10 remained an estimate and later reports will eventually account for what was actually spent. This means that the earlier years in the tables are more reliable than the last year. Likewise, the OECD-DAC (Organisation for Economic Co-operation and Development Development Assistance Committee) aid data for 2010 or other years may eventually be corrected on the basis of final results and corrections from national sources. In addition, the expenditure categories in the national budget are not fully compatible with those used in OECD-DAC aid statistics. For the purposes of this report, we have adapted them as best as possible.

Finally in terms of introduction, it should be noted that there is a variable 'investment co-efficient' to aid and budgetary flows in different sectors. Put simply, relatively small amounts of expenditure in one sector may yield significant results, whereas some sectors require very large capital investments to produce results. Some sectors may be mixed, and a good example is water supply and sanitation. Small local wells and bore-holes or dams may cost relatively little and help a local community a lot. Major pumping stations for urban or large-scale rural water supply and irrigation schemes cost a great deal, but may benefit far more communities. In a number of sectors, expenditure patterns may also differ after the intensive capital investment phase is complete as there is a shift from creating facilities from scratch (building and equipping a school) to operating expenses (paying for teachers and supplies. In turn, some sectors may have relatively low levels of costly capital investment yet require a long-term steady investment in salaries and upkeep.

In short, just because the amount of aid in one sector is demonstrably less than in another does not *always* mean that the budgetary commitment is inadequate. The patterns may be more or less complex according to the sector and may also be relative to the extent of need across an economy and society (poor rural areas covering much of the country may require more of a particular service or type of infrastructure) and in relation to population density (rural versus urban). In the analysis provided by this report the authors have taken these factors into account in the assessment of aid expenditure relative to national and donor commitments. The key point is to link the analysis in this section (D) to the analysis of results and development indicators in Section E. Put in simple terms, *expenditure is appropriate to a policy commitment if it achieves the targets that were set, e.g. in the MDGs.*

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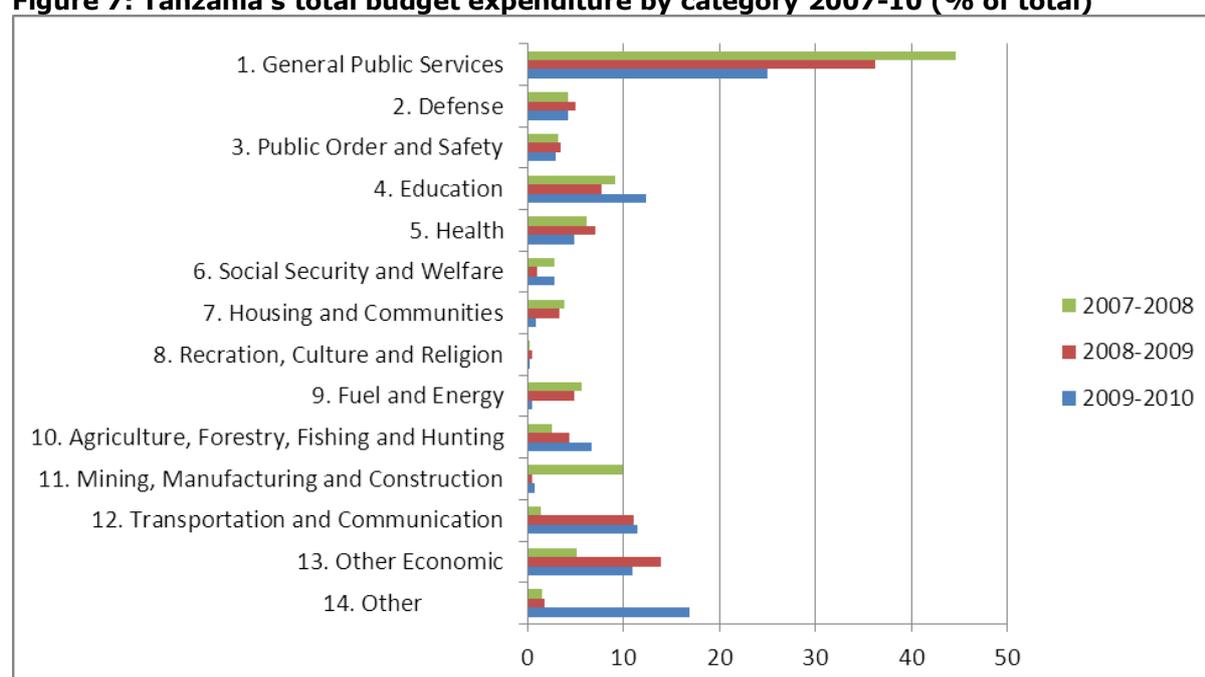
<sup>39</sup> Donor aid flow data for 2011 only became available while the final version of the report was under preparation.

## 1. The Government of Tanzania

The central question of this sub-section is whether the GoT actually allocates its national budget according to the development priorities set in its long-term 'Vision' and the MKUKUTA documents examined above. Figure 7 below indicates the proportion of the annual budget 2007-2010 that was allocated to the various sectors that correspond as closely as possible to the 2005-2010 OECD-DAC aid categories also analysed in this section. The data used are taken from The Economic Survey 2009 which was published by Tanzania's Ministry of Finance and Economic Affairs in August 2010. The budget itself grew in nominal terms (current prices, so this is not 'real growth' controlling for inflation) by some 57% from fiscal year 2007/8 to fiscal year 2009/10. This means that a diminishing *share* of expenditure observable over time may actually hide a nominal increase in real outlays. One should also be reminded that Tanzania is a relatively aid dependent country. Between 2005 and 2009 in between 10.6% and 16.7% of the country's GNI consisted of ODA and a goodly proportion of that aid was in the national budget as GBS disbursements. However, most of the country's national budget comes from national revenue.

As we can see the largest segment of Tanzania's national budget is allocated to 'General Public Services', although this proportion has declined considerably over time (and in absolute terms as well). By far the most of this goes to 'Executive and Legislative Organs', to 'General Services', and to 'Fundamental Research'. By 2009-10 General Public Services accounted for some 25% of the total, down from some 45% in 2007-08. The Tanzanian government also allocated considerable support to 'Transportation and Communication', 'Education' and 'Other Economic sectors'. Under Transportation, most went to 'Road Transport'. Within the allocation to Education, 'Tertiary Education' consistently received a high proportion; 'Primary Education' received considerable funds between 2008-2010 and Secondary Education had a decent share in the 2007-2008 budget. The health budget consisted of slightly more than 5% of the total, with most going to Hospitals/Clinics & Medical Practitioners. The small 'Social Security and Welfare' budget went almost entirely to welfare projects. Under 'Housing and Communities', most was spent on improving Water Supply. Regarding 'Fuel and Energy' almost all expenditure was given to fuel programmes. The budget for 'Agriculture, Forestry, Fishing and Hunting' increased over the years, almost all going to Agriculture. As regards 'Other Economic' support, most money was given for 'Multipurpose Development Projects' or was unspecified. In 2009-10 there was a big jump in the unidentified 'Other' category wherein Public Debt service accounted for over 15% of government outlays.

**Figure 7: Tanzania's total budget expenditure by category 2007-10 (% of total)**



Source: *The Economic Survey (Tanzania) 2009 (2010)*

How well does this pattern of allocation fit the development priorities set by the government as analysed in Section C-1 above (see Table 2)? The correspondence between declared policy and actual patterns of expenditure is not absent, but nor could one argue that the government allocates its national budget fully in accordance with its own declared development policy. A particularly large chunk of the budget is reserved for General Public Services. Fortunately, real expenditure has been reduced in this budget line and reallocated but it still accounts for a quarter of the total. Next to this, the government does spend a notable proportion of available resources on Education and on health (around 9-10% and 5-7% of the total respectively). In the last couple of budget rounds covered, increasing amounts have gone to Transport/Communications and 'Other Economic' sectors (each around 10% of the total). Funding for agriculture and for Energy has been at consistently lower levels. At the risk of excessive repetition, these can then be examined in the light of the priorities of the Tanzania Development Vision 2025: 1) high quality livelihood; 2) peace stability and union; 3) good governance; 4) a well-educated society; and 5) a competitive economy producing sustainable growth and shared benefits (inclusive growth in short). The MKUKUTA II 2010-14 priorities paper lends somewhat more substance to the 'Vision' document (see Table 2, p. 23 above): 1) growth and poverty reduction under which falls sound macroeconomic management, sustainable and inclusive growth (especially employment) along with food and environmental security with emphasis on rural areas; 2) . Quality of life, under which falls gender-balanced educational opportunities, health/water and sanitation issues, human settlement and social protection; 3) Good governance and accountability which is taken to include public service delivery (especially to the poor/vulnerable), human rights protection particularly for the poor and vulnerable, and a normative culture of work and integrity.

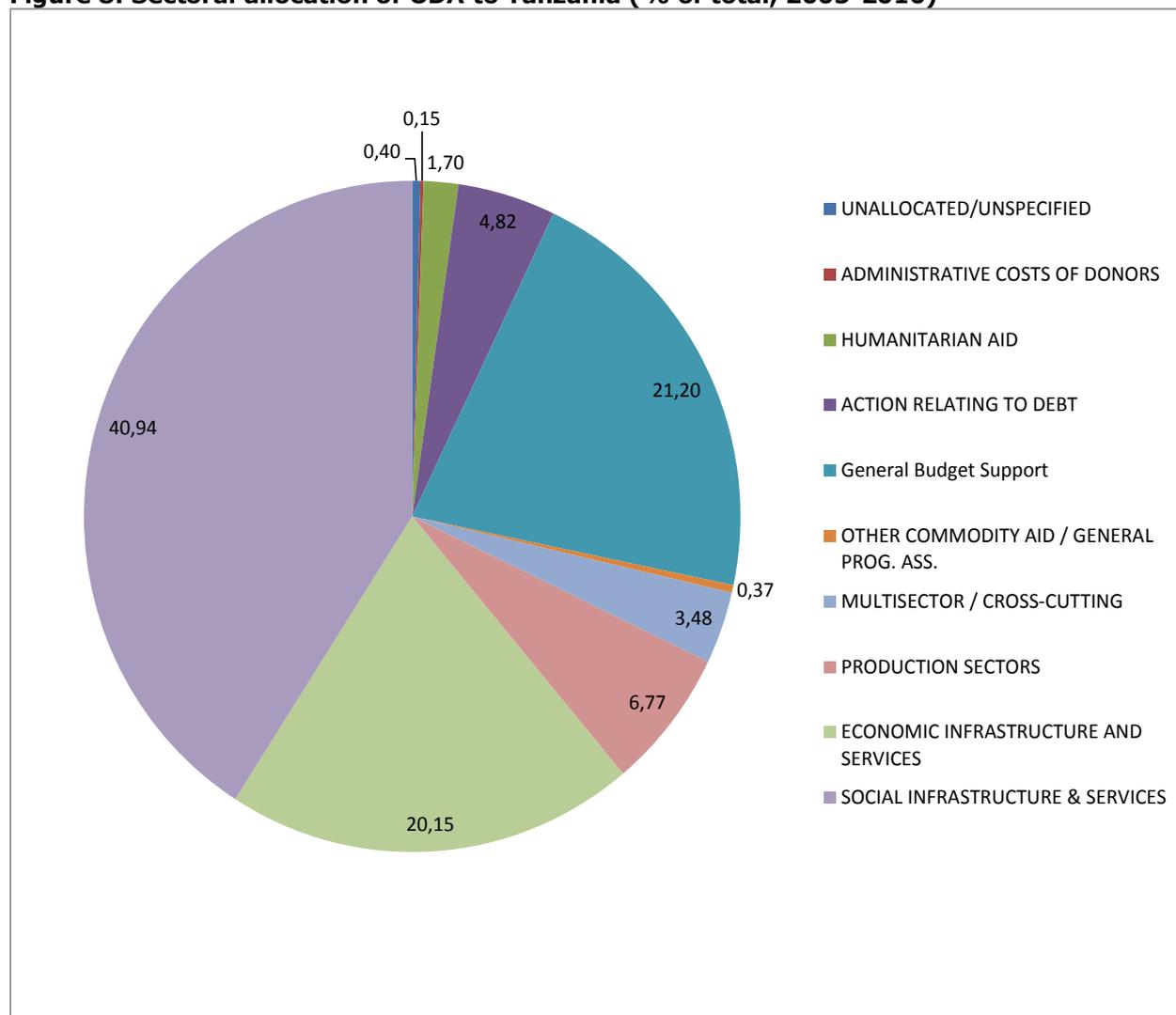
In short, the policy emphasis is on dealing with poverty, inequality, educational opportunities, employment, and precisely the sorts of bread-and-butter economic/social and infrastructural issues that citizens and their parliamentary representatives highlight as to priorities. However, actual budgetary expenditure patterns do not yet reflect a proper material commitment to these priorities: direct measures to raise employment levels and reduce poverty and inequality are not overly conspicuous in the pattern of expenditure, nor in the general orientation of macroeconomic policy.

## **2. Total ODA**

This section allows us to analyse donor ODA expenditure patterns while reminding the reader of the three questions posed at the outset of this section: to what extent do donors live up to the priorities to which they commit themselves? Do these patterns of expenditure fit with the policy priorities of the GoT? Do these patterns of expenditure correspond to the needs and preferences of grass-roots stakeholders in Tanzania and indicated in the survey data of public opinion and parliamentarians? The section will first discuss the overall ODA sectoral distribution of ODA expenditure from all donors. Then we will look at the expenditure patterns of each major multilateral and bilateral donor in turn in light of the first question posed above, analysing the extent to which they live up to their own policy priorities. The overall conclusion to Section D will deal with the last two questions.

Figure 8 shows that between 2005 and 2010, the largest share of total ODA to Tanzania by far (41%) was allocated to 'Social Infrastructure and Services' (which would include health and education). General budget support was next (21%) followed by 20% to 'Economic infrastructure and services'. Support to production sectors, debt relief, multi-sector/cross cutting programmes (which includes the environment), and humanitarian aid were smaller but still significant. Donor administrative costs were a tiny proportion of the total.

**Figure 8: Sectoral allocation of ODA to Tanzania (% of total, 2005-2010)**



Source: <http://stats.oecd.org>

## 2.1 Multilateral ODA

The following sections examine the sectoral distribution of the ODA flows from Tanzania's top three multilateral donors between 2005 and 2010. First of all, this analysis allows us to assess whether the donors live up to the promises outlined in their aid policies as discussed in the previous section. Second, it allows us to see to what extent the aid from these donors flows to the priority sectors for development as listed by the Tanzanian Government, Parliament, and public opinion. This second issue will on the whole be addressed in the conclusion to this section.

The figures below show the percentage of total aid allocated to each major sector (UPPER CASE) and in between to each sub-sector (lower case). Sub-sectoral totals add up to the total for the sector, and the total of all sectors (UPPER CASE) is 100%.<sup>40</sup>

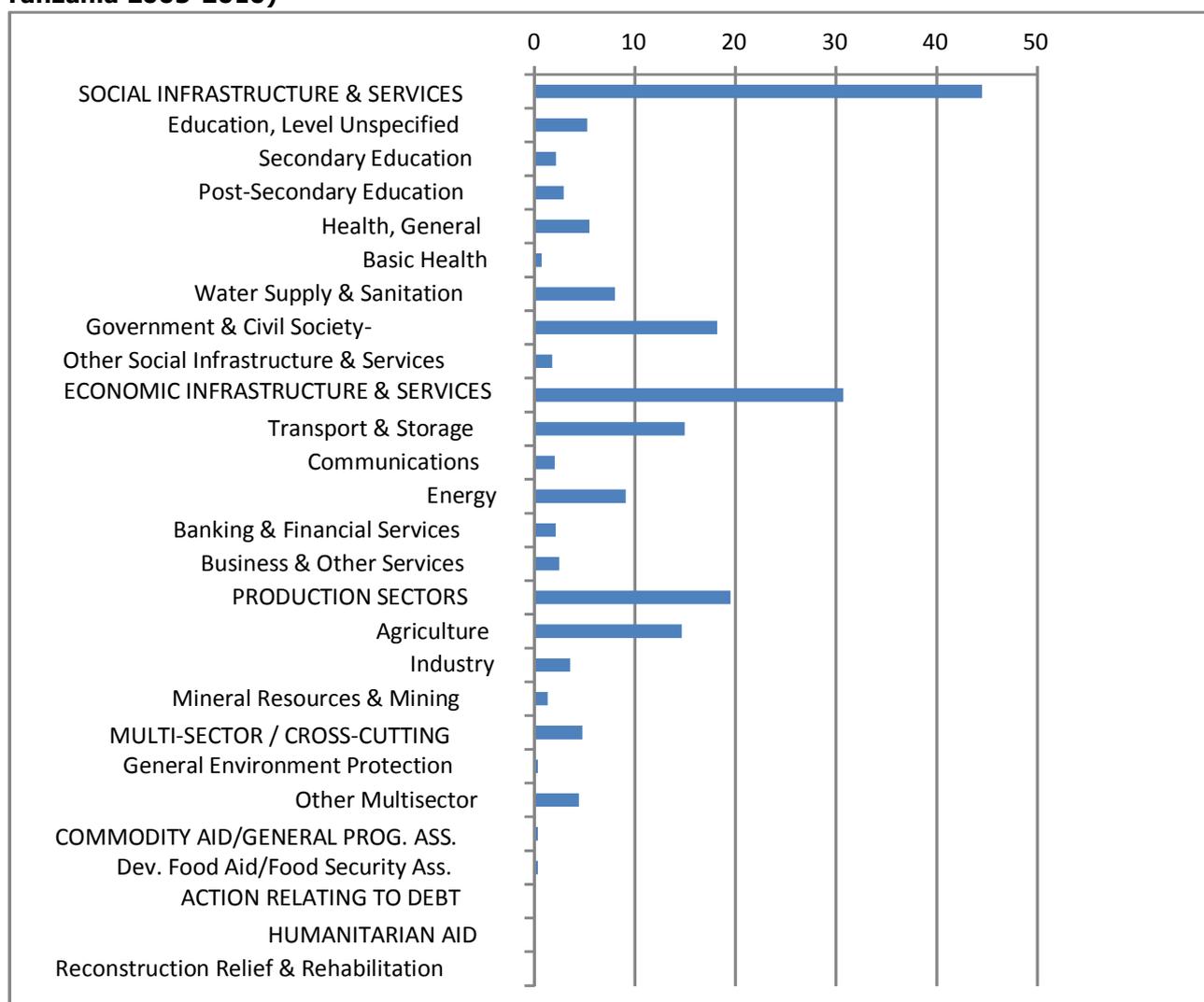
### 2.1.1 IDA: aid flows

IDA aid to Tanzania varied over the years under consideration, peaking at close to US\$ 1 billion in 2010 (Figure 1 above). The IDA allocated some 45% of its 2005-10 development assistance to 'Social Infrastructure and Services'. Of this, most ODA (about 18% of the total) was spent on Government & Civil Society. Water Supply & Sanitation, General Health, and Post-Secondary and 'unspecified' Education received smaller shares within this sector. Over 30% was given to

<sup>40</sup> The data used come from the OECD/DAC database (<http://stats.oecd.org/>)

'Economic Infrastructure and Services', with most of this segment going to Transport & Storage plus Energy and Communications. The Production Sectors were also a large recipient of IDA aid at nearly 20%, of which the most by far went to Agriculture.

**Figure 9: IDA aid to Tanzania by sector and sub-sector (% of total aid given by IDA to Tanzania 2005-2010)**



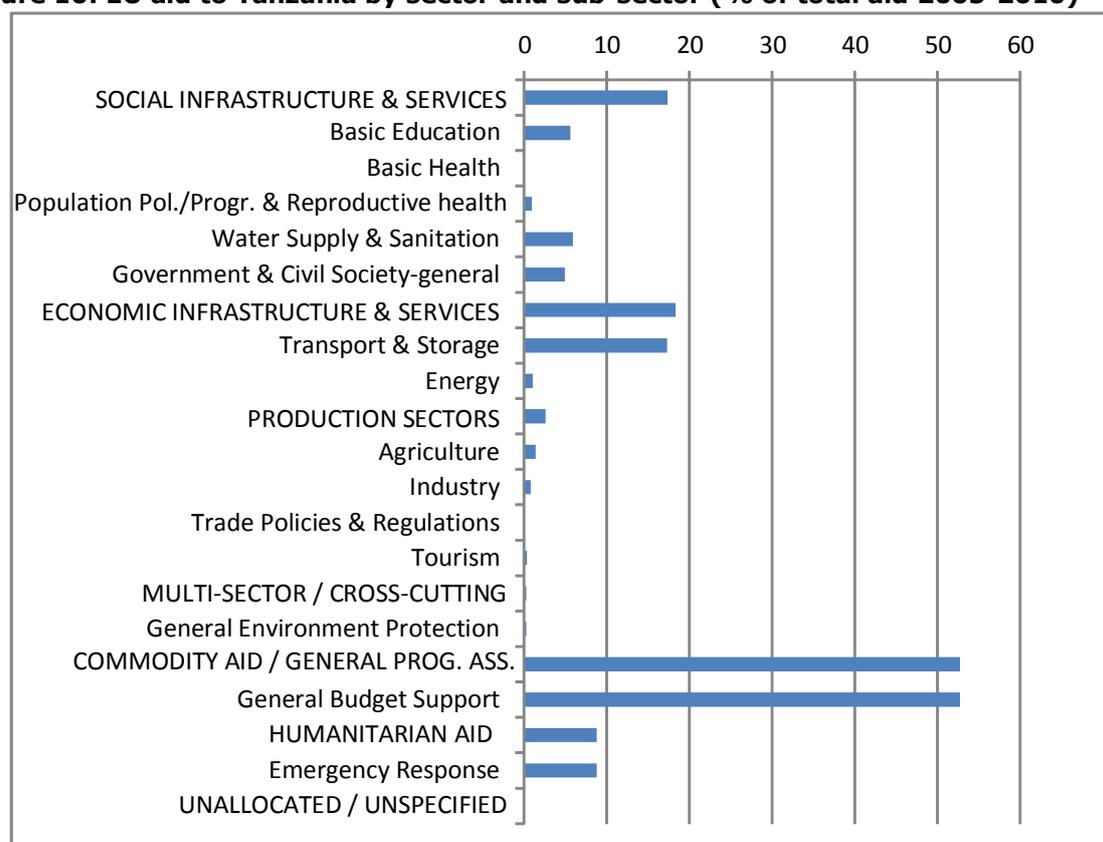
The IDA allocates its aid largely in line with its declared priorities as outlined in the previous section. Ranking the IDA's development priorities according to the shares of aid actually disbursed, the IDA's top priority lies in the social sector, especially government and civil society, water and sanitation, education, and health. This is covered by the IDA's declared priorities 3 'Strengthening human capital and the social safety net' and 4 'Promoting accountability and governance'. Priority 1 'Inclusive and sustainable private sector-led growth' is covered in particular by the aid to the agricultural sector and industry. Priority 2 'Building infrastructure and delivering goods' was covered by the aid to economic infrastructure (again, some 30% of the total).

### 2.1.2 EU Institutions: aid flows

EU aid levels were volatile over time: close to US\$ 600 million in 2009, but in most years 2005-10 they were considerably less than half of that amount. The EU Institutions gave over half of their ODA in the form of General Budget Support. This was clearly in line with the commitment of policy Priority 1. Economic Infrastructure and Services, particularly Transport & Storage, took the next largest proportion at around 18% of the EU total. This is in line with Priority 2 'Infrastructure, communication and transport' and was also covered if more indirectly by the commitment to improving trade and regional integration (Priority 3). In contrast to the IDA, a relatively small proportion of ODA went to 'Social Infrastructure and Services'. This sector only received 18% of

total ODA, with Water Supply & Sanitation, Basic Education, and Government & Civil Society being considered most important. These allocations presumably were covered by the commitments to improving sanitary standards, institutional support (under Priority 3), and to supporting democratic governance (under Priority 4). The small amount of support to agriculture allocated under 'Production Sectors' was all that was accorded under EU Priority 3 (Trade and regional integration) for 'agriculture and facilitating market access for small landholders'. Finally, over 8% of EU aid was 'Humanitarian Aid' for Emergency Response purposes, not indicated as a priority area. In sum, the EU certainly lives up to its promise to fund GBS and to strengthen infrastructure. It is however difficult to argue that the EU fulfils its commitment to fund the facilitation of trade and regional integration. Agriculture and industry receive only a small proportion of the total, and arguably the 'non focal areas' of priority 4, of which democratic governance, are not actually funded as a particularly high priority. While the EU institutions might be supporting these areas through their large GBS allocation, one could be reminded that the GoT devotes few resources indeed to any production sectors or trade issues (though a high proportion to the running of government).

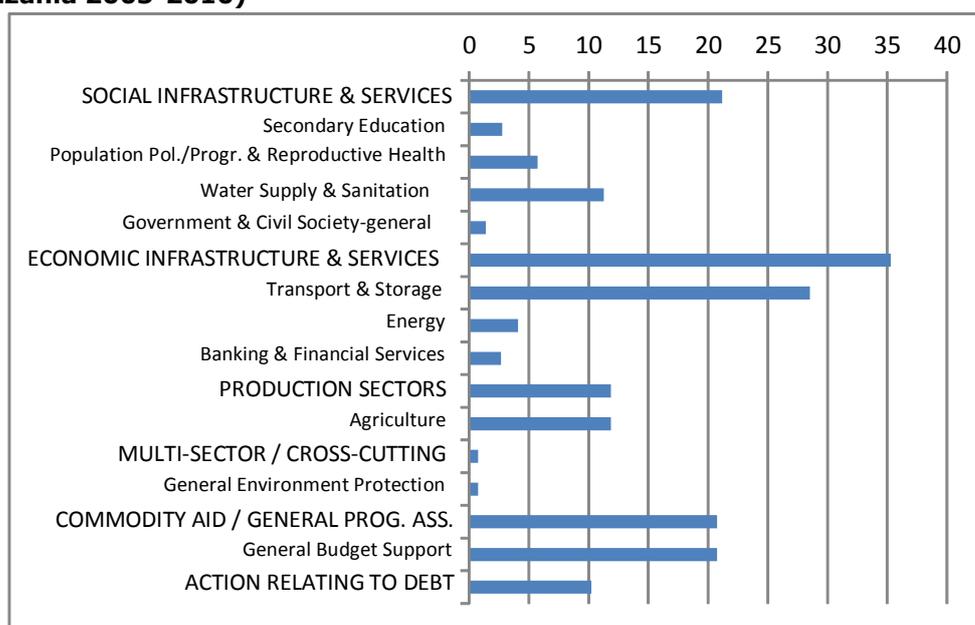
**Figure 10: EU aid to Tanzania by sector and sub-sector (% of total aid 2005-2010)**



### 2.1.3 AfDF: aid flows

The AfDF, as the third largest multilateral ODA donor to Tanzania, allocated an average of about US\$ 200 million per year in 2005-10 if one excludes the exceptional year 2009 when no aid was disbursed at all (Figure 1 above). The primary sectoral allocation, about 35% of the total, went to 'Economic Infrastructure', above all to transport but secondarily energy. Some 21% of the total went to 'Social Infrastructure and Services', primarily water supply and population/reproductive health, followed by secondary education. The next largest allocation went to General Budget Support, just about 20%, followed by support for agriculture (about 12%) and debt relief (10% of the total).

**Figure 11: AfDF aid to Tanzania by sector and sub-sector (% of total aid given by the EU to Tanzania 2005-2010)**



This distribution of aid resources was clearly in keeping with the priorities established by the AfDF for Tanzania (see Table 5 above). Priority 1 was developing infrastructure, in particular transport, agriculture, water and sanitation, and energy. Priority 2 was 'Building and enabling the institutional and business environment', specifically human resource development (e.g. education, social services) as well as 'Economic and financial governance'. Direct GBS support to the Tanzanian national budget would presumably fall under this heading, but otherwise the amount going to 'Government and civil society' remains small.

## 2.2 Bilateral ODA

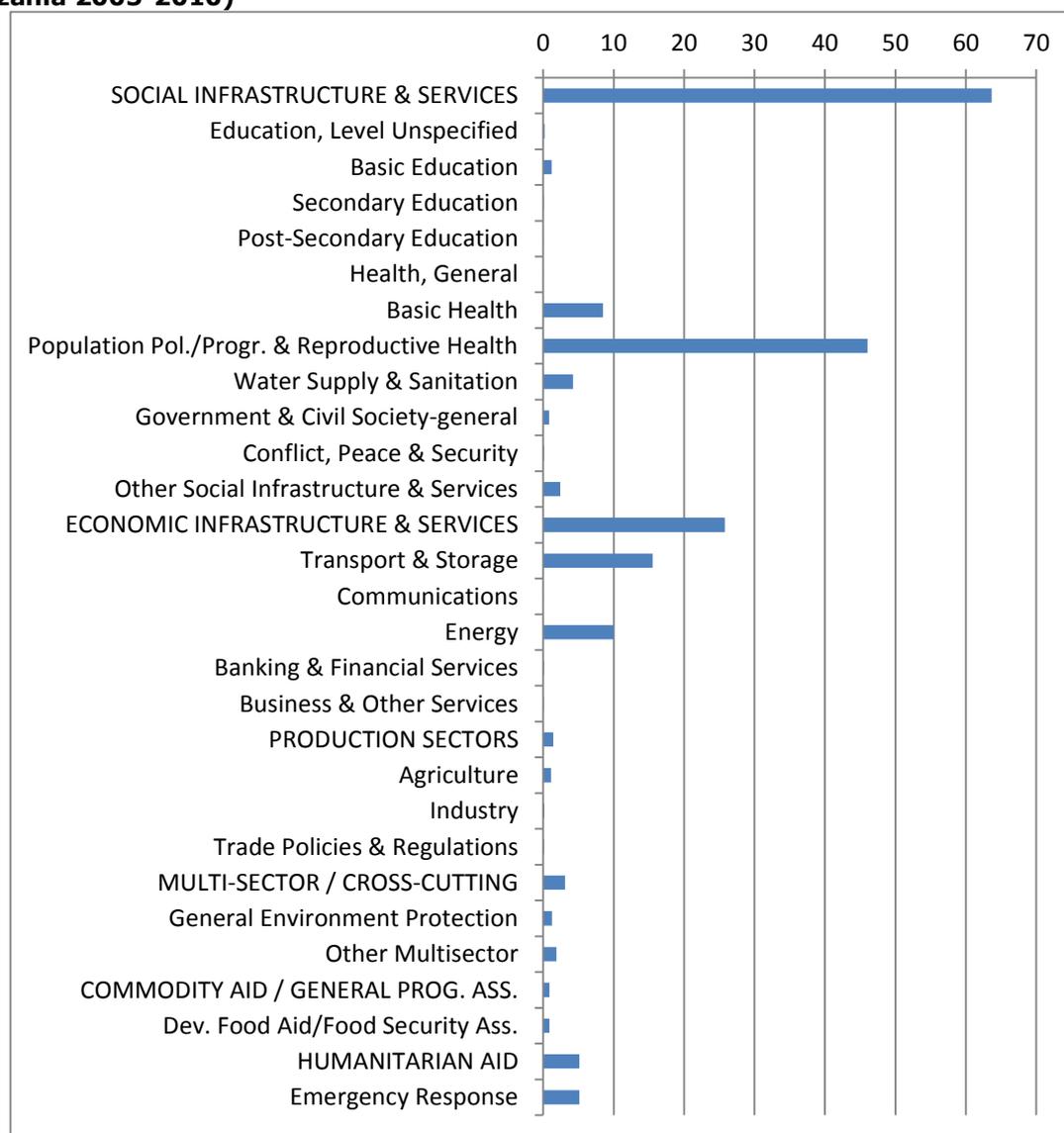
The top five bilateral ODA donors to Tanzania between 2005 and 2010 were the US, the UK, Japan, Sweden, and Norway (Figure 2 above). The discussion below analyzes the sectoral allocation of these donors during this period. What is perhaps most striking is the unevenness of annual allocations across the years. The data used come from the OECD/DAC database.<sup>41</sup>

### 2.2.1 United States: aid flows

The US gave on average about US\$ 400 million of ODA to Tanzania per year from 2005-2010 (Figure 2). Actual annual disbursements varied considerably, the peak year being 2008 with over US\$ 1 billion. The US allocated over 60% of its ODA to 'Social Infrastructure and Services' with by far most aid going to Population Policies/Programmes & Reproductive Health followed by much smaller amounts to 'Basic health' and to water and sanitation. 'Economic Infrastructure and Services' also received over 25% of total aid allocations with most aid being targeted at Transport & Storage and Energy. The US also spent over 5% of its ODA on Humanitarian Aid.

<sup>41</sup> <http://stats.oecd.org/>

**Figure 12: US aid to Tanzania by sector and sub-sector (% of total aid given by the US to Tanzania 2005-2010)**



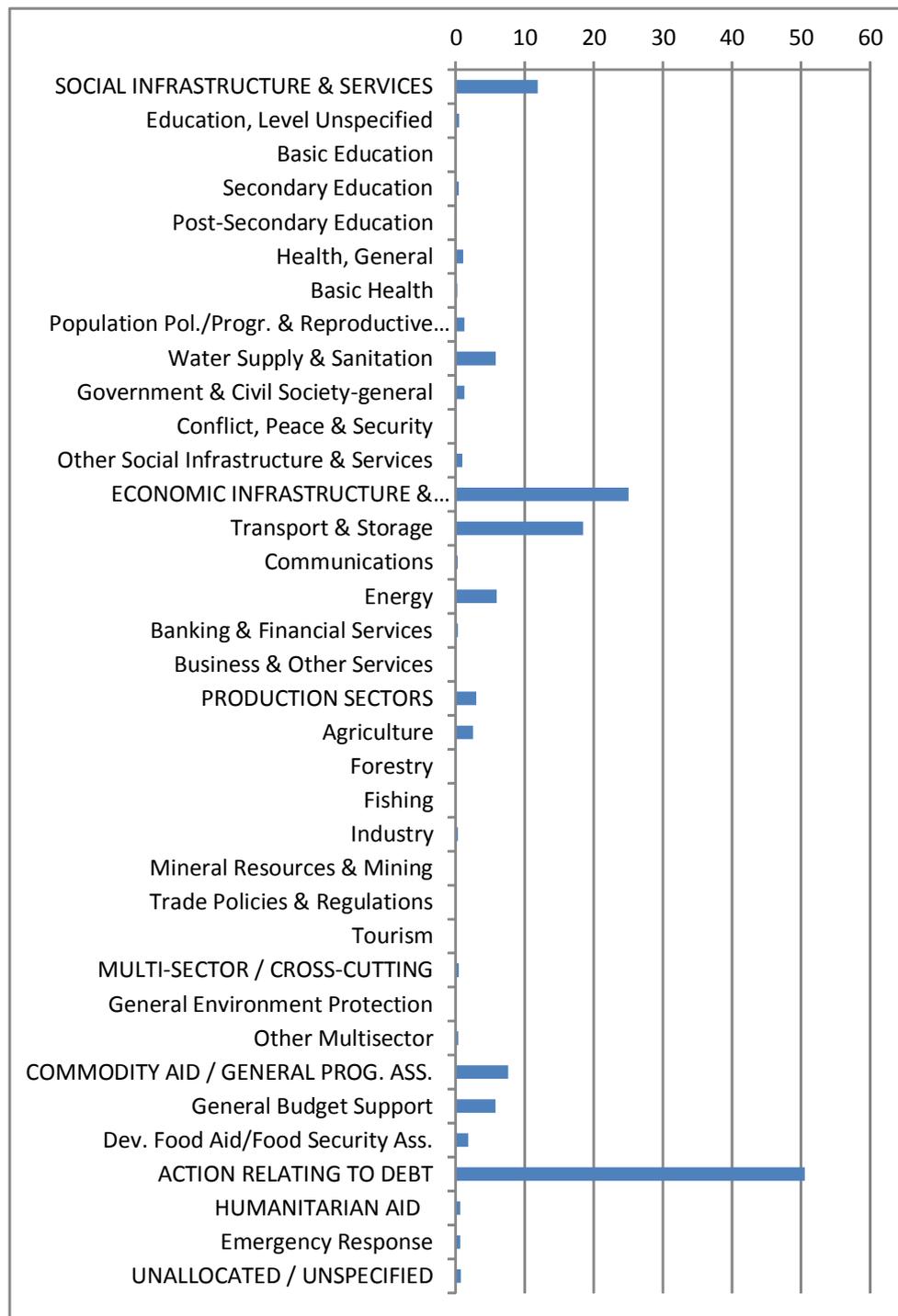
The US spends its aid only very partially in accordance with the declared aid priorities it set for Tanzania. The first priority (see Table 6 above) of 'Governance' is virtually ignored at only 0.8% of the total. Health spending was priority 2 in Table 6, and the US does indeed support this sector to a high degree, family planning in particular. However, while the US listed education (citing particularly primary education and gender equality in the secondary school system as goals) as one of its four priorities, only a very small share of US aid is allocated to the sector. Finally, the US promised to focus on economic growth, and the support for economic infrastructure would fall under this heading. However, the US pledged special support for the agricultural sector while this sector only received 1.1% of total aid. Other sectors named as important for growth, the environment and food security, are essentially absent in terms of real expenditure by the US. One should qualify this impression by pointing out that the US does not pursue support for 'undeclared' policy priorities as such. It remains the case that health is the only established priority sector which is particularly well funded.

### 2.2.2 Japan: aid flows

As was the case with most donors, annual Japanese ODA to Tanzania varied considerably 2005-10 from a peak of US\$ 1 billion in 2007 to below US\$ 50 million in 2005 (see Figure 2). Unusually, Japan dispensed the largest share (over 50%) to Debt relief. Japan also allocated about 25% of the total to Economic Infrastructure and Services, especially Transport & Storage and Energy. The

rest was thinly spread across GBS (6% or so) and small amounts to each of 'Water Supply & Sanitation', health, and agriculture.

**Figure 13: Japanese aid to Tanzania by sector and sub-sector (% of total aid given by Japan to Tanzania 2005-2010)**

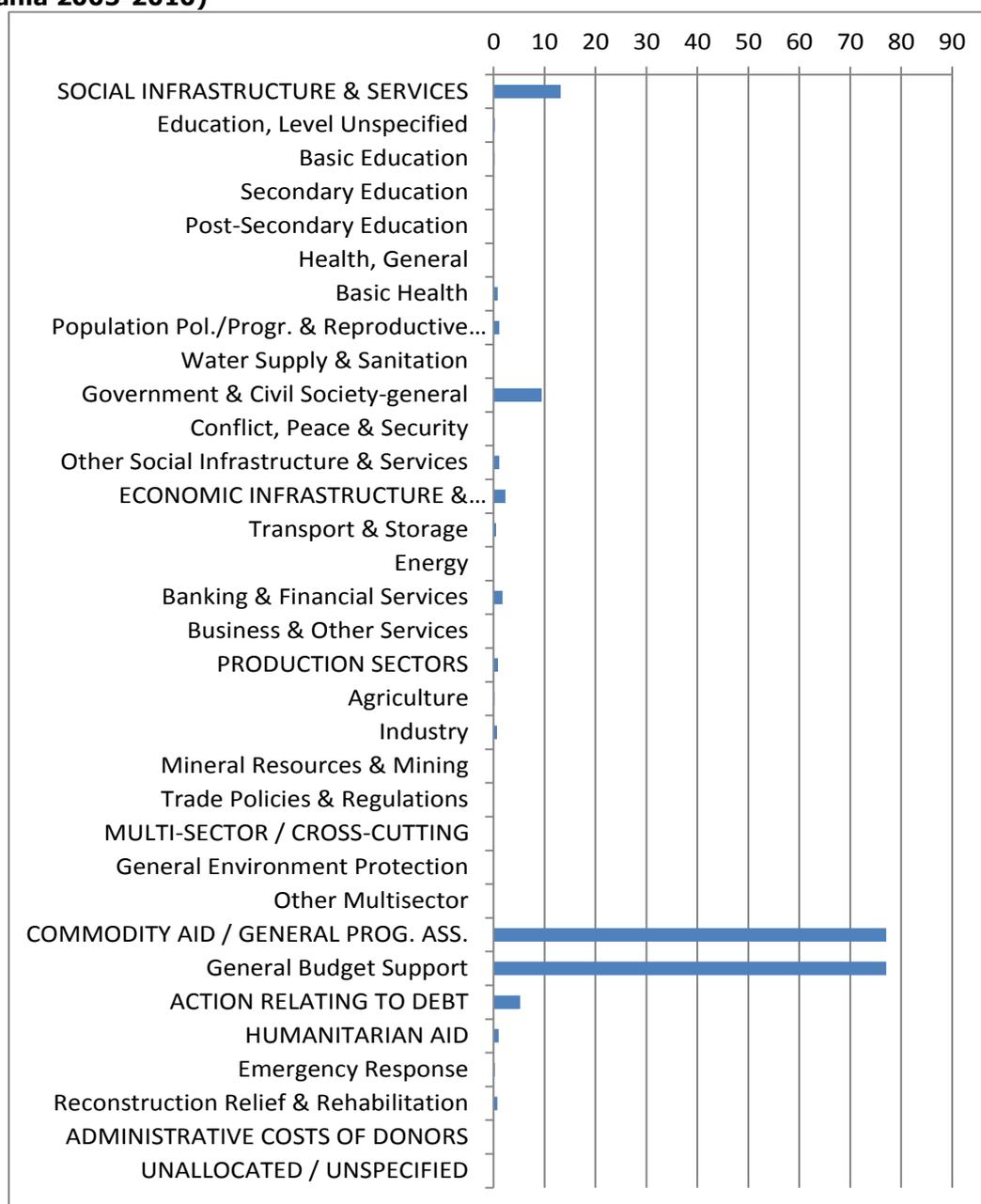


Comparing actual Japanese aid allocation to the priorities established in section C-3.2 above (see Table 7), Japan does indeed prioritise provides debt relief and GBS in line with priority are 1. With the exception of transport infrastructure and support for energy (priority area 3), it is difficult to claim that any of the other priorities are properly met. Agriculture as priority 2 received at best 2.5% and governance (priority 4) only 1.3%.

### 2.2.3 United Kingdom: aid flows

The UK spent some US\$ 200 million a year on average 2005-10 and gave just over 77% of its total ODA in the form of GBS. This is precisely in line with Priority 1 (Table 8 above). The UK's remaining priorities were only catered to, however, in very small measure, except to the extent that GBS might have fulfilled some of these. Some 10% went to 'Government/civil society' and a little to health under the 'Social Infrastructure' heading. Just over 5% was for debt relief. The UK policy priority areas of Education, Health, Wealth creation, Water and sanitation, and Climate Change, not to mention other MDG goals allegedly prioritised such as poverty reduction, were scarcely covered.

**Figure 14: UK aid to Tanzania by sector and sub-sector (% of total aid given by the UK to Tanzania 2005-2010)**

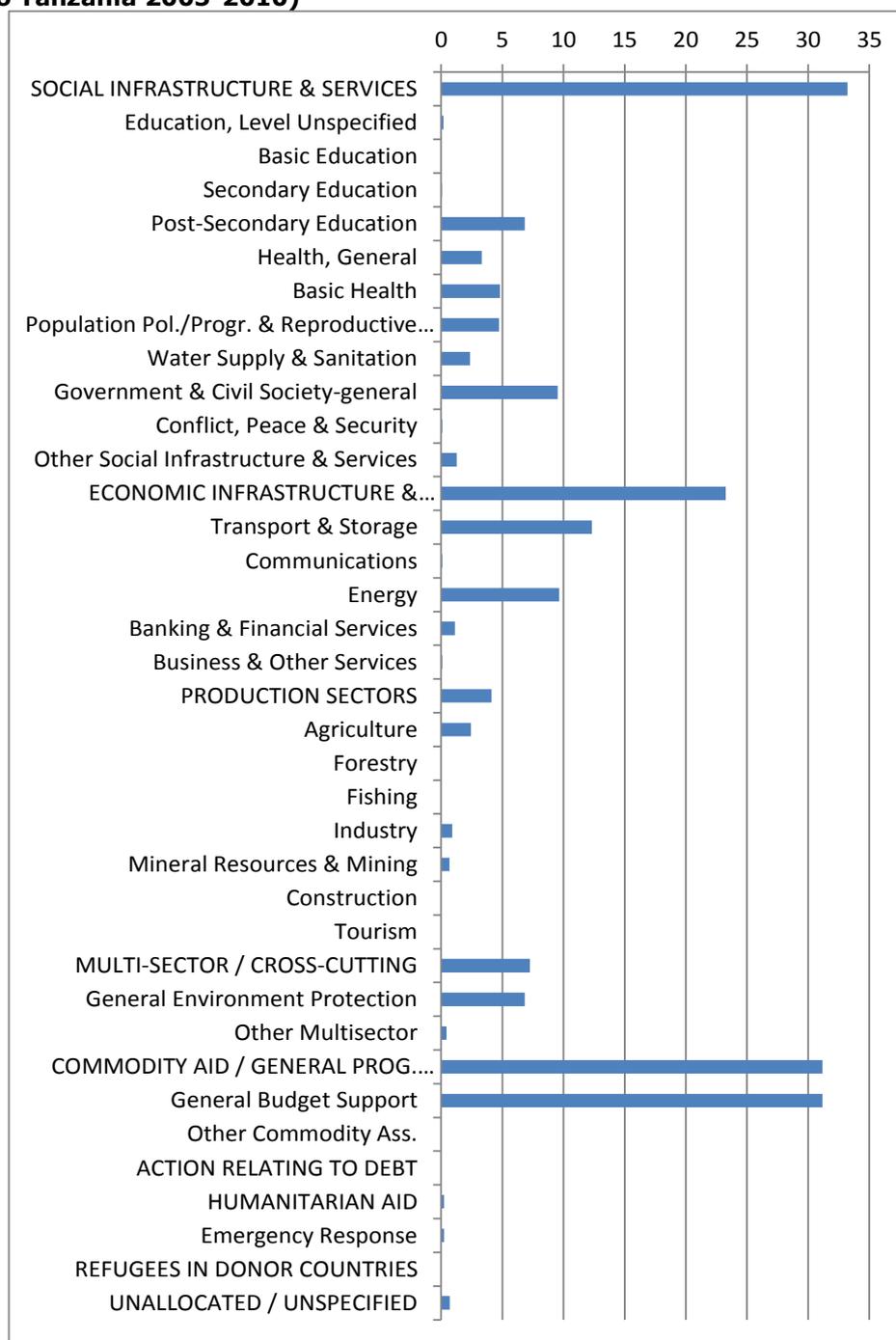


### 2.2.4 Norway: aid flows

Norway's contribution to ODA in Tanzania was relatively small compared to the top three donors at on average around US\$ 120 million per year. Annual Norwegian ODA disbursements also varied as much as the other countries, hitting a 2008 peak of about \$220 million. A little more than 31% went to GBS, with the largest proportion of 33% devoted to 'Social Infrastructure and Services'.

Within this sector, Norway concentrated most of its funds on Government & Civil Society and different types of health expenditure plus (not unrelated) water/sanitation. Just over 23% was allocated to 'Economic Infrastructure and Services', and more specifically 'Transport & Storage' and 'Energy'. Within the 'Production Sectors', Norway has financed several projects in Agriculture, Industry, and Mineral Resources & Mining. Besides these donations, Norway has contributed about 7% to 'General Environmental Protection'.

**Figure 15: Norwegian aid to Tanzania by sector and sub-sector (% of total aid given by Norway to Tanzania 2005-2010)**

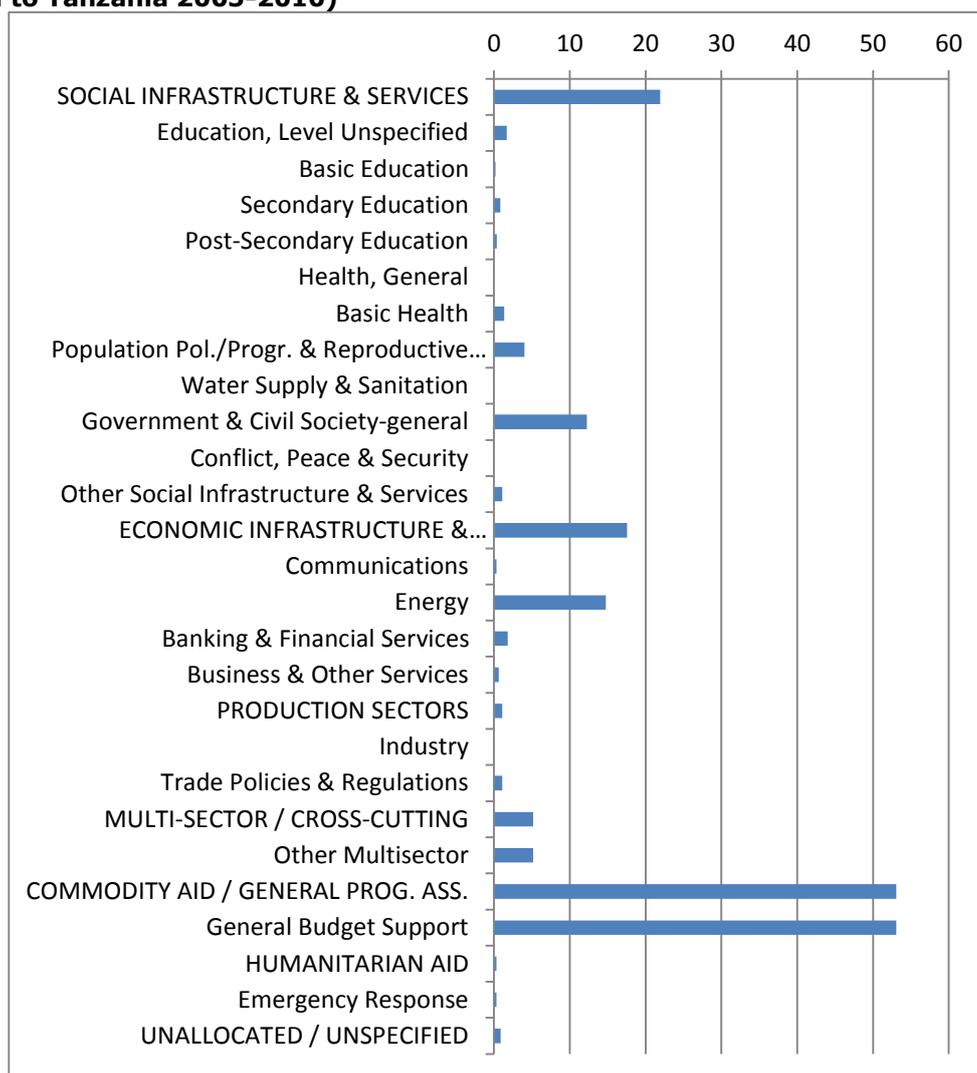


Norwegian aid was largely targeted at the priority areas set by the Norwegian government. As promised, it focused on GBS, Energy, Health, and the Environment and Climate. The focus was nonetheless uneven as the figures show. As a final comment, the transport sector received large allocations, more indeed than energy, but this was not named as a priority for Norway in Tanzania. It is, however (see below), a sectoral priority for Tanzania.

### 2.2.5 Sweden: aid flows

Swedish annual aid disbursements were modest and, again, uneven across the years: around US\$ 100/150 million a year with peaks of \$200 and \$260 million respectively in 2006 and 2009. Like most other bilateral donors, Sweden disbursed most of its ODA as General Budget Support. 'Social Infrastructure and Services' were also considered priority sectors, with most aid under this heading given to Government & Civil Society (12.2% of all aid) and Population Policies/Programmes & Reproductive Health (only 4% of the total). Under 'Economic Infrastructure and Services', Sweden focused its efforts on Energy (nearly 15%). Sweden has also funded small projects for different levels of education.

**Figure 16: Swedish aid to Tanzania by sector and sub-sector (% of total aid given by Sweden to Tanzania 2005-2010)**



Sweden kept to the priorities set in its aid policy for Tanzania (section C-3.5, Table 10), but highly unevenly. Priorities 1 and 2 were indeed GBS and Energy, with Governance and Financial Management identified as priority 5. Priority 5 (Local government/public financial management) and 6 (Human rights/democracy) received modest amounts under support for 'Government/civil society'. Priorities 3 (Trade/Private Sector Development) and 4 (Education) were not well reflected in actual aid flows except to the extent that they might have been covered under GBS. Tanzanian government figures (Figure 7 above) would allow one to claim that priority 5 'Local government/public financial management' may indeed have been so covered.

## Conclusion: Budget and aid flows

This conclusion addresses the three basic questions posed at the outset of this section:

1. Do donors and government live up to their policy commitments with real-time funding?
2. To what extent do donor patterns of expenditure reflect and/or complement GoT policy priorities?
3. Do actual aid and budgetary outlays properly address the needs and preferences of constituents and their representatives?

One should be reminded at this point of the caveat made at the outset of this section: a particular level of expenditure may accomplish a good deal in one sector, and rather less in another. This depends on a range of factors such as the capital intensity of different investments; the difference between an initial investment in infrastructural facilities versus operational costs; and the contrast between provision for extensive economy-wide needs versus more limited or localised requirements, and the like. The real test is in terms of results. Nevertheless, while the analysis attempts to bear this caveat in mind when relating budgetary commitments to established policy priorities, the reader should do so too.

This analysis begins with the budgetary outlays of the Government of Tanzania. In the previous Section C we saw that the national development strategy of the GoT covers some of the development priorities of the Tanzanian public and parliament while neglecting others. In particular, the commitment to infrastructural development was less than prominent or, perhaps, left to donors; meanwhile the environment was included but was not a particular priority for parliament or the people. In general, the analysis in section C revealed that the government was less focused on the concerns of 'everyday life' under conditions of poverty than were, on average, MPs and citizens.

The data presented in this section reveals that the government does not always allocate its available resources fully in accordance with its own declared development priorities. The policy emphasis is on dealing with poverty, inequality, educational opportunities, employment, and precisely the sorts of bread-and-butter economic/social and infrastructural issues that citizens and their parliamentary representatives highlight as top priorities. Yet (and allowing for potential cost differentials across sectors) the real pattern of spending does not yet reflect a proper material commitment to these priorities. In particular, direct measures to raise employment levels and reduce poverty and inequality are less conspicuous than they might be in the pattern of expenditure. In defence of the government's policy stance it might be argued that such a conclusion is perhaps too easy to reach: resources are of course limited, and the government has with some success sought to rebalance expenditure in the direction of established policy by lowering outlays to 'General Public Services'. Furthermore, much of course is being done by donors in concert with the government (via the JAST) in a context of relatively high aid dependency. New revenues from gas and other natural resource discoveries will soon be coming on line to ease the situation. Significant progress may yet be made.

Even if this proves to be the case in the future, the role of parliament may be nonetheless crucial here. Arguably the more effectively that parliament can influence budgetary allocations in line with citizen preferences, the faster the government will achieve its own declared policy goals. We may reinforce the point once again that these top GoT policy concerns are on the whole also top citizen priorities. *They are also precisely those areas where the Tanzanian public and the parliament consistently most negatively rate the performance of the government* (see Figure 5 above). Successful promotion of growth that lifts far more boats than at present, and provides for the basic water/health and transport infrastructure citizens are seeking, is vital to the success and indeed legitimacy of development in the country. New revenue sources will need to be carefully monitored as natural resource development accelerates.

The same conclusion applies to the donors: they do not always live up to their own declared policy priorities. A comparison of the bird's eye view of policy priorities and expenditure patterns that is displayed in Tables 12 (p 42) and 13 (p. 59) is revealing in this regard. The good news is that those donors committed to GBS support do live up to this pledge in real terms (the AfDF funds GBS heavily, but this is not in fact one of its stated priorities, so declared policy is out of line with actual funding). However, while several donors highlight water and sanitation as a high priority, only the AfDF funds it even modestly; the rest devote a low proportion of resources to the sector. The UK, a conscientious donor on the whole, declares water and sanitation to be a high priority *but*

*allocates virtually no funding at all* in Tanzania over the six years under scrutiny.<sup>42</sup> A range of donors highlight health and the education sector as high on their list, but none actually fund these as a priority bar the genuinely heavy US spending on population/reproductive health. A range of multilateral and bilateral donors pledge a high level of support to agriculture, crucial in poverty reduction. Yet they do not match the commitment with funds, giving sometimes only tiny proportions of their total disbursements to the sector. Poverty reduction figures high on the list for donors through their commitment to the MDGs and other policy declarations, yet concrete funding allocation is more difficult to observe. In short, the policies of donors are less than consistent with their actual ODA disbursements during the period analysed, 2005-2010.

The second question concerned the relationship between donor ODA expenditure patterns in Tanzania and the policy priorities of the GoT. Through the 'Triple A' agenda and in practical terms the JAST, donors are committed to national 'ownership' of the aid process and therefore to sharing the policy agenda set by the national authorities. On fulfilling this commitment the donors are not a great deal better than the GoT has been at realising its own development agenda. We have seen how the donor and GoT policy *agendas* overlap to a considerable extent. What becomes clear from the analysis of the ODA expenditure figures is that the overlap of donor expenditure relative to GoT policy falls short on very similar issues that the donors neglect in their own list of priorities (see response to question three below).

In keeping with the terminology in Table 13 on page 59, a 'large/the largest' proportion of aid to a sector means 30% or more; a significant proportion is between 10 and 29%; a small proportion is under 10% of the total. Figures are proportionate so a large % of the total may be a large or modest amount in absolute terms depending on the size of a donor's annual allocation (see Figures 1 and 2 in Section C). General Budget Support is a high priority for the GoT (though it is not a specific MKUKUTA II priority as such), and it does receive a large or the largest proportion of ODA from four donors (EU, UK, Norway, and Sweden), and also significant support from the AfDF. Otherwise, the donors fund few of the GoT's priorities to a significant or large extent. Health, Education, Employment, Water/Sanitation, Good Governance, Agriculture, Growth and Poverty Reduction, and the Environment are all high priorities for the Tanzanian executive. Only the US provides a large proportion of funding to the health sector, and this is very major indeed. All donors give little or no aid to education, and this applies also to water/sanitation with the exception of the AfDF and this proportion of the total is only barely in 'significant' territory. Governance receives significant support from one multilateral and one bilateral donor. Agriculture, crucial for poverty reduction, receives marginally significant flows from only two donors, and water supply/sanitation from only one donor, a bare 11% or so of the total in this case. Otherwise, water supply receives on average little or none at all if all donors are taken into consideration.

The only GoT national priority that receives real and notable direct donor support in terms of ODA expenditure patterns (therefore momentarily excluding GBS from the picture) is an oblique priority in the first place. GoT support for infrastructural development can be gleaned from its policy documents (see section C) but cannot be considered a high priority as a result. In turn, economic infrastructure receives (marginally) large proportions of funding from the IDA and AfDF, and a significant slice from all the others except the UK. Transport e.g. roads infrastructure (where investment is relatively costly) is the most prominent sub-sector here, and it receives a significant proportion of funding from six donors, and a borderline large proportion from the AfDF.

The third question concerned the correspondence between donor aid flows and government expenditure patterns 2005-2010 versus the preferences and needs expressed by public and/or parliamentary opinion. The analysis of government outlays is relatively straightforward. The government, especially after accounting for the large proportion that goes on 'General public services' (45% in 2007-08, 25% of funding in 2009-10; most of this funds the executive and the legislative organs) plus defence and public order (about 5% each), has in the first place relatively little left over to divide among the other budget lines, despite substantial GBS support from donors. Only the transport (again, investment is relatively costly here), education, and 'other economic' sectors received more than 10% ('significant') of the total in 2009-10. Health was next at about 5%. In short, due to a relative shortage of resources and a skewed allocation to funding the executive and the legislature, the GoT funds few of even its own priorities in a manner commensurate with their importance to constituents and MPs, even accounting for sectoral cost differentials.

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<sup>42</sup> Only US\$ 1.66m 2005-2010 on a total aid budget of US\$ 235 million, or \$275k on water per year.

What about the donors and their ODA budgets? Looking at the broad picture across all donors (Figure 8), we can see that just over 21% of total ODA to Tanzania is given as GBS and therefore reappears as government expenditure in the national budget. If applied to the relevant priorities, this assistance helps fund the implementation of the national development strategy, although we have seen that this is not entirely the case in reality. The largest portion of donor support by far (41%) went to 'Social infrastructure and services' such as water/sanitation, health/population, education, and governance/civil society. This was followed by support for 'Economic infrastructure and services' (20%) and the production sectors (nearly 7%). This all adds up to almost 90% of total aid in the six-year period, and the remainder went to debt relief, multi-sector/cross-cutting (mostly environment), and humanitarian aid. Depending precisely on how one ranks the various competing priorities, this very broad overview implies that aid allocation is not apparently greatly out of line with the government's policy. In relation to the top priorities of public opinion and of the parliament, arguably greater attention to direct measures for the relief of poverty, job creation, and basic health/sanitation could be encouraged. Nonetheless, any firm conclusions require the more nuanced and less sanguine analysis below.

It was argued above that if one 'bundles' the economic development/poverty 'daily life' concerns of citizens revealed by Afrobarometer, these form the most important development priorities for the Tanzanian people and their parliamentarians. As far as 'single' issues are concerned, citizens consistently listed water supply, infrastructure/roads, and health as the top concerns. These are on the whole far from unrelated to the 'economic development/poverty' such as to form part of the 'daily life' bundle. Once again, public opinion is well-represented by the concerns of parliamentarians. Need here is extensive across the economy, and investment in facilities relatively costly. How well do the donors deliver on these development concerns during the period 2005-2010?

We may refer to Table 13 below and compare the pattern to the analysis of citizen and MP preferences in sections C-4 and C-5 above. **Social Infrastructure and services** was a large or at least significant segment of aid for all the bilateral and multilateral donors covered. The general picture hides much, however, and the breakdown into subsectors varied considerably. Not one donor allocated a large/largest proportion of their total aid to water supply, yet this is consistently the top priority for Tanzanian public opinion and the parliament. The AfDF was the only donor that spent a 'significant' share of its aid on this sub-sector. The IDA, EU, US, Japan and Norway allocated only small shares of aid to water supply and sanitation and this sector was almost or completely neglected by the UK and Sweden. Health provision is another consistently high priority for Tanzanians yet only one country, the US, devotes a large (in this case by far the largest) proportion of aid to the sector. Except for Norway (a 'significant' amount by a small margin), the other donors only allocate small shares of their budget to health.

**Economic Infrastructure** and especially transport constitutes a declared development priority across all donor policies. Two donors (the IDA and the AfDF) devote a 'large' proportion (i.e. over 30%) to this sector, and the remainder of the major donors with the exception of the UK devote 'significant' amounts (10-30%) to this purpose. The largest proportion of this by far goes to transport infrastructure (while the UK and Sweden devoted little or nothing). Support for infrastructure/roads is high on the list of concerns for public opinion, and for parliament as well, so the fit between expenditure and stakeholder preferences is good. Most donors (the only exception was the UK) also allocated at least some resources to energy (e.g. electricity supply) and this was a significant segment of expenditure for Sweden with the US and Norway on the 'small/significant' borderline.

So far the fit between donor allocations and citizen/parliamentary preferences is good on the (admittedly relatively expensive) economic infrastructure front, though not very good as far as the stakeholder priorities under social infrastructure are concerned. Looking once again at other, indeed higher, priorities of Tanzanian public opinion and parliament we see a less optimistic picture. Many of the issues that are listed at top priorities are not specifically targeted by the donors. **Unemployment** as well as poverty, food security, wage levels - all these basic bread-and-butter issues that can be bundled as 'daily life' concerns, are by far the most important development policy priorities for the Tanzanian people. Although it is not always easy to pin down the donor's direct efforts in this area, donor expenditure on education, on economic infrastructure and services, and on production sectors such as industry (jobs, salaries) and to agriculture in poor rural areas may be expected to have a positive if sometimes longer-term impact on employment and poverty relief. However, the Tanzanian Government was the only actor that spent a significant share of its budget on education. Moreover, while almost all donors spent at least significant shares of their

aid on economic infrastructure, only the IDA and the AfDF invested even a 'significant' amount in agriculture. It should not be forgotten that by far the majority of the Tanzanian population is employed in (usually subsistence, low productivity) agriculture, so need is extensive and far from localised. More concrete measures aimed at reducing poverty and its impact on people seem to be lacking despite the overall MDG commitment to this goal

So many of the key development priorities of the Tanzanian public and parliament are neglected by both the government and its donors in terms of real patterns of annual expenditure in the period under consideration. Most money is not spent on solving the key development problems in the country. Top priority sectors which receive relatively little aid are: education, health, and water supply and sanitation. The production sectors, including agriculture, also receive little aid while this sector is essential for creating employment and improving food security. In theory, the large amounts of GBS could be used to assess the priorities that are not specifically targeted by the donors. However in this regard it is problematic that the GoT also neglects many of the key development priorities of its people.

Furthermore, some issues are targeted that are rather far from being priorities for citizens and their representatives, but fortunately these are on the whole not substantial. The aid expenditure on 'Government/civil society' stands out here, and in this sector a relatively low level of expenditure can go a long way. Two donors allocate significant amounts of aid to this sector, and all devote at least some (of which two are borderline 'significant/small'). It is most likely the case that aid for improving the quality of governance, for example to the parliament itself or to improve vital service delivery to the poor, may have highly positive long term consequences for development. Aid for environmental sustainability is another example and in no way would one wish to argue that this goal is unimportant. Furthermore, there is of course nothing wrong with donors supporting sectors or priorities that the government of an aid-dependent country cannot fund, *but not if this is clearly at the expense of the top priorities of the national representatives and their constituents*. The fact that aid flows are not properly targeted towards the core development problems as indicated by the Tanzanian public and the parliament is even more problematic since the development policies of the government and the donors *promise otherwise* in their own policy statements. There is a need to re-allocate aid to Tanzania in order for it to better address the needs and preferences of the Tanzanian people and to better fit what donors promise to do in the first place.

In short, both donors and the Tanzanian government are less than loyal to either their professed policy priorities or to the most important of stakeholders in the country – parliament and the electorate. In some of these sectors, need is extensive and investment costs relatively high, so one ought to expect to see high headline expenditure figures. A better score on this front could result in both more inclusive and more effective development. Here we return to some of the institutional weaknesses of parliament identified by MPs in the parliamentary survey discussed in section C-5 and the conclusion to section C above. Parliamentarians *themselves* identified capacity problems in terms of representation, accountability, and parliament's impact on policy. If neither government nor the donors listened adequately to parliament, this was to some considerable extent related to the failure of either to provide sufficient and timely information to parliament on the pattern of expenditure in their respective budgets. Parliamentary resources aimed at oversight and accountability were also insufficient, and this was exacerbated (perhaps caused?) by the fact that parliament is not permitted to set its own budget. A more institutionalised form of parliamentary participation in the aid and budget allocation process is certainly required if parliament is to influence decision-making more effectively in line with the most important constituents in the country – citizens, most of whom are poor or only modestly better off. There is a clear case for parliament asserting itself and for strengthening considerably the policy 'feedback loop' so as to render both donors and the government more accountable.

**Table 13: Summary of aid flow patterns**

GoT = 2007-10; DONORS = 2005-10 =>	Tanzanian Government	IDA	EU institutions	AfDF	US	Japan	UK	Norway	Sweden
<b>GENERAL PUBLIC SERVICES</b>		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>SOCIAL INFRASTRUCTURE AND SERVICES</b>									
Education									
Health									
Water Supply & Sanitation									
Government & Civil Society	n/a								
<b>ECONOMIC INFRASTRUCTURE AND SERVICES</b>									
Transport Communications & Storage									
Energy									
<b>PRODUCTION SECTORS</b>									
Agriculture									
Industry									
<b>ENVIRONMENT</b>									
<b>GENERAL BUDGET SUPPORT</b>	n/a								
DEBT RELIEF	n/a								
EMERGENCY RESPONSE									

- Large(est) portion of aid goes to this sector (30% +; split cells = borderline)
- Significant aid goes to this sector (10-29%; split cells = borderline)
- Little aid goes to this sector (less than 10%; blank equals negligible or nil)

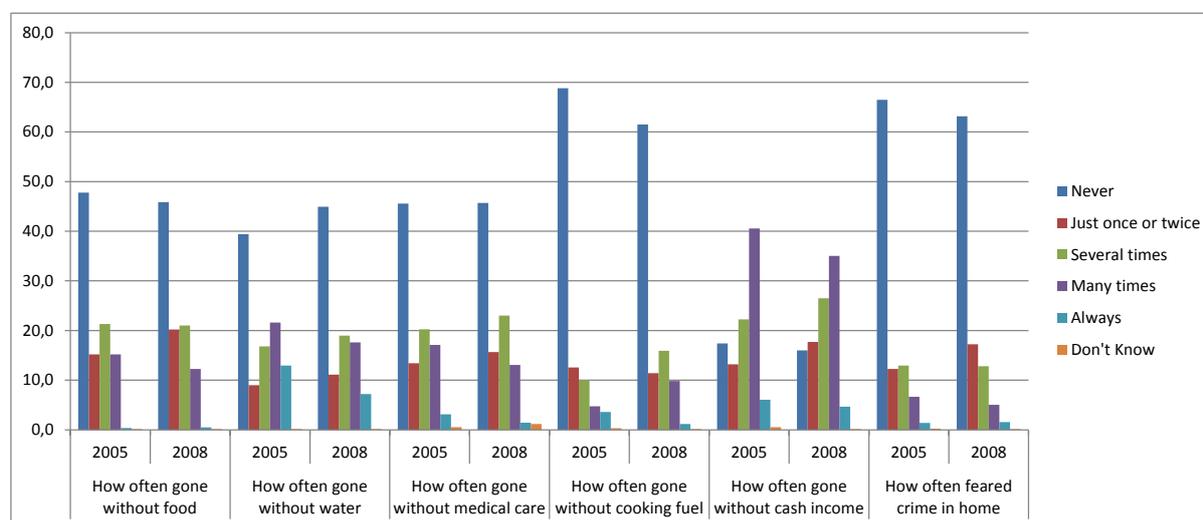
## E. DEVELOPMENT INDICATORS

The previous sections have analysed and compared the development priorities of the Tanzanian government, parliament, and public opinion, as well as of Tanzania's most important donors. These policy priorities were then juxtaposed on the actual pattern of development funding of the GoT and of the donors. The central thread of the analysis was to establish the extent to which policy priorities were consistent with actual budgetary commitments, and to what extent policy decisions might correspond to the needs and preferences of the Tanzanian public and their representatives in the National Assembly. This section links this analysis to actual development results: Tanzania's progress as analysed through a range of development indicators. Looking at Tanzania's development progress allows us to assess the extent to which the development policies and real-time expenditure patterns of the GoT and its major donors have led to actual improvements on the ground. Progress is measured through the World Bank Indicators, the MDGs, and the Human Development Index. In turn, results can be related back to the development priorities of the average constituent in the country. Employing the results of the constituency consultations and parliamentary survey data generated by the project alongside the Afrobarometer public opinion data, indicators of development progress can also be analysed in relation to popular and parliamentary perceptions and assessments of success or lack thereof. In essence, how do 'objective' development indicators compare with the perceptions of relative success/failure of parliamentary representatives and their constituents?

### 1. Afrobarometer poverty indicators

A section of the Afrobarometer survey assesses in what ways and how often Tanzanians 'experience' poverty. Figure 17 below allows us to assess progress being made on several concrete consequences of poverty in the daily lives of adult Tanzanians. Afrobarometer asked respondents to state whether they had suffered deprivation of basic needs in the last twelve months, and how often if at all. Figure 17 gives response from both the 2005 and 2008 surveys.

**Figure 17: Trends in Poverty (percentage going without basic needs at least once in the last 12 months)**



Source: Afrobarometer 2005 and 2008

As we can see, the situation changes relatively little between 2005 and 2008, although there is minor progress on some fronts. Fewer people went 'many times' without food, water, medical care, or cash income; fewer (but still a notable proportion) of respondents were constantly without water. On the whole the situation in terms of medical care was little changed, while the situation in terms of fuel provision may have worsened slightly (due no doubt to the price rises that occurred). The number of respondents experiencing a lack of cash income increased slightly – although fewer gave 'many times' as their response. Respondents fearing crime in the home increased slightly across all responses given.

Yet the situation remains one of major challenges. In 2008, about 32% of respondents had experienced episodes of hunger several or many times. Some 8% of people were constantly without water. Well over 50% reported being without money 'several' or 'many' times, and 5% 'always'. The image that emerges fits particularly well with the data seen above in Figures 3, 4 and especially 5: public opinion clearly sees these problems of water and deprivation as the biggest problems in the country. When asked, citizens rated the performance of their government on these issues poorly. In sum, public opinion did not see much genuine progress in terms of development between 2005 and 2008, although the results of the next Afrobarometer survey expected in 2013 may hopefully reveal a better picture.

## 2. UN Millennium Development Goals

The latest report that was published on Tanzania's progress towards the MDGs is the Mid-Way Evaluation for the period 2000-2008.<sup>43</sup> Drawing on the United Nations Development Programme's (UNDP) analysis, the section below assesses Tanzania's progress on each of the eight MDGs.<sup>44</sup> The image presented by public opinion appears to be confirmed by the figures.



### GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

National targets 1) halve between 1990 and 2015, the proportion of people whose income is less than one dollar a day; and 2) halve between 1990 and 2015, the proportion of people who suffer from hunger: *given the slow progress in reducing poverty, Tanzania is unlikely to meet the targets for MDG1 in 2015. This is also reflected in Tanzania's revised income poverty target of 24 per cent by 2015 (under MKUKUTA II), which is higher than the MDG target of 19.5 per cent.*

Despite the high rate of economic growth in recent years, averaging around 7 per cent per annum, poverty dropped by only two percentage points during 2001-2007. The level of poverty remained high at 33.6 per cent and the absolute number of poor people has increased by 1.3 million during the same period. High growth has not translated into a corresponding reduction in poverty as the economic growth has not been pro-poor.

The challenge of meeting this MDG target lies in the mainly rural nature of poverty. The rural population, accounting for over three quarters of the population, depends mainly on agricultural livelihoods. Agriculture also accounts for close to a quarter of GDP in the Mainland and 23 per cent in Zanzibar. The performance of the agricultural sector has not been satisfactory in terms of growth, being the slowest growing sector in both economies. Public and private sector investment in agriculture has remained small and inadequate despite elaborate (though, see conclusion to section D, in fact poorly funded) policies to promote development. Support to the agro-processing industry has also been modest, with the end result being agricultural exports comprised mainly of unprocessed primary products. These products face declining terms of trade in the world markets thus undermining incentives for small scale producers. Revenues from recent gas and oil discoveries may provide a way out if properly used in line with the needs and preferences of poor Tanzanians.



### GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

National target 3) ensure by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling: *having already reached the primary gross enrolment rates and a primary net enrolment ratio of 97.2 per cent in 2009, Tanzania is very likely to achieve MDG2 in 2015.*

Basic education across Tanzania has long been a government objective and has been actively pursued over time. Most indicators in education have registered improvement over time. By 2009,

<sup>43</sup> <http://www.tz.undp.org/docs/mdgprogressreport.pdf>

<sup>44</sup> [http://www.tz.undp.org/mdgs\\_goals.html](http://www.tz.undp.org/mdgs_goals.html)

net enrolment rates in primary education had slightly declined to 95.9 per cent from 97.2 per cent in 2008 in the Mainland while in Zanzibar it had risen to 83.4 per cent from 77 per cent. There is near gender parity with regard to enrolment of girls and boys at the primary school level. However, primary school retention rates dropped from 78 per cent in 2006 to 62.5 per cent in 2008. Retention of girls is slightly better than that of boys. There is still concern about the performance of girls in primary school leaving examinations. Transition rates indicate that Secondary School enrolment is up with a near gender balance at entry. However, later on, the retention of girls drops substantially with a ratio of 2 boys to 1 girl.

Adult literacy is relatively high, once again the result of long-standing policy, but improvement is slow or absent. In 2007 the literacy rate among age 15+ was 72.5 per cent (80 per cent for men and 66.1 per cent for women). Overall, about 27.5 per cent of Tanzanians cannot read and write in any language. There is more illiteracy among women (34 per cent) than men (20 per cent). The target of eliminating illiteracy by 2015 remains challenging particularly for rural women. Several other challenges remain. Key among them are ensuring cohort completion (62.5 per cent in 2008), the quality of education (high pupil/teacher ratio of 54:1 in 2009) as well as improving the pass rate at the primary school leaving certificate (52.7 per cent in 2008).



### GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

National target 4) eliminate gender disparity in primary and secondary education preferably by 2005, and to all levels of education by 2015: *while gender parity at primary and secondary level has already been achieved, that in tertiary education is progressing slowly. Progress has also been made in the representation of women in parliament (the policy of 'special seats'). Overall the MDG 3 is likely to be achieved.*

There are still gender disparities in enrolment at upper secondary and tertiary levels. The main gender disparities are in retention and performance of girls. Moreover, early pregnancies and marriages continue to contribute significantly to school dropout among girls in both rural and urban areas. The target year for this goal was 2005 for primary and secondary level enrolment and 2015 for other levels of education. In both the Mainland and Zanzibar the target for primary and secondary levels was close to being achieved in 2005. For other levels, especially tertiary, the target will be reached in the Mainland where special programmes have been designed to increase enrolment of girls and especially in science subjects

Despite the supportive environment, many challenges remain including: gender dimensions of poverty such as discrimination and harassment of women, access to basic services such as health and education, excessive workload for women e.g. in rural households (water!), impoverishment and harassment of widows. Others include low participation of women in decision-making, greater risk and vulnerability of women and girls to HIV infection, and responsibility for and the cost to families of home-based care for orphans and family members infected by HIV/AIDS. A major challenge remains in the enforcement of gender sensitive laws due to prevailing negative attitudes and norms towards women.

In order to achieve and maintain gender equality and the empowerment of women, it is important: to sustain efforts that promote school enrolment and retention of girls; to open more opportunities at tertiary level in particular to promote and provide incentives for a higher enrolment and retention of girls; to ensure that women's voices are better heard and heeded by encouraging more (and especially *rural* women) to contest places on national and local representative bodies. In addition, the voice of rural women may be increased through economic empowerment. Likewise, institutional mechanisms for creating and sustaining an enabling environment for women's participation in politics could be strengthened, and public officials could be held more accountable for responding actively to the concerns raised by rural women as well as for achieving concrete results.



#### GOAL 4: REDUCE CHILD MORTALITY

National target 5) reduce by two-thirds, between 1990 and 2015, the under-five mortality rate: *MDG targets on child and infant mortality are very much on track. Vaccination against measles is progressing well. Overall, MDG4 is likely to be achieved.*

Most child deaths are due to malaria, pneumonia, diarrhoea, malnutrition and the complications of low birth weight as well as HIV/AIDS. Neonatal mortality accounts for some 50 per cent of infant deaths, while malnutrition is the underlying factor in more than 50 per cent of child deaths. Census data and also on-site monitoring data suggest a decline in both infant and under-five mortality rates. On the mainland, under-five mortality decreased from 191 per thousand live births in 1990 to 133 in 2005 and further to 81 in 2010 and on Zanzibar from 202 in 1990 to 101 in 2005. Infant mortality also declined from 115 (1990) to 68 (2004) and further to 51 in 2010 (Mainland) and from 120 in 1990 to 83 in 2005 (Zanzibar). The most significant contribution to the reduction of under-five mortality came from: improved measures to control malaria, Acute Respiratory Infections, and diarrhoea; also improved personal hygiene and sanitation in the local environment; and the promotion of preventative in addition to curative health services.

The main challenges in health services delivery include: underfunding, which affects especially the available physical infrastructure and the procurement of equipment and instruments; inadequate availability of drugs and care at times of need; and an inadequate human resource base. Another challenge confronting the country is that mechanisms to cope with rapidly changing medical technology are not yet properly present. The HIV/AIDS epidemic, recurrent cholera outbreaks, and the threat of avian flu all threaten an already weak system. These problems are compounded by the rising cost of drugs, not to mention the increasingly drug-resistant strains of microbes which necessitate the use of expensive combination therapies and multidrug treatment. Other challenges include substantial urban/rural, regional and socio-economic differences – poor rural children are more likely than their urban counterparts to die or be malnourished.



#### GOAL 5: IMPROVE MATERNAL HEALTH

National target 6) reduce by three-quarters, between 1990 and 2015, the maternal mortality rate: *the very slow progress in reducing maternal mortality in the past means Tanzania is off track in pursuing MDG5 and the target is unlikely to be achieved by 2015.*

Statistically, maternal mortality contributes to only 2.3 per cent of total mortality (but is of course a considerably higher contributor to mortality among women of reproductive age) while still births make up 6.7 per cent of total mortality. Maternal mortality may also occur because of poor health including malnutrition. Over half of expectant women deliver at home and not at health facilities and as such may not be attended by skilled personnel or have access to Emergency Obstetrics Care (EmOC). The most recent data shows that the maternal mortality situation has improved somewhat from a deteriorating trend observed in the mid-2000s in Tanzania.

The estimated maternal mortality rate in 2010 was 454 per 100,000 live births, an improvement from 578 in 2005 and 529 in 1999. Even with this turnaround the challenges of reducing maternal mortality to the targeted levels under MDGs are enormous. Improvements have also been made in the proportion of births attended by skilled health personnel (41 per cent in 1999, 46 per cent in 2004 and 51 per cent in 2010), and births taking place in health facilities (44 per cent in 1999, 47 per cent in 2004 and 50 per cent in 2010). The slow progress in reducing maternal mortality on the Mainland is compounded by the impact of the HIV/AIDS epidemic. Most of the maternal deaths are preventable, hence the need to ensure continuum of care from the community level.

Reducing maternal mortality requires urgent improvement in the following areas: greater access to EmOC; requiring expectant mothers to receive routine voluntary counselling and testing for HIV/AIDS; establishing maternal obstetric theatres and surgical intervention capacity in remote and more disadvantaged areas (at the Health Centre level); upgrading the skills of Assistant Medical Officers to enable them handle maternal operations at the health centre levels. The incentive provided to skilled staff to work in remote locations should also be increased. Other

measures include making the referral system more responsive to emerging challenges; improving accessibility by minimizing the distance travelled to health and reproductive health facilities; and addressing the human resources crisis by enhancing both skilled staff deployment and the skills mix.

Other challenges include addressing infrastructure problems and increasing facilities to meet the needs of rural areas; improving the quality of health and reproductive services to which women have access; and improving the status of women in society e.g. education, property rights and decision-making. Other areas include improving training to impart the required skills (obstetrics); improving employee motivation in order to retain human resources in the health sector; decentralizing decision making to the local level; and involving communities in health services management and 'ownership'.



## **GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES**

National targets 7) halt and begin to reverse the spread of HIV and AIDS; and 8) halt and begin to reverse the spread of malaria and other major diseases: *Tanzania has made a substantial progress in combating HIV/AIDS, particularly since 2000 and the MDG target is likely to be achieved as the current prevalence rate is 5.7 per cent against a target of below 5.5 per cent by 2015. While progress has been made in the fight against malaria, the likelihood of achieving the relevant MDG target depends on further and vigorous effort. Combating tuberculosis is below target at the moment and a greater effort is needed to achieve the target by 2015.*

Progress has been made in reducing HIV prevalence in adults from 9.4 per cent in 2000 to 5.7 per cent in 2007, approaching the MDG target. The prevalence rates among women declined from 7.7 per cent in 2003 to 6.3 per cent in 2007 while that among men dropped from 6.8 per cent to 4.7. Youth HIV prevalence rates have dropped quite substantially; from 4.0 per cent to 3.0 per cent among young women in the 15-24 year age group and from 3.6 per cent to 1.1 among young men in the same age group.

Although the overall HIV prevalence rate is declining gradually, the prevalence rate among the most vulnerable groups appears to be on the rise, thus threatening the sustainability of recent overall success. Of concern are the increased HIV prevalence rates in some regions - sometimes as high as 15 per cent (e.g. Iringa) - combined with slow overall progress in the reduction of prevalence among women. Although knowledge regarding HIV transmission and prevention is widespread, men and women have yet to transform this knowledge into behavioural change. In addition, there is a low level of knowledge concerning the prevention of mother to child transmission. In 2008, only an estimated 40% of HIV-positive pregnant women received nevirapine prophylaxis or ARV treatment. Although this was an improvement, the progress has been slow. Many are unwilling to undertake HIV Testing through the established VCT service centres because of the widespread stigma and discrimination attached to HIV/AIDS.

Malaria is a leading cause of morbidity and mortality in Tanzania, accounting for about 40 per cent of all outpatient attendance. In recent years the pattern of infection has changed dramatically, spreading to areas previously known as being malaria-free. Overall, malaria incidence decreased from 31,603 cases per 100,000 in 2003 to 27,030 cases in 2007. In Zanzibar the rate has dropped from 186 cases per 100,000 population in 2004 to 164 in 2006 and further to 158 in 2007.

Despite all these efforts, morbidity and mortality due to communicable and non-communicable diseases remains a big problem. Malaria continues to impose a high burden in both social and economic terms leading to low productivity. It is the leading cause of death in all age groups except for children under-five years, where it ranks sixth among top ten causes of deaths. Rural areas suffer more than the urban. The challenges include the high cost of malaria treatment, increasing parasite resistance to cheap anti-malarial drugs, leading to frequent change of malaria treatment guidelines to include expensive Artemisinin-based combination therapy. The high prevalence of HIV/AIDS increases the prevalence of other diseases such as malaria. Finally, in particular rural poverty levels affect issues such as access to mosquito nets and the affordability of malaria treatment.



## GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

National targets 9) to integrate the principles of sustainable development into national policies and programmes and reverse the loss of environmental resources; and 10) halve by 2015, the proportion of people without sustainable access to safe drinking water and sanitation (%):

*Given that the deterioration of the environment continues unabated and progress is very slow toward providing access to safe drinking water, especially in rural areas, it appears unlikely that Tanzania will achieve the MDG7 targets. However, there is substantial progress: the targets concerning improved access to drinking water in urban areas and improved sanitation are likely to be achieved. Overall, achieving all targets under MDG 7 is unlikely.*

Tanzania's natural environment is of major regional importance. Recent statistics indicate that some 36% of Tanzania was covered by natural forest and woodland in 2007, down from 46% in 2005. The rate of deforestation is estimated at 412,000 ha (4,120 sq. km.) per annum. A total of 17,449 square kilometres has been designated as protected areas. 'Protected Areas' (PA) in Tanzania are; (in declining order of conservation rank): National Parks, Forest Nature Reserves, Game Reserves, and Forest Reserves, the Ngorongoro Conservation Area and Wildlife Management Areas.

New dimensions of the environmental challenges in Tanzania have emerged: loss of biodiversity and wildlife habitat; destruction of coastal, marine and wetland ecosystems; land erosion and declining soil fertility; unsound disposal of plastic materials; increased deforestation and degradation of the forest environment threatens ecosystems and has a negative impact on soil fertility, water flow and biodiversity; unsustainable mining activities, especially by small scale miners. Moreover the general level of poverty and low level of education especially in rural areas has led to unsustainable use of environmental resources which is exacerbated by a lack of efficient property rights registration. If this were not enough, the enforcement of existing regulatory conservation instruments is weak and baseline data availability is also weak.

Tanzania is on track to achieve the target of access to basic sanitation but is unlikely to meet the target on safe drinking water. Firstly, sanitation: a high proportion of households (87 per cent) use pit latrines while 9 per cent have no toilet facility at all. This is higher in rural areas (11 per cent), while in urban areas only 1.5 per cent of households do not have access to sanitation. Secondly, access to water: remoteness from to drinking water sources in rural areas imposes a heavy workload on women and children. By 2007, 57 per cent (53 per cent in 2003) of rural households and 83 per cent (73 per cent in 2003) of urban households on the Mainland had access to improved water sources. The main problem is the slow pace of improvement in rural areas. The prospects for meeting the target for urban households remain reasonable provided that action is taken. In Zanzibar access to safe drinking water in rural areas improved from 46 per cent in 2000 to 59 per cent in 2005 indicating the prospects of achieving the MDG target. Nonetheless, in Zanzibar 47 per cent of rural households still use unprotected sources of drinking water.

The challenge concerning water provision is above all in the vast rural areas where the majority of the population lives. Urban schemes also are capital intensive and therefore expensive. Developing a multi-sector approach to include, for example, the health sector is also important. Most diseases could be contained by improving access to safe drinking water.



## GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

National targets cover the development of a non-discriminatory trading and financial system (regulatory issues); dealing with debt problems; developing employment opportunities (especially for youth); and improving accessibility of new technologies: *Tanzania has implemented a number of core policies and structural reforms which have improved confidence in the economy and led to an improvement in the flow of ODA and Foreign Direct Investment (FDI)*

Tanzania has implemented a range of core important policy and structural reforms including: Trade and Exchange Rate Liberalization, Public Service Reforms, Investment Promotion, Tax Reforms, Financial Sector Reforms, Legal Sector and Local Governance Reforms, the National Anti-

Corruption Strategy, Mini Tiger Plan (export promotion), and others. These have improved investor confidence and enhanced ODA and FDI flows. Tanzania remains among the largest foreign aid recipients. The move towards emphasising the budget support mechanism has somewhat improved the predictability of inflows and therefore also budget planning and execution. This helps the debt situation: the external debt stock had declined from US\$ 7,384 million (106.9% of GDP) in 1997 to US\$ 5,846 million (34.6% of GDP) by 2007 and further declined to USD 5,811.1 million in 2008. By and large, the majority of the external debt stock is comprised of debt to multilateral agencies, although bilateral, commercial and export credit continue to be important sources of external resources. The drop in the external debt stock is mainly a reflection of the benefits of the debt relief under the HIPC initiative. Growth performance has been good on average but uneven regionally and across income strata; youth unemployment has remained the highest among all age categories, especially in urban areas. Market access for exports has been eased through regional co-operation in two groupings - the East African Community (EAC) and Southern African Development Co-operation (SADC) - as well as through EU and US efforts to reduce barriers to African exports. Export Processing Zones and other special economic zones have also been aimed at export promotion.

The principal economic challenges are the following:

- *Exports*: Tanzania's exports still face high tariff and non-tariff barriers in developed countries, including developed country farm subsidies.
- *ICT*: Despite Tanzania's ICT policy, technology transfer from developed countries remains difficult. An attempt is being made through the establishment of the Millennium Village in Tabora.
- *Aid predictability*: While there has been progress, aid predictability has remained variable for so-called basket funds and yet more problematic where direct project funds were concerned. This is due to the ongoing maintenance of separate donor systems of resource delivery and project management.
- *Integration of external resources in the Government budget and Exchequer system*: Only some Development Partners have started to use the Exchequer system for disbursing project funds. The use of the Exchequer system is impeded by the nature of project design and agreements that provide for the use of parallel systems on aid disbursements.
- *Youth unemployment*: The youth employment challenge in Tanzania can be described as that of employability - extent to which the youth can be employed or absorbed into the economy (within and outside Tanzania). Youth find opportunities to be limited in both the formal and the informal sectors.

Table 14 below gives an overview of Tanzania's progress across each of the MDGs in relation to the World Bank's *World Development Indicators*. The figures permit a more detailed analysis across a wider range of indicators relative to the discussion above.

**Table 14: World Development Indicators grouped by MDG**

	1990	1995	2000	2009
<b>Goal 1: Eradicate extreme poverty and hunger</b>				
Employment to population ratio, 15+, total (%)	87	86	85	78
Employment to population ratio, ages 15-24, total (%)	79	77	76	70
Income share held by lowest 20%	7.4	..	7.3	..
Malnutrition prevalence, weight for age (% of children under 5)	25.1	26.9	25.3	..
Poverty gap at \$1.25 a day (PPP) (%)	30	..	47	..
Poverty headcount ratio at \$1.25 a day (PPP) (% of population)	73	..	89	..
Prevalence of undernourishment (% of population)	28	40	39	34
Vulnerable employment, total (% of total employment)	..	..	92	..
<b>Goal 2: Achieve universal primary education</b>				
Literacy rate, youth female (% of females ages 15-24)	78	..	76	76
Literacy rate, youth male (% of males ages 15-24)	86	..	81	79
Persistence to last grade of primary, total (% of cohort)	..	..	74	..
Primary completion rate, total (% of relevant age group)	55	58	55	83
Total enrolment, primary (% net)	51	49	53	100

<b>Goal 3: Promote gender equality and empower women</b>				
Proportion of seats held by women in national parliaments (%)	..	18	16	30
Ratio of female to male primary enrolment (%)	99	98	99	99
Ratio of female to male secondary enrolment (%)	73	82	82	..
Ratio of female to male tertiary enrolment (%)	19	19	15	48
Share of women employed in the non-agricultural sector (% of total)	..	..	29.3	..
<b>Goal 4: Reduce child mortality</b>				
Immunization, measles (% of children ages 12-23 months)	80	78	78	91
Mortality rate, infant (per 1,000 live births)	99	95	86	68
Mortality rate, under-5 (per 1,000)	162	155	139	108
<b>Goal 5: Improve maternal health</b>				
Adolescent fertility rate (births per 1,000 women ages 15-19)	..	..	133	130
Births attended by skilled health staff (% of total)	53	47	44	..
Contraceptive prevalence (% of women ages 15-49)	10	18	25	..
Maternal mortality ratio (modelled estimate, per 100,000 live births)	880	920	920	790
Pregnant women receiving prenatal care (%)	62	50	49	76
Unmet need for contraception (% of married women ages 15-49)	28	24	22	..
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases</b>				
Children with fever receiving antimalarial drugs (% of children <5 with fever)	..	..	53	57
Condom use, population ages 15-24, female (% of females ages 15-24)	..	6	10	..
Condom use, population ages 15-24, male (% of males ages 15-24)	..	22	26	..
Incidence of tuberculosis (per 100,000 people)	230	230	240	190
Prevalence of HIV, female (% ages 15-24)	..	..	..	0.9
Prevalence of HIV, male (% ages 15-24)	..	..	..	1
Prevalence of HIV, total (% of population ages 15-49)	4.8	7.4	7.1	6.2
Tuberculosis case detection rate (all forms)	39	59	67	75
<b>Goal 7: Ensure environmental sustainability</b>				
CO2 emissions (kg per PPP \$ of GDP)	0.2	0.2	0.1	0.1
CO2 emissions (metric tons per capita)	0.1	0.1	0.1	0.1
Forest area (% of land area)	47	44	42	39
Improved sanitation facilities (% of population with access)	24	24	24	24
Improved water source (% of population with access)	55	54	54	54
Marine protected areas (% of total surface area)	..	..	..	13
Terrestrial protected areas (% of total surface area)	..	..	..	38.8
<b>Goal 8: Develop a global partnership for development</b>				
Debt service (PPG and IMF only, % of exports, excluding workers' remittances)	31	17	12	2
Internet users (per 100 people)	0.0	0.0	0.1	1.2
Mobile cellular subscriptions (per 100 people)	0	0	0	31
Net ODA received per capita (current US\$)	46	29	31	55
Telephone lines (per 100 people)	0	0	1	0
<b>Other</b>				
Fertility rate, total (births per woman)	6.2	5.9	5.7	5.6
GNI per capita, Atlas method (current US\$)	200	170	270	500
GNI, Atlas method (current US\$) (billions)	4.8	4.9	8.9	21.3
Gross capital formation (% of GDP)	26.1	19.8	17.6	..
Life expectancy at birth, total (years)	51	50	51	56
Literacy rate, adult total (% of people ages 15 and above)	59	..	69	73
Population, total (millions)	25.5	30.0	34.1	43.7
Trade (% of GDP)	50.1	65.6	41.0	..

Source: World Development Indicators database (World Bank)

### 3. World Development Indicators<sup>45</sup>

Table 15 below puts forward selected World Bank data for Tanzania in its more familiar 'World Development Indicators' format. Combined with Table 14 above, the data represents a broad range of indicators on social development and economic growth, covering the years 2000-2010. During the last decade, Tanzania's population increased by more than 10 per cent, and indeed the rate of increase accelerated. In the previous sections we have already discussed the problems that this has created for the provision of basic services. This was combined with annual GDP growth of between 6-7% on average. GDP increased from US\$ 10.19 billion in 2000 to US\$ 23.06 billion in 2010. If GDP/GNI is measure in terms of purchasing power parity (PPP), the growth is even more dramatic. The result was that GNI/GDP per capita and measured in PPP also grew such that growth increased faster than demographic expansion. Unfortunately the employment-to-population ratio, especially among the young, did not keep up (Table 14, top two lines). A series of other economic indicators were also favourable. Fixed capital formation (an indicator of investment) almost doubled, and Tanzania managed to move up the value chain, exporting more high-technology goods. Reflecting this, the share of industry, services, and trade in the economy grew while agriculture declined; exports as a percentage of GDP almost doubled (while unfortunately imports grew even faster). Inflows of FDI fluctuated but from 2008 grew steadily, while aid inflows and remittances grew substantially. More negatively, debt stocks grew (if not dramatically) but debt service costs relative to export earnings declined.

In terms of social development indicators, conditions improved on the whole. Life expectancy increased, and both the child mortality rate and the prevalence of HIV decreased. However, with regard to education not much improvement was made. In terms of the environment, the picture is more pessimistic (see MDG analysis above). Meanwhile, technical progress is in evidence: over the past ten years people have consumed more energy, while the number of internet users and mobile phone subscriptions increased dramatically. There were less positive consequences for the environment. Logically, CO<sup>2</sup> emissions went up while Tanzania's forest area decreased. Yet in keeping with the analysis of the MDGs above, there were some less bright spots: rates of access to both water and sanitation remained essentially flat, and adolescent fertility rates remained high.

**Table 15: World Development Indicators Tanzania, 2000-2010**

<b>Overview</b>	<b>2000</b>	<b>2005</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Population, total (millions)	34.04	38.83	42.27	43.52	44.84
Population growth (annual %)	2.5	2.7	2.9	2.9	3.0
Surface area (sq. km thousands)	947.3	947.3	947.3	947.3	947.3
Poverty headcount ratio at national poverty line (% of population)	35.6	..	..	..	..
GNI, Atlas method (current US\$ billions)	10.06	14.70	18.99	21.40	23.37
GNI per capita, Atlas method (current US\$)	300	390	460	500	530
GNI, PPP (current international US\$ billions)	25.15	40.28	53.89	58.18	62.58
GNI per capita, PPP (current international US\$)	760	1,060	1,310	1,370	1,430

<b>Economy</b>	<b>2000</b>	<b>2005</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
GDP (current US\$ billions)	10.19	14.14	20.72	21.37	23.06
GDP growth (annual %)	4.9	7.4	7.4	6.0	7.0
Inflation, GDP deflator (annual %)	7.6	6.4	10.1	7.4	7.7
Agriculture, value added (% of GDP)	33	32	30	29	28
Industry, value added (% of GDP)	19	23	23	24	25
Services, etc., value added (% of GDP)	47	46	47	47	47
Exports of goods and services (% of GDP)	13	21	23	23	24
Imports of goods and services (% of GDP)	20	30	39	35	38
Gross capital formation (% of GDP)	17	23	27	30	31

<sup>45</sup>[http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT\\_ID=9147&REQUEST\\_TYPE=VIEWADVANCED](http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT_ID=9147&REQUEST_TYPE=VIEWADVANCED)

<b>States and markets</b>	<b>2000</b>	<b>2005</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Time required to start a business (days)	..	31	29	29	29
Market capitalization of listed companies (% of GDP)	2.3	4.2	6.2	..	5.5
Military expenditure (% of GDP)	1.3	1.0	0.9	1.0	..
Mobile cellular subscriptions (per 100 people)	0	8	31	40	47
Internet users (per 100 people)	0.1	4.3	9.0	10.0	11.0
Roads, paved (% of total roads)	..	..	7	..	..
High-technology exports (% of manufactured exports)	1	1	2	3	3

<b>Global links</b>	<b>2000</b>	<b>2005</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Merchandise trade (% of GDP)	22.2	35.1	49.0	43.7	50.0
Net barter terms of trade index (2000 = 100)	100	96	106	118	125
External debt stocks, total (DOD, current US\$ millions)	7,142	8,355	5,964	7,324	8,664
Total debt service (% of exports of goods, services and income)	12.4	4.3	1.1	3.1	3.0
Net migration (thousands)	-206	-345	..	..	-300
Remittances and employee compensation (current US\$ millions)	8	19	19	23	25
FDI, net inflows (BoP, current US\$ millions)	463	936	400	415	433
Net ODA and official aid received (current US\$ millions)	1,063	1,499	2,331	2,934	..

<b>People</b>	<b>2000</b>	<b>2005</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Income share held by lowest 20%	7.3	..	..	..	..
Life expectancy at birth, total (years)	50	53	56	57	..
Fertility rate, total (births per woman)	5.7	5.6	5.6	5.6	..
Adolescent fertility rate (births per 1,000 women ages 15-19)	133	131	130	130	..
Contraceptive prevalence (% of women ages 15-49)	..	26	..	..	34
Births attended by skilled health staff (% of total)	..	43	..	..	..
Mortality rate, under-5 (per 1,000)	130	103	85	80	76
Malnutrition prevalence, weight for age (% of children under 5)	..	17	..	..	..
Immunization, measles (% of children ages 12-23 months)	78	91	88	91	92
Primary school completion rate, total (% of relevant age group)	..	55	..	103	90
Ratio of girls to boys in primary and secondary education (%)	97	95	93	96	..
Prevalence of HIV, total (% of population ages 15-49)	7.3	6.2	5.8	5.6	..

<b>Environment</b>	<b>2000</b>	<b>2005</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Forest area (sq. km) (thousands)	374.6	354.5	..	..	334.3
Agricultural land (% of land area)	38.4	39.2	39.5	40.1	..
Annual freshwater withdrawals, total (% of internal resources)	..	..	..	5.4	..
Improved water source (% of population with access)	54	54	54	..	..
Improved sanitation facilities (% of population with access)	24	24	24	..	..
Energy use (kg of oil equivalent per capita)	393	442	448	451	..
CO2 emissions (metric tons per capita)	0.1	0.1	0.2	..	..
Electric power consumption (kWh per capita)	58	70	84	86	..

### 3. Human Development Index<sup>46</sup>

Since 1990 the Human Development Index (HDI) has provided data on developing countries' economic growth and other development indicators such as health, education and income as well as more 'human-centred' development indicators such as health or education. These indicators provide a rounded view of a country's development. The data indicates that Tanzania has an overall HDI of 0.466, which ranks it number 152 out of 187 countries. This places Tanzania slightly

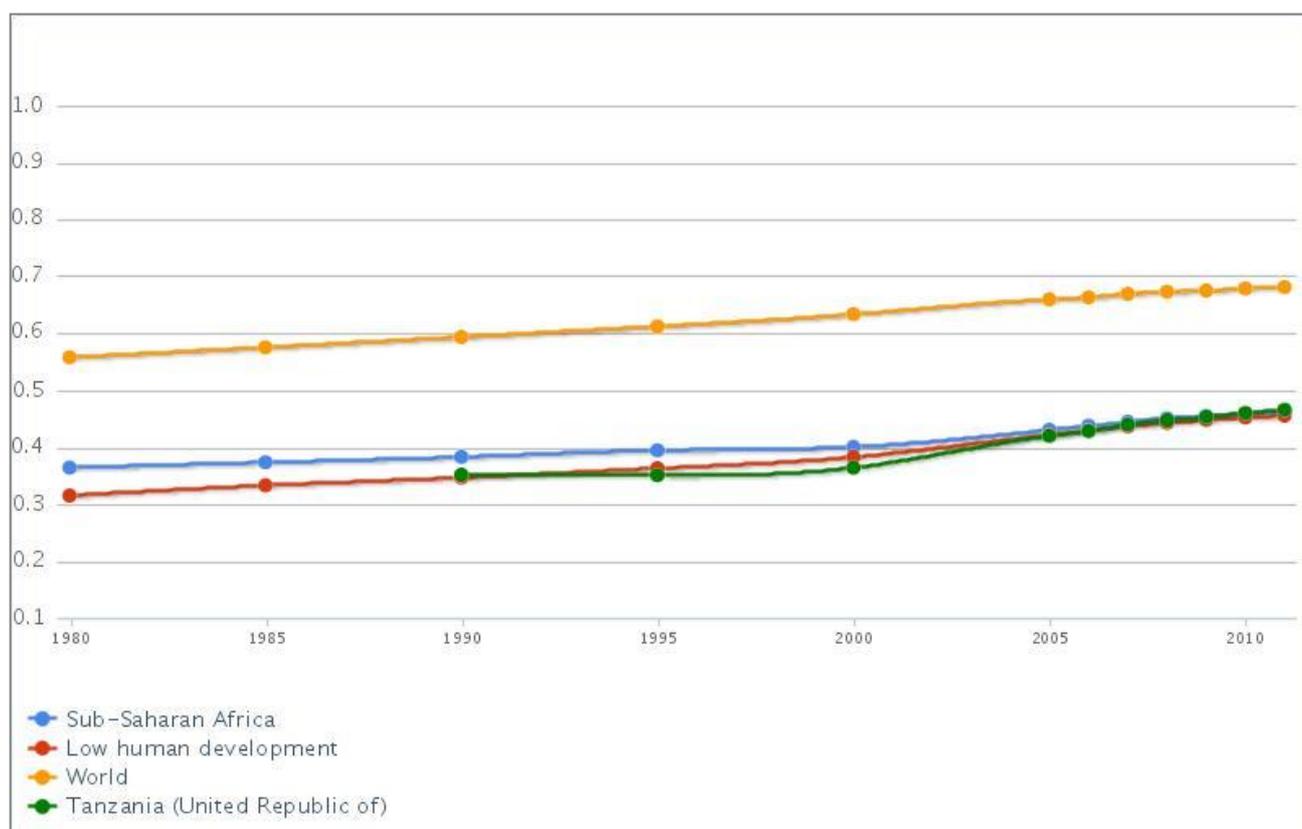
<sup>46</sup> Source: <http://hdrstats.undp.org/en/countries/profiles/TZA.html>

above the average for sub-Saharan Africa (Figure 18). Tanzania's position relative to this average has indeed improved. Its performance follows a similar trend as the other low human development countries as well as other sub-Saharan African countries, but performance is ever so slightly better. Relative to the world average, there is essentially no catch-up. Looking at the different elements of the HDI (Figure 18) we can see that Tanzania does best on health and performs worst on the criteria of income.

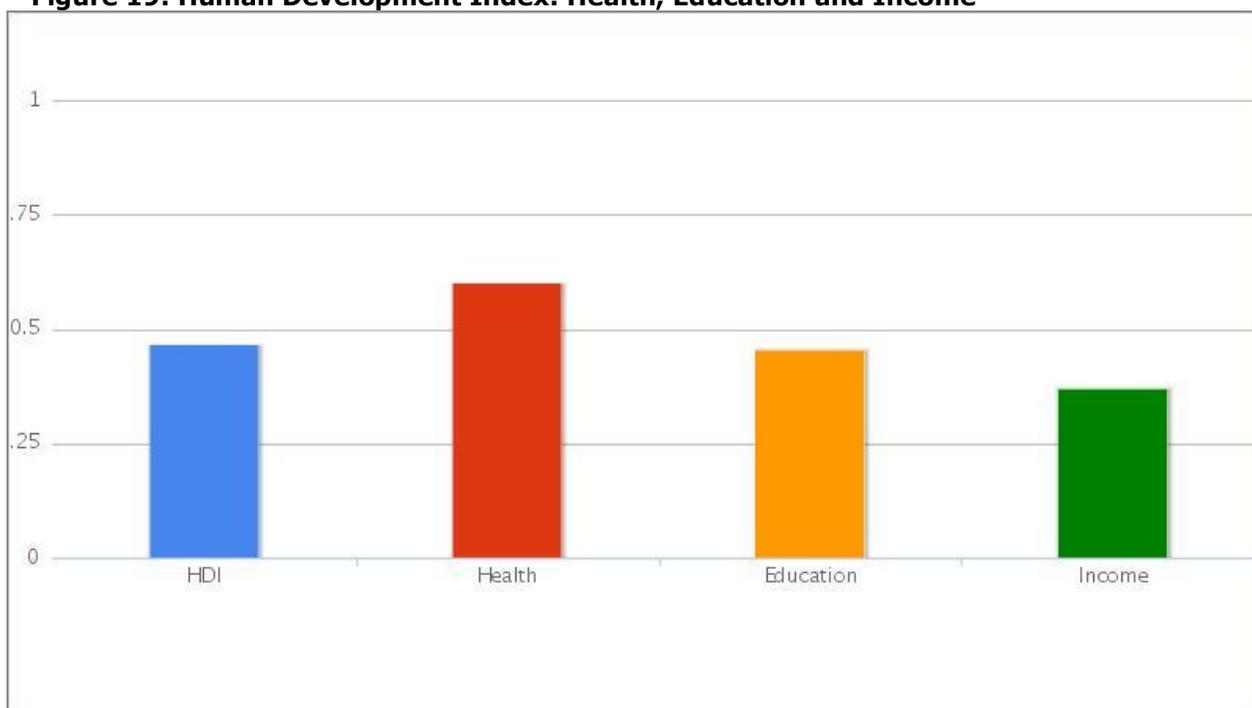
**Table 16: HDI Country Profile of Tanzania**

Variable	Indicator	Tanzania ranking
HDI	Rank	152
Health	Life Expectancy at Birth (years)	58.2
Education	Education Index (Expected and mean years of schooling)	0.454
Income	GNI Per Capita in PPP Terms (constant 2005 International \$)	1,325
Inequality	Inequality Adjusted HDI	0.332
Poverty	Multidimensional Poverty Index (%)	0.367
Gender	Gender Inequality Index	0.390
Sustainability	Adjusted net savings (% of GNI)	13.5
Demography	Population total both sexes (thousands)	46,218.5

**Figure 18: Human Development Index: Trend 1990 – present**



**Figure 19: Human Development Index: Health, Education and Income**



## 5. Workshops and Constituency Consultations in Tanzania

In September 2011, the ODA Parliamentary Oversight Project organized over four days two training and consultation workshops with the District Councils of Njombe and Iringa, in the south central Iringa Region of Tanzania, not far from Ruaha National Park. In addition visits were paid to Kifanyi village (Njombe Town Council) in Njombe South constituency, to Ilambilole in Ismani constituency, and to Mgama village in Kalenga constituency (both under Iringa Town Council). Both districts are situated astride the major north-south road transport route between Kenya/Tanzania and southern neighbours, and there is important mining activity in the region with more on the way. The workshops and constituency consultations were intended to provide an opportunity for elected representatives, local government officials, villagers, MPs, and project participants to listen as well as to voice their opinions and concerns regarding the use of resources for development, either from the national budget or foreign donors.<sup>47</sup> This sort of interaction does not take place frequently. The aim was to provide feedback from citizens and local representatives on the quality of development experience in each District and to hear directly from villagers and officials on the problems that remained. The agendas of both sessions were set by the local District/Town councils. Issues that were central to the sessions were poverty, maternal health and mortality, HIV/AIDS, and good governance.

### 1. Training workshop at Njombe Town Council

The Njombe District sessions took place at the offices of the Njombe Town Council before moving out to Kifanyi village the following day. Njombe is a new town and district undergoing rapid growth and development. The workshop began with wide-ranging presentations from local representatives and officials on local governance in the district, maternal mortality, and HIV/AIDS incidence and management strategies. All three presentations raised the broader development issues related to each specific topic at hand. During the discussion that followed, the participants raised several

<sup>47</sup> In the other countries of the ODA Parliamentary Oversight Project, the consultations/public hearings evaluated specific donor-funded projects and used scorecards to measure citizen reactions. In Tanzania the workshop and consultations looked more generally at the use of resources for development. This approach makes it harder to assess citizen's evaluations of ODA spending. However, since many of Tanzania's development programmes are financed by GBS, we can still say something about donor activities by looking at the development projects implemented by the Tanzanian government. During visits to the three villages, specific projects were identified and discussed.

general development-related concerns. The first problem that was mentioned was **poverty**. According to the participants many people within the council boundaries cannot pay for basic needs such as school fees and health services because they do not have an income generating activity. It was argued that local leaders should try to address this problem and inform investors of the opportunities available in order to generate jobs and income for local benefit. Because tax revenue is taken by the Central Government and reallocated through the national budget, the District/Town Councils had insufficient **resources** to provide social services. A problem which was discussed at length was the gap between the budget as prepared and submitted to government by the Town Council and the actual amount received from Central Government. The Department of Education was for example asked to prepare a budget of TZS 237 million but the Town Council was only given TZS 37 million with no explanation given for the difference. This was a **governance** problem. There was a near complete rupture between the budget planning process, and what central government eventually allocated to local instances. A proposed solution was that the Town Council should be properly informed in advance of the real the budget ceiling so that it can prepare its budget and expectations for investment and operations accordingly.

Another governance problem which was mentioned was the lack of **efficiency** in the Town Council. This is particularly acute in Njombe because of its very recent establishment as a District and municipality. First of all, due to (understandable) government minimum educational qualification regulations, there is a shortage of village and ward executive officers available in the District. Moreover, most of the staff members do not work efficiently and effectively. It was suggested that the service delivery of local government officials should be improved through training. Administration was generally difficult because the council's buildings were inadequate and employees were overly dispersed across a range of sites. Electoral corruption was also cited as an issue.

Dealing with **HIV/AIDS** was also seen as a core priority in relation to local development prospects. The prevalence of HIV/AIDS in the Iringa region is 16.5% compared to the national rate of around 5%. According to the participants, there is a lack of health practitioners and officials with HIV/AIDS expertise. Moreover, many local people do not take the problem seriously. Third, religious people are opposing the use of condoms. Fourthly, many bread-earners work away from their families and partners. Finally, not enough condoms are available. The participants came up with several recommendations for HIV/AIDS policy:

- The Town Council should ask the Ministry of Health and Social Welfare to provide required staff on health services and medicines;
- Every leader, including religious leaders, should put HIV/AIDS at the top of the agenda;
- The topic should be discussed in the meetings of the committees on HIV/AIDS at ward and village levels;
- The government should budget enough funds for HIV/AIDS prevention and treatment;
- There is a need also to involve both women and men in fighting HIV/AIDS, because men are reluctant to talk about HIV/AIDS.

In addition to the problem of HIV/AIDS, the closely related problem of **orphans** was discussed. Relatives and neighbours in the villages most often take over the care of orphans of AIDS victims and this is a serious burden on the poor. Hunger and malnutrition are often the result. Orphans are frequently not properly registered with their new parents and thus the family does not receive the correct amount of food and other subsistence aid where relevant. Another problem raised was that orphans are often unable to attend school because they cannot pay for school and hostel fees, uniforms, and books. According to the participants, orphans should receive assistance to solve this problem.

## 2. Visit to Kifanyi Village

A visit was paid to Kifanyi village, a ward within the boundaries of the Njombe Town Council. Some 22 villagers and ward officers were present. During the consultation the participants listed several development challenges that the village was facing. The first problem that was mentioned was the lack of good **health care**. Government policy says that each village should have a dispensary and each ward should have health centre. However, there is still no health centre in the village, even though villagers have collected stones, sand, and water and invested their time and labour. In other villages where there is a dispensary there is a shortage of health officers, medicines and housing for the doctors. The maternal mortality rate is also high because of poor facilities during child delivery.

The participants mentioned that the Villages and Ward Committees on **HIV/AIDS** do not discuss the problem in the villages. According to the participants the government should pass laws and regulations at the local level to prevent more infections and promote the use of condoms. Also the government should find a way to identify orphans and children living in difficult situations and come up with a strategy to help them. The participants proposed that the local government authority should start to organize meetings to discuss the problems of orphans and people living with HIV/AIDS at village and ward levels. Moreover, the funds from TACAIDS should be properly used to assist orphans in education, the ward and villages should identify and submit the names of the orphan children in need of support so that those in need are indeed helped.

Poor productivity and yields in the **agricultural sector** were said to cause severe **poverty** among the villagers in Kifanyi village. Drought was a constant enemy. The participants argued that the government should introduce irrigation projects for agriculture to improve production and hence solve the poverty problem. It was also suggested that the government should also help farmers to find both local and international markets.

In terms of **education**, local schools were said to have a shortage of teachers, teacher's houses, class rooms, laboratories and hostels. There is also a problem for orphan children attending schools. Almost 20% of students in Kifanyi Ward are orphans. Many orphan pupils who pass primary school fail to join secondary schools because of a lack of funds. It is hard to submit the challenges facing orphan students to the Town Council and ask for assistance. The participants pointed out that there is a need for the government to solve problems related to the education sector including the provision of the electricity and water to enable pupils to study effectively.

There is a problem of poor **infrastructure** connecting Kifanyi to other villages. As a result it is difficult to transport crops from the farms to the markets. Moreover, this leads to poor access to health centres and hospitals. Another problem that was mentioned was the lack of tap **water** in all six villages in the Kifanyi Ward. For over ten years the government has promised the provision of water. The villagers were asked to contribute 10% of the costs of the water project but nothing has happened. There is a need for members of parliament together with councillors to work hard in order to solve this problem.

Finally, villagers mentioned that they do not sufficiently understand their rights or know how to work with the **leaders** in the village and at district level. Moreover, the leaders do not effectively manage the problems and find solutions. In addition to this, many young people are not attending village meetings to discuss the problems because young people do not always find that the agenda is relevant to their concerns.

### **3. Training workshop with Iringa District Council**

Iringa District (population over 275,000) and town is more established than Njombe and has an established record of effective governance. The workshop was held at the headquarters of Iringa Town Council and was chaired by the District Commissioner. The participants were divided into five groups that were asked to identify and evaluate projects in the District which were run jointly by international donors, the national government and the local community.

#### ***Working Group 1: OVC Care, Treatment of HIV and TB***

##### *Care of Orphans and Vulnerable Children (OVC care)*

OVC care has become increasingly necessary as the incidence of AIDS-related deaths among the adult population has increased. Of some 12,117 vulnerable children that were identified, 5,832 are orphans. The district supports 462 'most vulnerable' children with school fees at secondary school. Moreover the council provides food to orphanage centres in several villages. Together with development partners such as CAMFED, TAHEA, TUNAJALI and SEED, 1,340 girls are being supported with secondary school fees, pocket money and other school requirements. These organisations also support several thousand in primary school, with health services, and/or vocational training.

The most important challenge is the lack of resources to support the increasing numbers of the OVC population and/or their adoptive parents in the district. One problem that was mentioned was the lack of political will at ward and village levels to help OVC. Moreover, in some areas of the

district there are no NGOs to work with. Finally, some NGO projects end before fulfilling the needs of the most vulnerable children.

The group formulated the following recommendations:

- Establish and maintain an OVC district data file and improve OVC village registers.
- Sensitization and awareness creation among community leaders at all levels on care and support of the most vulnerable children, ensuring that all 123 villages are involved in most Vulnerable Children Committees.
- Support care givers and guardians economically by assisting them in finding income generating activities
- 'Mainstream' OVC issues into Departmental and District Plans to make sure that care and support of the most vulnerable children becomes a responsibility of every person and every department

#### *HIV/AIDS and TB Treatment*

With a 15.7% infection rate the HIV pandemic is a big problem for the Iringa District Council. In close collaboration with stakeholders the District Council has made much progress in the prevention and treatment of HIV/AIDS. It has opened health centres, set up Home Based Care service, distributed condoms, and conducted training to villages and Wards HIV/AIDS Committees.

One important problem is the fact that there is a shortage of health service providers and that there are inadequate resources for HIV/AIDS services provision, e.g. ARVs and other treatments. While there is an increasing rate of HIV/AIDS infections, there is a lack of political will. Moreover, some projects phase out before they complete their assignments. TB treatment, a disease closely linked to HIV infection, has similar problems. Adequate resources, personnel, and facilities to screen and test vulnerable groups for both conditions are all lacking.

The group formulated the following recommendations:

- Increase number of CTC centres and PMTCT centres
- Train and recruit more health service providers on HIV/AIDS pandemic
- Involve different stakeholders to expand services to more people
- Conduct quarterly HIV/AIDS Committees and stakeholders meetings
- Strengthen sensitization and awareness creation among community leaders at all levels
- Support care takers and people living with HIV/AIDS with income generating activities
- Mainstream HIV/AIDS issues into the core District Plan and budget
- Give training to members of HIV/AIDS committees to enable them fully undertake their responsibilities

The group agreed on the following priorities for the sector:

1. Provide ARV and balanced diet food to the people living with AIDS and the people who are in need according to their CD4
2. Provide education and create awareness on how to prevent HIV/AIDS by promoting male circumcision, HIV screening and blood testing for TB, etc.

#### **Working Group 2: Maternal Mortality Rate and Malaria**

The District aims to expand services provision coverage levels from the current 76% of pregnant mothers to 80%, and to work to eliminate the factors that contribute to maternal and new-born deaths. This can be achieved by increasing the availability of equipment and supplies in health facilities, renovating labour wards, constructing new health facilities and strengthening the family planning service.

Although the situation has improved, malaria is still the leading disease in Tanzania. The Iringa District Council has reached 82% of the total households and distributed medicated mosquito nets. An important challenge is the fact that sick patients do not take their medicines as prescribed and not all families use mosquito nets. Solutions that were proposed were to increase the use of medicated mosquito nets, make detection equipment available to all health facilities, and strengthen sensitization and awareness creation among community leaders on behavioural change communication at all levels.

<b>Worked well</b>	<b>Did not work well</b>
<ul style="list-style-type: none"> <li>Community based data has improved in 40 villages out of 123</li> </ul>	<ul style="list-style-type: none"> <li>In all 69 health facilities (dispensaries and health centre) basic emergency obstetric care is only partially established which is against the national target of 70% health facilities should be provided</li> </ul>
<ul style="list-style-type: none"> <li>Male involvement in maternal and child health services has increased from 20% (2008) to 56% (2010)</li> </ul>	<ul style="list-style-type: none"> <li>In all 6 health centres comprehensive emergency obstetric care is not established because the equipment, buildings, and human resources are inadequate</li> </ul>
<ul style="list-style-type: none"> <li>88 village health workers from 40 villages are now offering maternal, new-born and child health care at village level</li> </ul>	<ul style="list-style-type: none"> <li>Still some challenges in maternal deaths neonatal and perinatal deaths</li> </ul>
<ul style="list-style-type: none"> <li>Pregnant women tested for HIV have increased from 67% (2008) to 94% (2010) and the proportion of HIV positive pregnant women receiving ARV prophylaxis has increased from 48% (2008) to 77% (2010)</li> </ul>	<ul style="list-style-type: none"> <li>The project has covered only 40 out of 123 villages</li> </ul>
<ul style="list-style-type: none"> <li>Health facility deliveries have increased from 80.6% (2008) to 85.4% (2010) which is above the national target 64%</li> </ul>	

The group agreed on the following priorities for the sector:

1. Strengthen basic emergency obstetric care in health facilities and centres
2. Employ skilled health workers
3. Basic medical equipment and supplies for dispensaries and health centres
4. Provide necessary facilities and other utilities like water, electricity, and transport

### **Working Group 3: Education Department Infrastructure and School Feeding**

Donor communities, the government and the local community have contributed to projects for the construction of classes, teacher's houses, laboratories and hostels. Since these projects have been implemented, the education performance has improved and attendance has increased. However, the situation regarding school infrastructure is still thought to be alarming with inadequate teacher housing, libraries, laboratories, hostels, school meals, and sanitary facilities being the main problems. Teacher housing is particularly important if new recruits are to be attracted to the system.

The group agreed on the following priorities for the sector:

1. Education infrastructure (construction of hostels, classroom, teacher's houses and laboratories)
2. Availability of the electricity and water supply
3. Recruitment of teachers and non-teaching staff
4. Provision of library and books.

### **Working Group 4: Water Infrastructure, Consumption, Irrigation and Climate**

An extensive dry season and drought make water a precious resource. Only 58 of the 123 villages in the district are part of the local water scheme, and only 34% of the population has access to clean water within 400 metres from a range of sources. The District has 30 traditional water schemes, of which 12 have recently been upgraded. Potentially, some 43,700 hectares of land is suitable for irrigation. The Pagawa Water Project has helped a lot and involved community and donor stakeholders in the planning and implementation stage, but the project was still not enough to meet government targets on water access and it was not designed to serve cattle farmers, only households. Various challenges are still to be overcome. First of all the part of the irrigation infrastructure which has not yet been improved still negatively affects crop production through poor water distribution. Inadequate water input, especially during the dry season, affects the cropping pattern. The lack of proper and reliable markets, low prices of crop produce and the poor transport system add to this problem. Another challenge is the heavy dependence on the unprotected Ruaha River for irrigation. This puts the investment in the Ruaha irrigation scheme at

risk. Environmental degradation, tree-cutting and erosion due to farming near the river enhance the risk. Finally, farmers and local technical workers are insufficiently trained on the workings of the scheme and sound water management.

<b>Worked well</b>	<b>Did not work well</b>
<ul style="list-style-type: none"> <li>All stakeholders participated in the project formulation phase</li> </ul>	<ul style="list-style-type: none"> <li>The project was delayed because of poor project planning</li> </ul>
<ul style="list-style-type: none"> <li>Task division between different parties worked well: donors provided financial and material support, the government provides funds and technical support, the community participates in physical work</li> </ul>	<ul style="list-style-type: none"> <li>There were no stakeholders meetings during implementation</li> </ul>
	<ul style="list-style-type: none"> <li>Government/local expertise delayed some of the work</li> </ul>

The group agreed on the following priorities:

- Train local staff for the implementation of the projects
- Take maintenance seriously
- Take action on the environment
- Build new water projects in order to increase the water consumption

### **Working Group 5: Gender Based Violence**

Gender based violence in the District is closely linked to the traditionally low status of women in the community. It also goes heavily un/under-reported. In collaboration with stakeholders, the council has managed to set up a gender based violence register which should be linked to other authorities like the social welfare office. Questionnaires for collecting data regarding gender issues, including gender based violence, have been prepared and distributed in 123 villages. Moreover the council has facilitated the acquisition of soft loans by 'vulnerable women' groups to promote their economic status and has also mainstreamed gender in development projects. Finally, community sensitization on the effects of gender based violence has been done in 4 wards out of 25.

Challenges faced include inadequate data of incidence and poor knowledge of women's rights at the community level as well as strong norms, values and traditions that hinder development of gender equality. Strategies used to improve conditions include:

- conduct sensitization and awareness meetings through the cinema van, radio, and assembly meetings at village and ward levels
- programmes to increase the number of women's groups supported with soft loans
- creation of a vulnerable groups referral system with the authorities that addresses and promotes their human rights with the police, courts, social welfare offices
- training on human rights to peer educators in schools and community leaders and promotion of use of par social workers to provide information on gender based violence in villages
- sensitization and awareness creation to community leaders at all levels
- support to women with economic viable activities

The group agreed on the following priorities for the sector:

- Organize education and awareness training on issues related to gender based violence,
- Create opportunities for women, especially the provision of soft loans through Women Bank and increase the government budget for loans.
- Training for councillors, police on how to handle cases related to violence.
- Encourage women to join SACCOS and VOCOBA groups

### **Conclusion**

All five groups agreed that the development priorities were education, health, water, agriculture, and gender violence. The participants thought these priorities need to be pushed at national level by MPs. Next to these specific problems, a general problem that was mentioned was the delay of resources from donors. Moreover, after completion projects are poorly evaluated and monitored while the final results often do not (fully) respond to the needs as identified in the beginning. Donors are said to perform well in the start-up phase of the projects but less so in the

implementation phase. The timing for implementation is often beyond the planned schedule, causing the costs to be higher because of inflation.

Finally, as in Njombe, local representatives and officials remarked on the discontinuity between the local budget planning phase, and what the government actually provides. Budget planning at the District level takes place according to national norms of service provision established by the central authorities. The budget is planned on the basis of these norms, but they turn out to be aspirational at best. The council maintains that only 50% of the planned budget ever actually arrives for implementation. Worse still, some ministries at least some of the time fail to spend considerable amounts of the money allocated to them and passed by parliament. There is a need for parliament and councillors to work hard to make sure the budget approved is actually paid out in a timely fashion for the benefit of the people at the local level, and that unspent amounts are reallocated to where they are needed.

### **Visit to Ilambilole Village**

The following day consultations took place with some 40 villagers and Ward Councillors/officials at Ilambilole village, situated in Iringa District and the Ismani constituency. The problems identified by villagers were, in order of priority: water supply (for drinking and irrigation), hostels/housing for teachers and labs for schools, health care (especially a maternity/obstetrics ward) and the recruitment of medical staff, agricultural improvements including markets and pricing policies, and lastly OVC care for the children of HIV/AIDS victims. The first problem actively discussed by the participants was **health care**. The facilities in the village were thought to be inadequate due to a shortage of health officers, medicines, laboratory facilities, and housing for medical personnel. The lack of good health care was said to create a problem for pregnant women.

The second problem mentioned was the problem of **HIV/AIDS**. Many people in Ilambilole were said to be unwilling to use condoms. Moreover religious leaders do not to encourage people to use condoms. The Village and Ward Committees on HIV/AIDS at Ilambilole were said not to discuss the problems of the HIV/AIDS because of the stigma. Moreover, there is a problem in identifying orphans and children living in difficult situations.

Another challenge mentioned during the meeting was the shortage of **water**. Although ten years ago the government promised the villagers water under the World Bank programme nothing has been provided. There is no tap water and the existing water infrastructure is out-dated and so cannot provide water. There is also a lack of **electricity** supply, creating problems for the provision of health and education services. There is also a severe poverty among the villagers because of poor productivity in the **agricultural sector** caused by the dry climate, the lack of extension officers and a shortage of agriculture inputs and equipment. According to the participants there is a need for the government to construct dams which will enable the villagers to irrigate their lands. Moreover, the government should help farmers to find markets for their crops, both at the local and the international level.

With regard to **education** new secondary school facilities had been built, but the main problem was the fact that schools are facing a shortage of teachers, teacher's houses, as well as class rooms, laboratories and hostels. School attendance by orphans is problematic because they cannot pay for schools fees and other necessary facilities. Many orphan students who pass primary school fail to enter secondary schools because of this lack of funds. There is a need for the government to solve this problem.

The participants agreed on the following concrete priorities for action:

1. Dam construction for irrigation
2. Infrastructure for education (construction of hostels, laboratories and teachers houses)
3. Health sector (construction of labour ward, recruitment of health staff and provision of health facilities including transport)
4. Agriculture sector (providing agriculture facilities, markets and good price)
5. Orphans and children under difficult situations.
6. Transportation is essential for the rural community. Economic undertakings and production activities in the rural areas only become meaningful if they can reach the market.

## Visit to Mgama Village

A further forty-odd villagers and ward councillors were present at the consultation sessions held the same day at Mgama village. The village is also situated in Iringa District but in Kalenga constituency. The priorities established by the villagers and their representatives were similar to those in Ilambilole, but in a different order: electricity, water, education, health, OVC support, support for agriculture/inputs, and transport infrastructure. This village was slightly wealthier and suffered fewer problems with drought and this was reflected in the ordering of development priorities. The first problem mentioned was lack of **electricity**. The lack of electrical supply affected the provision of **health care** and the preservation of medical supplies and drugs. Furthermore, the health clinic had insufficient staff to provide services in the village, and the lack (despite government promises) of piped drinking **water** on tap likewise affected the health situation. School sanitation was also affected – new toilets and washrooms had no running water and could not be used. This was a waste. Villagers had been asked to contribute funds to a World Bank project to supply tap water but nothing had actually occurred. **HIV/AIDS** is also a big problem at Mgama village. Many people are unwilling to use condoms and some religious leaders are discouraging people from using condoms. Farmers also complained of **transport** problems and of a lack of **agricultural** implements and inputs such as fertilisers.

The participants agreed on the following priorities for action:

1. Provision of electricity
2. Water supply
3. Education infrastructure (construction of hostels, laboratories and teachers houses)
4. Health sector (construction of labour ward, recruitment of health staff and provision of health facilities including transport)
5. Agriculture sector (providing agriculture implements and inputs, markets and good price)
6. Orphans and children under difficult situations.

## Conclusion: development effort and development indicators

Tanzania's development according to this range of development indicators is far from unsuccessful, but it is unbalanced and there is much left to do. Rapid progress has been made on some fronts. Successful provision of primary education to nearly all is a major achievement, though completion rates could be higher in particular in rural areas where poverty hinders schooling at primary and above all secondary levels. The rapid population growth at first added to problems of hunger and malnutrition, but undernourishment is on its way down at a considerable pace. Life expectancy is rising, child and maternal mortality rates have fallen considerably, immunisation levels are high, and primary health care has reached, however imperfectly and despite staff shortages and incomplete facilities, deep into rural areas. Electric power consumption is up considerably, and technology and internet use has penetrated even to the rural areas through the mobile phone 'revolution'. Above all, there has been a consistently high economic growth rate combined with rapid growth in international trade and steady inward FDI flows, but this benefits urban dwellers and upper income brackets more than the poor. *The incidence of poverty is only dropping slowly, and unemployment, especially youth unemployment, has increased.* The dependency on foreign aid is high.

During the workshops in the Iringa region and constituency consultations with villagers, a familiar range of bread-and-butter concerns born of poverty and low-yield agriculture were highlighted along with some important governance and other concerns. Progress has been made, often with the help of donors, and villagers recognise this and are grateful. Local residents greatly appreciated the consultation processes that had accompanied the planning and (less so) the building of new facilities in the health and education sector, among others. That said, residents of course also regretted the lack of action on some of their long-standing core concerns. These core concerns of villagers reflected on the whole the concerns of public opinion in the Afrobarometer data analysed in Section C of this report.

It is enlightening, if somewhat disheartening, to compare those points on which the development indicators are weakest to the policy priorities of the government and donors, and in turn to actual patterns of ODA and national budgetary outlays, and then once again to make the link to public and parliamentary opinion. Public and parliamentary opinion both consistently highlight water

supply, transport infrastructure, and health/education as their top development concerns. Above all, the 'bundled' issues born of poverty and the trials of everyday life – hunger, wage and income levels, poverty (not to mention destitution), economic management, unemployment, and the problems of agriculture – *are far and away the most urgent concerns of citizens and their representatives*. These concerns are for citizens far more important than some of the pet priorities of donors such as governance and civil society, HIV/AIDS, or the environment. This is not to detract in any way from the importance of these issues in and of themselves, but where resources are scarce priorities must be set and adhered to. That is what the 'Triple A' process is supposed to be all about.

This is where the story becomes somewhat disheartening. While the fit is unsurprisingly not perfect, both donors and the government *do* declare priorities that are relatively close to the urgent development concerns of citizens and parliament (see conclusion to section C). Yet these are not the areas that receive priority in terms of real spending patterns (conclusion Section D).

*In Tanzania, it is precisely where the development indicators show the greatest weakness, and where citizens show the greatest concern, that the real-time commitment in terms of government and donor expenditure is most clearly lacking. Worse yet, these areas where progress is weak yet relatively ill funded are too often areas that donors and the government themselves claim to prioritise.*

Despite declared priorities, neither donors nor the government spend on these issues with a consistent urgency. Public opinion (see Figure 5) even tells the government and the donors what is wrong. It seems that donors and the executive, each for their own reasons perhaps more concerned with their own prerogatives than with the concerns of the stakeholders they claim to serve, are insufficiently focused on the benefits that would accrue to enhanced accountability and listening better to citizen stakeholders.

*Agriculture stands out as a sector to which donors and government claim to be committed, where progress is negative, and actual funding levels low. It is no wonder that rural poverty continues at high levels.*

There is light on the horizon. New gas and natural resource revenues will soon be available to the Tanzanian government. It then becomes imperative for development and also for reasons of political legitimacy that these new resources are used to resolve the most urgent concerns of Tanzanians and their MPs. It then becomes yet more urgent that the parliament is centrally involved in the setting of development policy priorities and real expenditure patterns, and that an enhanced 'feedback loop' emerges of government and donor accountability to parliament for outcomes as measured by development indicators. If this does not take place, Tanzania may find itself on a one-way ticket to the 'resource curse' as has happened in so many developing countries in the past.

Of course the Bunge should not itself remain inert in this regard. The parliament has a good understanding of and link with grass-roots preferences, and has shown itself capable of robust reactions in the face of ministerial corruption. The Bunge nonetheless could be more assertive in the setting of patterns of expenditure and ensuring that government and donor promises are realised in a timely fashion. MPs and in particular select/standing committees could demand more and better information on donor-executive agreements and on the setting of the budget. The parliament should at the very least assert control over its own resources. It is not enough simply to approve (or not) the policy and measures set by the executive. As the government party and the opposition become more evenly matched, assuming such a trend continues, this may take place as sitting MPs fear for their seats in electoral combat for the favour of an increasingly sophisticated electorate.

## F. DATA-PACK FOR MPs AND COMMITTEES

The purpose of this ‘data-pack’ is to provide a user-friendly summary account of the data and analysis in this lengthy report. As a 10-page print-out the data-pack is compact and portable. Parliamentary committees and members can employ and update the information to assist themselves in their task of representing the needs and aspirations of their constituents, influencing and debating government and donor policies, and holding the executive and donors accountable for both financial outlays and development outcomes. The data-pack contains summary data on policy priorities, public opinion, aid and budgetary expenditures, and development outcomes, all drawn from sections C-E of the report. This data is punctuated by ‘Analysis Headlines’ drawn from the report and inserted after each set of data tables with cross-referencing to the report itself. The conclusions of these ‘headlines’ hide a lot of detail and subtlety contained in the report, and so should be used with care. As new data becomes available and policies change, the analysis may quickly require updating. The data-pack ends with a list of the (web-based) data sources from which this report was drawn.

### 1. Development priorities (summary section C of report)

a) **STAKEHOLDERS IN TANZANIA:** In a functioning democracy, citizen preferences (typically expressed through their elected representatives) should play a prominent role in defining policies and eventual outcomes. Questions for this section:

- \* To what extent does Parliament and do established government priorities reflect or represent the clearly expressed development needs and preferences of citizens? Of Parliament?
- \* If government priorities differ in important ways from those of citizens and their representatives, is the departure reasonable and does policy as a whole still respond well to citizen needs and preferences?

Policy priorities will eventually need to be compared to actual expenditure patterns and then development outcomes, and this is done further below.

#### F-1 Summary table of development priorities: Tanzanian stakeholders

Public opinion 2005	Public opinion 2008	Parliament	Government
1. Water supply	1. Water Supply	1. Water supply	1. Economic growth and poverty reduction (macroeconomic management, income levels, food security, sustainability)
2. Infrastructure/roads	2. Infrastructure/roads	2. Unemployment	
3. Health	3. Health	3. Infrastructure/roads	2. Quality of life and social well being (e.g. education, health, water access, habitation, social protection)
4. Poverty/destitution	4. economic management	4. Education	
5. Education	5. Poverty/destitution	5. Poverty/destitution	3. Good governance and accountability (transparency, rule of law, service delivery, security)

#### CONCLUSIONS: Citizens, Parliament and Government Policy

Public opinion and the views of parliamentarians overlap well. According to the table above and to the more detailed data in the report, Parliament understands its constituents. When one ‘bundles’ together MP’s and citizen explicit concerns about the experience of poverty in everyday life (poverty and income levels, unemployment, hunger, the problems of subsistence agriculture) these dominate *overwhelmingly* the expressed needs and preferences of citizens and their representatives.

- \* Government policy as stated in the NSGRP II & MKUKUTA II documents reflects the development priorities of citizens and their representatives on the whole. This is positive.
- \* There are some differences: improvement of roads/infrastructure is not directly specified by the government despite its high priority for the public; the government’s priority of environmental sustainability is not shared by public or parliamentary opinion.
- \* Government priorities in MKUKUTA II are rather less specific than those of the populace and MPs, especially when it comes to the ‘bundle’ of everyday problems of experiencing poverty. Much is potentially covered under ‘good governance’ and it is incumbent on government to show what this means in practice.

**b) DONOR PRIORITIES:** Are donor priorities well aligned with national policy? Do donor policies address the needs and preferences of citizens as expressed in public opinion and by parliament?

**F-2 Summary table of current development priorities of multilateral donors (2005-2010)**

IDA	EU	AfDF
1. Inclusive and sustainable private sector-led growth	1. Macro-economic support	1. Infrastructural development
2. Building infrastructure and delivering goods	2. Infrastructure, communication, and transport	2. Building and enabling institutional and business environment
3. Strengthening human capital and social safety net	3. Trade and regional integration	
4. Promoting accountability and governance	4. Governance and climate	

**F-3 Summary table of current development priorities of bilateral donors (2005-2010)**

US	Japan	UK	Norway	Sweden
1. Governance	1. General budget support /debt relief	1. General budget support	1. General budget support	1. General budget support
2. Health	2. Agriculture	2. Wealth creation	2. Energy	2. Energy
3. Education	3. Infrastructure	3. Governance and security	3. Environment and climate	3. Trade related to private sector development
4. Economic growth	4. Governance and accountability	4. Education	4. Child and maternal health	4. Education
		5. Health		5. Local government and public financial management
		6. Water and sanitation		6. Human rights and democracy
		7. Climate change		

**CONCLUSION: Donor Priorities vs. Citizen Preferences:** donors do prioritise a range of issues seen as important by MPs and their constituents. The priorities declared by donors are thus far from irrelevant to the concerns of citizens and parliamentarians, but they are also frequently rather less focused and specific as to the measures required. There are also some important disparities between the preferences of Tanzania's stakeholders and the priorities of donors.

- \* Donor priorities at best only indirectly address the key issues of poverty relief and unemployment. These material concerns are crucial for citizens and concrete, targeted measures are supposed to be central to the MDGs. This does not necessarily mean that donor policies are unlikely to have a positive impact on poverty relief and job creation, but concrete measures might be more explicitly outlined.
- \* Although water supply and sanitation is consistently *The* top single priority for parliament and citizens, relatively few donors claim to devote direct attention to the matter. Data-Pack section 2 below looks at actual expenditure patterns.
- \* Donors address a number of priorities that are not particularly important to parliament or the people, for example civil society issues, the environment, private sector development, regional integration, technical co-operation, privatization, and good governance concerns such as administration and regulation, local government, and debt relief.

In short, both donors and government have a range of broad, structural and arguably tertiary concerns that do not fit very well with those of public and parliamentary opinion. No one could or should meaningfully argue that these priorities do not matter for development. The issue is one of immediacy and priority. At the very least, a better explanation and justification of these tertiary and general priorities to the public and to parliament should be forthcoming, and they might be better linked to concrete measures and expected outcomes that fit explicitly with the concerns of the populace.

*It remains the case that donors could make the concerns of poverty in daily life a higher priority, firmly linked to concrete action. The incongruence suggests that neither donors nor government listen adequately to MPs or citizens.*

**F-4 Summary table of development priorities**

	General Budget Support	Economic growth/ poverty reduction	Employment	Education	Health	HIV Aids	Water & Sanitation	Agriculture & food security	Environment	Good governance	Private sector	Infra-structure	Trade/ Regional integration	Energy	Gender	Debt relief
<b>Tanzanian stakeholders</b>																
Government																
Public opinion	n/a															
Parliament																
<b>Multilateral donors</b>																
IDA																
EU institutions																
AfDF																
<b>Bilateral donors</b>																
United States																
Japan																
United Kingdom																
Norway																
Sweden																
<b>Other</b>																
MDGs	n/a															

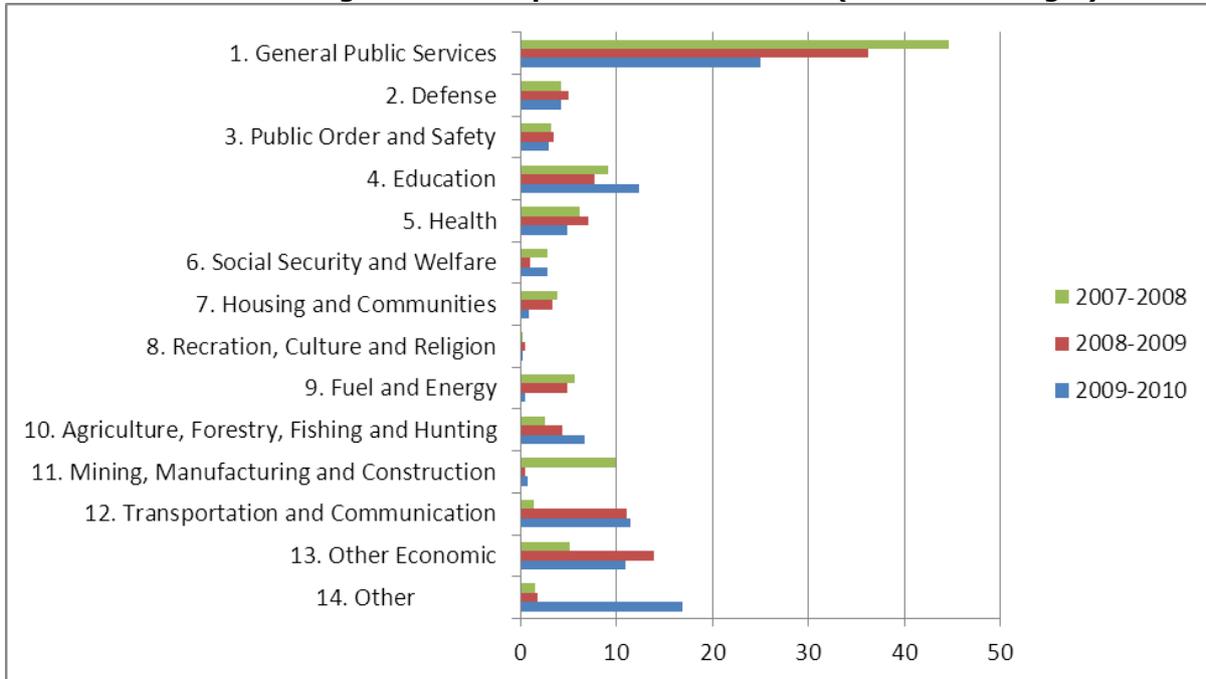
- Development area of high priority
- Development area of medium priority

## 2. Government Development Expenditure and Major Donors' ODA to Tanzania 2005-2010 (section D of report)

Questions:

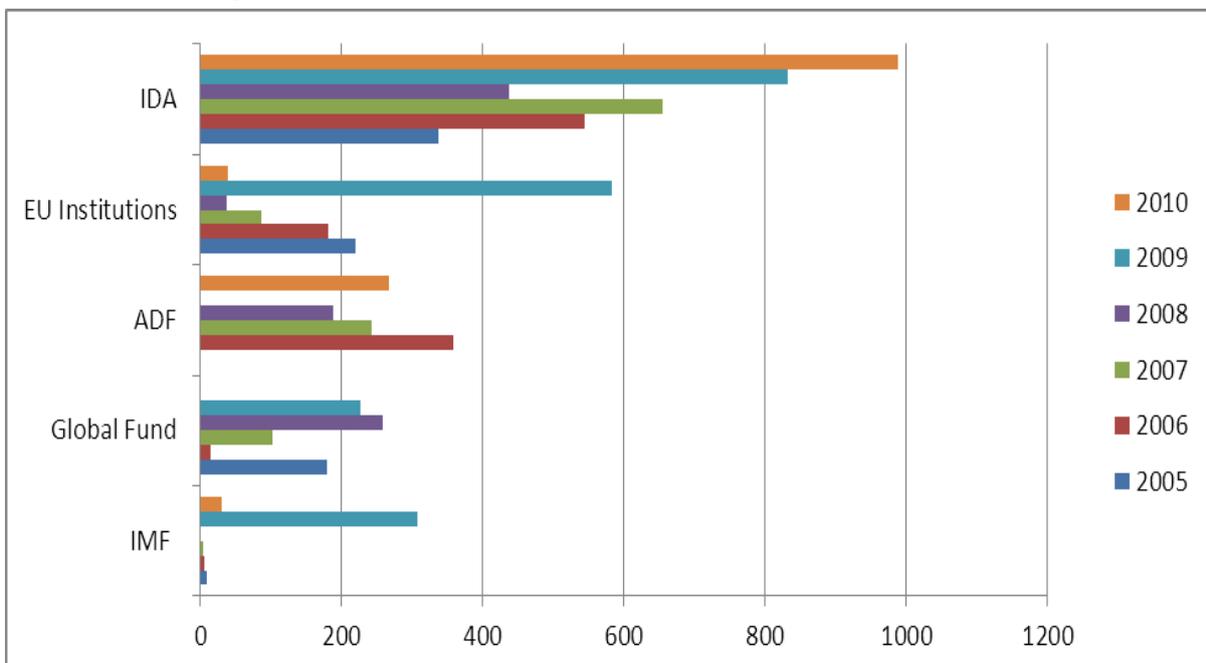
1. Do donors and government live up to their policy commitments with real outlays?
2. Do donor patterns of expenditure reflect the policy priorities of the GoT?
3. Do actual aid and budgetary outlays properly address the needs and preferences of constituents and their representatives?

### F-5 Tanzania's national budget allocation per sector 2007-2010 (% of total budget)



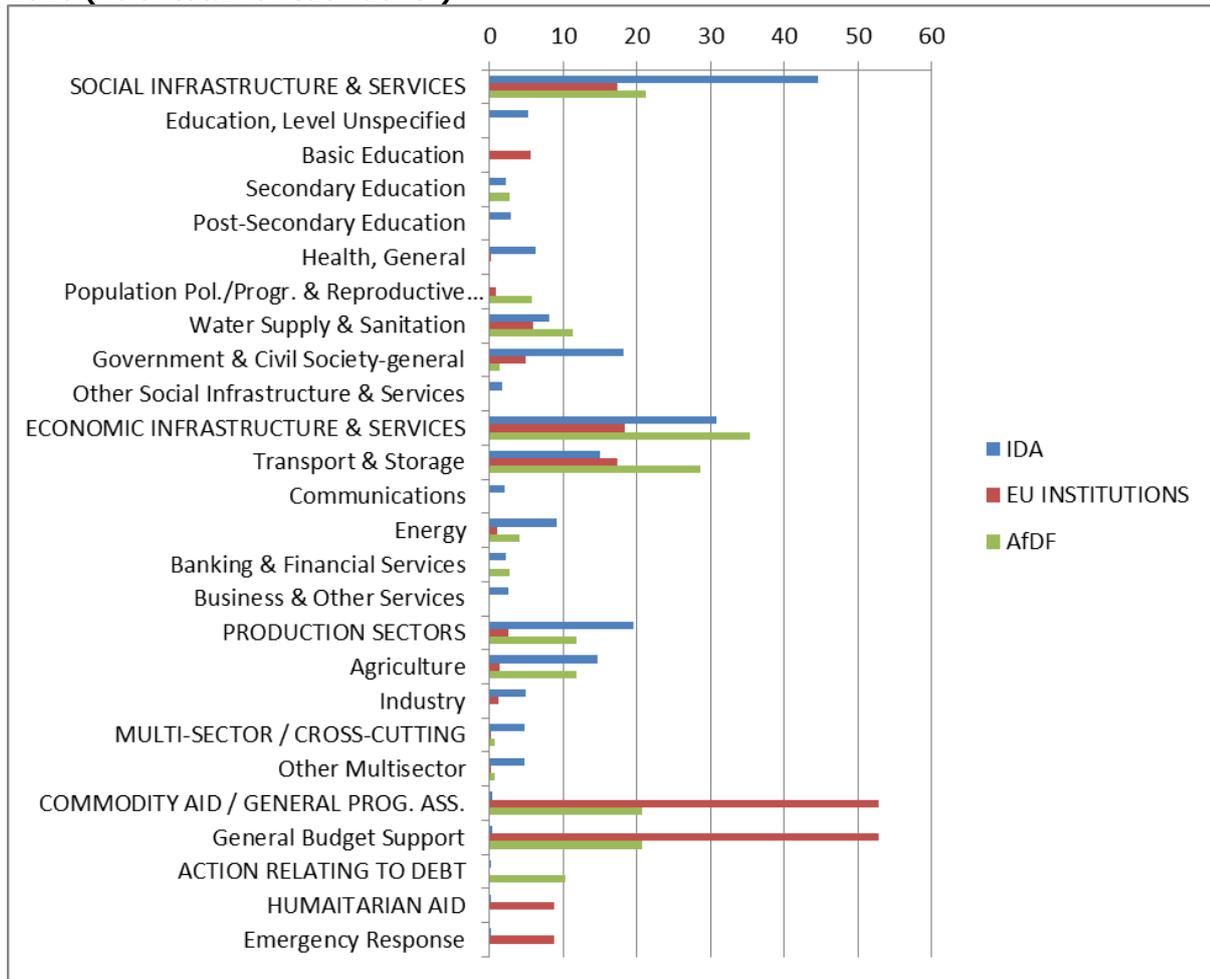
Source: The Economic Survey (Tanzania) 2009

### F-6 Top 5 multilateral donors to Tanzania 2005-2010 (net ODA disbursements, constant 2010 prices, US\$ millions)



Source: <http://stats.oecd.org>

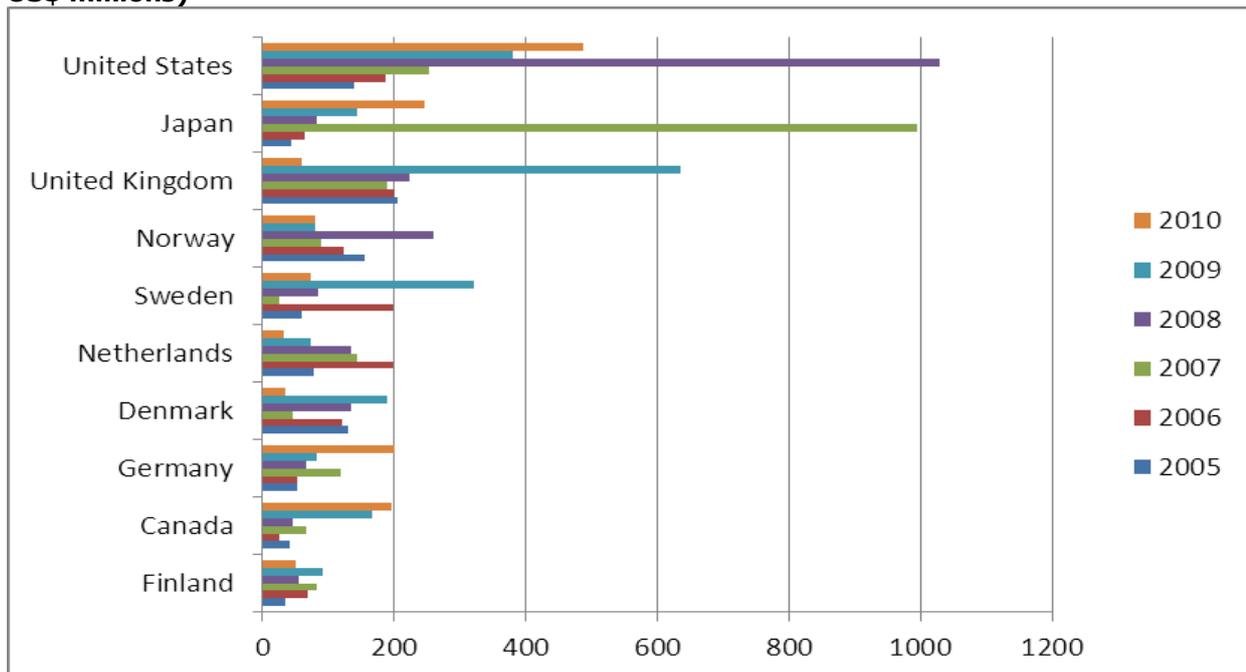
**F-7 Aid allocation per sector of each of the three top multilateral donors to Tanzania 2005-2010 (% of total for each donor)**



Source:

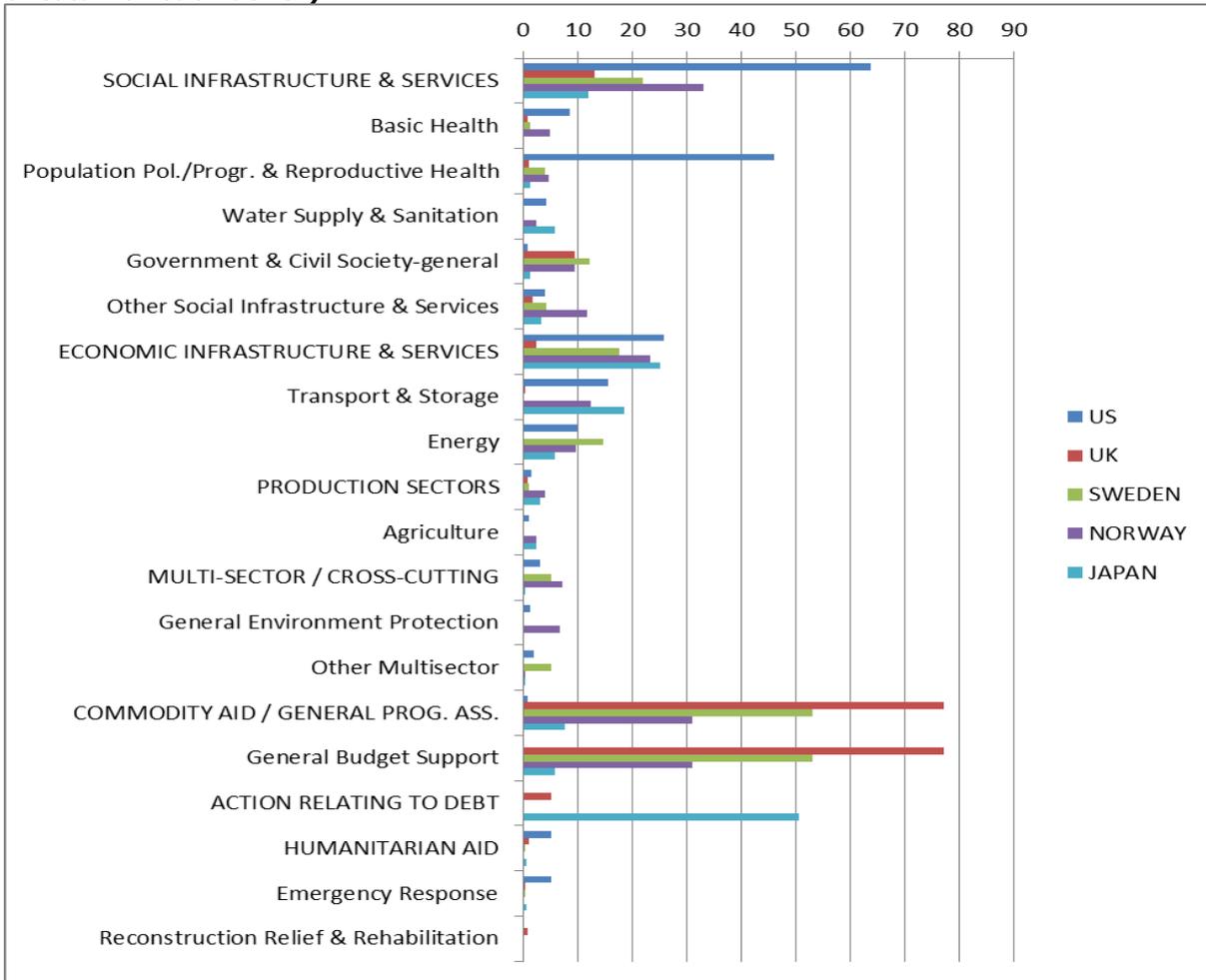
<http://stats.oecd.org/>

**F-8 Top 10 bilateral donors to Tanzania 2005-2010 (total commitments, constant 2010 prices, US\$ millions)**



Source: <http://stats.oecd.org>

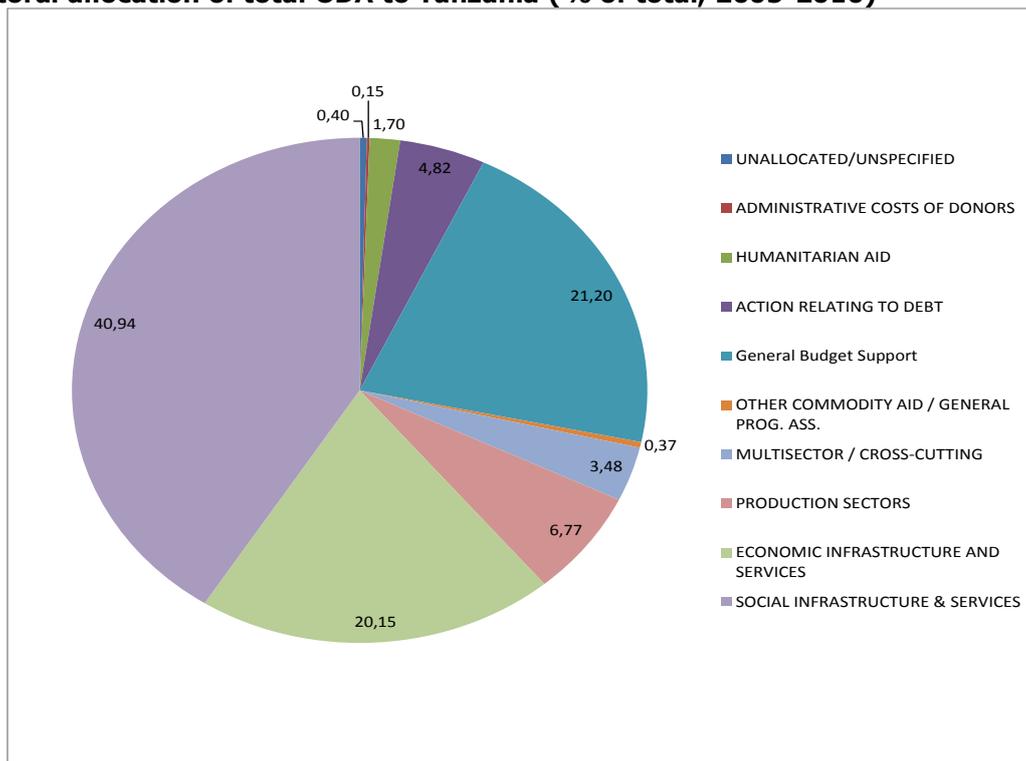
**F-9 Aid allocation per sector of each of the five top bilateral donors to Tanzania 2005-2010 (% of total for each donor)**



Source:

<http://stats.oecd.org>

**F-10 Sectoral allocation of total ODA to Tanzania (% of total, 2005-2010)**



*CONCLUSION: Development Effort and Constituent Needs (see Conclusion to section D)*

The previous section showed that there is a partial misalignment between the policy priorities of the GoT/donors versus those of public opinion and parliamentarians. Taking up the three questions posed at the start of this section: i) neither donors nor the government of Tanzania properly match their stated policy with real financial outlays; ii) donor expenditure does not properly reflect the policy priorities established by the GoT; iii) a range of the top priority needs and preferences of MPs and constituents are neglected in donor aid allocations. The reader should be aware of cross-sectoral cost differentials: a given investment provides more in some sectors than in others.

- \* Real GoT spending does not yet reflect a firm commitment to the declared priorities of poverty reduction, inclusive growth, health and education, and infrastructure.
  - Too much still goes on 'General' public services, while relatively little goes directly to health, education, water and sanitation, unemployment, inequality, or the rural poor engaged in agriculture, are proportionately small.
  - These neglected areas are all very high priorities for constituents and MPs.
- \* Donors emphasise priorities that they do not properly fund: health, education, and poverty reduction are all high policy priorities for most or several donors, but concrete expenditure does not match the commitment.
  - Water and sanitation is prioritised by several donors, but only one of these (the AfDF) funds it even modestly and one (the UK) not at all.
  - Agriculture is crucial to development commitments, yet on the whole only small amounts of funding trickle through from donors.
  - There is much work to be done here.
- \* The overlap of donor aid allocations with GoT priorities falls short on precisely those issues that donors neglect in their own lists of policy preferences.
  - Of GoT priorities, only economic infrastructure (in particular transport) is properly funded by donors. This is only an implicit GoT policy priority in the first place, but at least large or significant amounts of funding are allocated by donors.
  - GoT priorities such as health, water/sanitation, education, agriculture, good governance, employment, growth and poverty reduction are all underfunded relative to government policy.
  - In theory, the large amounts of General Budget Support given to the Tanzanian government could be used to address the priorities that are not specifically targeted by the donors, but this is not the case.
- \* The analysis in section D revealed that the GoT funds few of even its own priorities commensurate with their importance as needs and preferences of constituents or parliament. Budgetary spending is still heavily skewed towards funding the executive and the legislature.
  - Of citizen priorities, only education and transport infrastructure received over 10% of total government outlays.
  - The other citizen priorities received 5% or less.
- \* The actual expenditure priorities of multilateral and bilateral donors do overlap somewhat with the preferences of constituents and the legislature, but not in the same order of importance.
  - In particular, donors hugely underplay expenditure to water and sanitation and to a somewhat lesser extent health, energy and electricity supply as well.
  - If one bundles together the practical 'everyday life' concerns that stem from the ongoing experience of poverty (food security, wage and income levels/poverty, and jobs), Parliament and particularly public opinion emphasise these as their top priorities by far. Unfortunately, neither donors nor the GoT treat these as genuine priorities for expenditure.
  - The agricultural sector receives little attention from donors despite its crucial importance for the alleviation of rural poverty.
  - Other production sectors linked to job creation receive little support.
- \* Donors and the government devote not insubstantial resources to 'good governance', 'civil society', and the environment. Neither parliament nor constituents identify these as priorities at all. Improving 'governance' and the environment is an element of established donor conditionality:
  - This need not be negative if improving the quality of governance improves the concrete achievement of citizen policy, but this is a matter of verification and accountability for parliament.
  - There remains a risk that 'good governance' or 'civil society' budgets become pet projects of government and the donors.
  - This need not be the case in the face of sound measures to ensure the linkage of policy objectives to positive development outcomes, and robust 'feedback loop' accountability mechanisms. This includes encouraging open and objective media coverage.

*Donors and the government all need to pause for reflection on the fit between patterns of development expenditure, identifiable citizen preferences, and development outcomes. We turn to development indicators below.*

**F-11 Summary table of aid flow patterns**

GoT = 2007-10; DONORS = 2005-10 =>	Tanzanian Government	IDA	EU institutions	AfDF	US	Japan	UK	Norway	Sweden
<b>GENERAL PUBLIC SERVICES</b>		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>SOCIAL INFRASTRUCTURE AND SERVICES</b>									
Education									
Health									
Water Supply & Sanitation									
Government & Civil Society	n/a								
<b>ECONOMIC INFRASTRUCTURE AND SERVICES</b>									
Transport Communications & Storage									
Energy									
<b>PRODUCTION SECTORS</b>									
Agriculture									
Industry									
<b>ENVIRONMENT</b>									
<b>GENERAL BUDGET SUPPORT</b>	n/a								
DEBT RELIEF	n/a								
EMERGENCY RESPONSE									

- Large(est) proportion of aid goes to this sector (30% +; split cells = borderline)
- Significant proportion of aid goes to this sector (10-29%; split cells = borderline)
- Little aid goes to this sector (less than 10%; blank equals negligible or nil)

### 3. Results in terms of development indicators

- \* Are the results of donor and government policies positive and in line with the investment effort?
- \* Do the results achieved satisfy the needs and preferences of the broad range of constituents in Tanzania?
- \* What can parliament do to ensure better results?

#### F-12 World Bank Development Indicators Tanzania, 2000-2010

Overview	2000	2005	2008	2009	2010
Population, total (millions)	34.04	38.83	42.27	43.52	44.84
Population growth (annual %)	2.5	2.7	2.9	2.9	3.0
Surface area (sq. km) (thousands)	947.3	947.3	947.3	947.3	947.3
Poverty headcount ratio at national poverty line (% of population)	35.6	..	..	..	..
GNI, Atlas method (current US\$) (billions)	10.06	14.70	18.99	21.40	23.37
GNI per capita, Atlas method (current US\$)	300	390	460	500	530
GNI, PPP (current international \$) (billions)	25.15	40.28	53.89	58.18	62.58
GNI per capita, PPP (current international \$)	760	1,060	1,310	1,370	1,430
People	2000	2005	2008	2009	2010
Income share held by lowest 20%	7.3	..	..	..	..
Life expectancy at birth, total (years)	50	53	56	57	..
Fertility rate, total (births per woman)	5.7	5.6	5.6	5.6	..
Adolescent fertility rate (births per 1,000 women ages 15-19)	133	131	130	130	..
Contraceptive prevalence (% of women ages 15-49)	..	26	..	..	34
Births attended by skilled health staff (% of total)	..	43	..	..	..
Mortality rate, under-5 (per 1,000)	130	103	85	80	76
Malnutrition prevalence, weight for age (% of children under 5)	..	17	..	..	..
Immunization, measles (% of children ages 12-23 months)	78	91	88	91	92
Primary completion rate, total (% of relevant age group)	..	55	..	103	90
Ratio of girls to boys in primary and secondary education (%)	97	95	93	96	..
Prevalence of HIV, total (% of population ages 15-49)	7.3	6.2	5.8	5.6	..
Economy	2000	2005	2008	2009	2010
GDP (current US\$) (billions)	10.19	14.14	20.72	21.37	23.06
GDP growth (annual %)	4.9	7.4	7.4	6.0	7.0
Inflation, GDP deflator (annual %)	7.6	6.4	10.1	7.4	7.7
Agriculture, value added (% of GDP)	33	32	30	29	28
Industry, value added (% of GDP)	19	23	23	24	25
Services, etc., value added (% of GDP)	47	46	47	47	47
Exports of goods and services (% of GDP)	13	21	23	23	24
Imports of goods and services (% of GDP)	20	30	39	35	38
Gross capital formation (% of GDP)	17	23	27	30	31

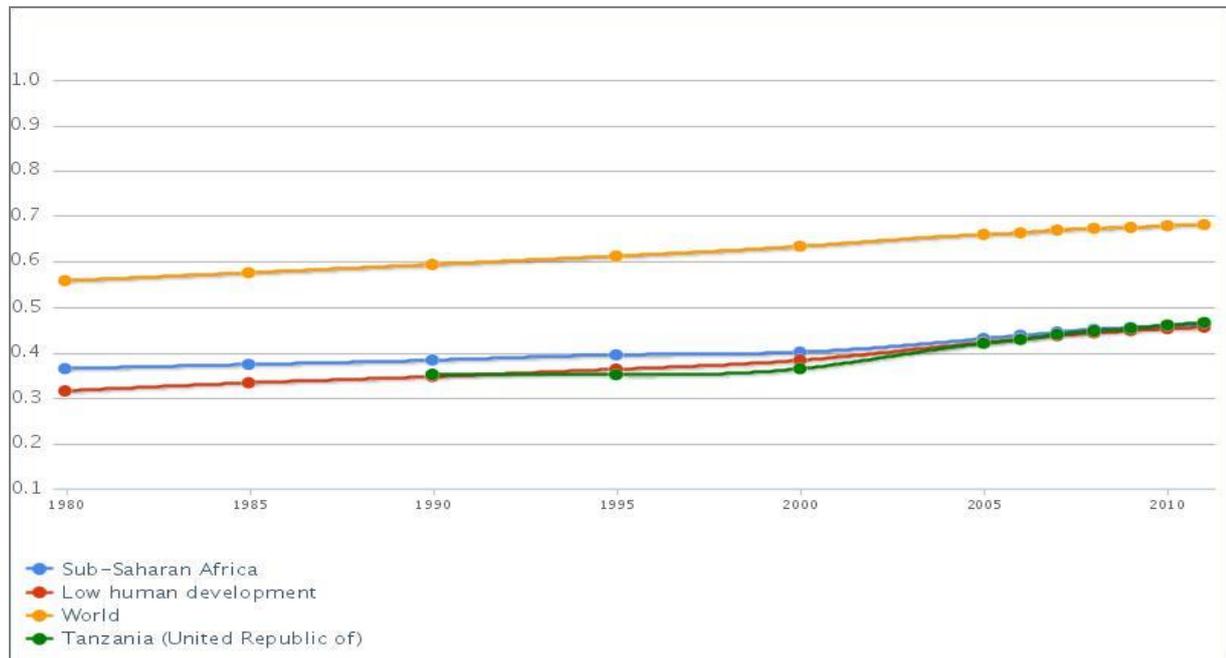
**F-13 World Bank Development Indicators grouped by MDG:** The table below gives an overview of Tanzania's progress on the World Bank's World Development Indicators grouped by the MDGs

	1990	1995	2000	2009
<b>Goal 1: Eradicate extreme poverty and hunger</b>				
Employment to population ratio, 15+, total (%)	87	86	85	78
Employment to population ratio, ages 15-24, total (%)	79	77	76	70
Income share held by lowest 20%	7.4	..	7.3	..
Malnutrition prevalence, weight for age (% of children under 5)	25.1	26.9	25.3	..
Poverty gap at \$1.25 a day (PPP) (%)	30	..	47	..
Poverty headcount ratio at \$1.25 a day (PPP) (% of population)	73	..	89	..
Prevalence of undernourishment (% of population)	28	40	39	34
Vulnerable employment, total (% of total employment)	..	..	92	..
<b>Goal 2: Achieve universal primary education</b>				
Literacy rate, youth female (% of females ages 15-24)	78	..	76	76

Literacy rate, youth male (% of males ages 15-24)	86	..	81	79
Persistence to last grade of primary, total (% of cohort)	..	..	74	..
Primary completion rate, total (% of relevant age group)	55	58	55	83
Total enrolment, primary (% net)	51	49	53	100
<b>Goal 3: Promote gender equality and empower women</b>				
Proportion of seats held by women in national parliaments (%)	..	18	16	30
Ratio of female to male primary enrolment (%)	99	98	99	99
Ratio of female to male secondary enrolment (%)	73	82	82	..
Ratio of female to male tertiary enrolment (%)	19	19	15	48
Share of women employed in the non-agricultural sector (% of total)	..	..	29.3	..
<b>Goal 4: Reduce child mortality</b>				
Immunization, measles (% of children ages 12-23 months)	80	78	78	91
Mortality rate, infant (per 1,000 live births)	99	95	86	68
Mortality rate, under-5 (per 1,000)	162	155	139	108
<b>Goal 5: Improve maternal health</b>				
Adolescent fertility rate (births per 1,000 women ages 15-19)	..	..	133	130
Births attended by skilled health staff (% of total)	53	47	44	..
Contraceptive prevalence (% of women ages 15-49)	10	18	25	..
Maternal mortality ratio (modelled estimate, per 100,000 live births)	880	920	920	790
Pregnant women receiving prenatal care (%)	62	50	49	76
Unmet need for contraception (% of married women ages 15-49)	28	24	22	..
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases</b>				
Children with fever receiving antimalarial drugs (% of children <5 with fever)	..	..	53	57
Condom use, population ages 15-24, female (% of females ages 15-24)	..	6	10	..
Condom use, population ages 15-24, male (% of males ages 15-24)	..	22	26	..
Incidence of tuberculosis (per 100,000 people)	230	230	240	190
Prevalence of HIV, female (% ages 15-24)	..	..	..	0.9
Prevalence of HIV, male (% ages 15-24)	..	..	..	1
Prevalence of HIV, total (% of population ages 15-49)	4.8	7.4	7.1	6.2
Tuberculosis case detection rate (all forms)	39	59	67	75
<b>Goal 7: Ensure environmental sustainability</b>				
CO2 emissions (kg per PPP \$ of GDP)	0.2	0.2	0.1	0.1
CO2 emissions (metric tons per capita)	0.1	0.1	0.1	0.1
Forest area (% of land area)	47	44	42	39
Improved sanitation facilities (% of population with access)	24	24	24	24
Improved water source (% of population with access)	55	54	54	54
Marine protected areas (% of total surface area)	..	..	..	13
Terrestrial protected areas (% of total surface area)	..	..	..	38.8
<b>Goal 8: Develop a global partnership for development</b>				
Debt service (PPG and IMF only, % of exports, excluding workers' remittances)	31	17	12	2
Internet users (per 100 people)	0.0	0.0	0.1	1.2
Mobile cellular subscriptions (per 100 people)	0	0	0	31
Net ODA received per capita (current US\$)	46	29	31	55
Telephone lines (per 100 people)	0	0	1	0
<b>Other</b>				
Fertility rate, total (births per woman)	6.2	5.9	5.7	5.6
GNI per capita, Atlas method (current US\$)	200	170	270	500
GNI, Atlas method (current US\$) (billions)	4.8	4.9	8.9	21.3
Gross capital formation (% of GDP)	26.1	19.8	17.6	..
Life expectancy at birth, total (years)	51	50	51	56
Literacy rate, adult total (% of people ages 15 and above)	59	..	69	73
Population, total (millions)	25.5	30.0	34.1	43.7
Trade (% of GDP)	50.1	65.6	41.0	..

Source: World Development Indicators database

## F-14 Progress on Human Development Index Tanzania (1980-present)



### *CONCLUSION: Results and development Needs*

Tanzania has made sound progress in the past few decades from a low starting point following the economic crunch of the 1970s and 1980s that was largely caused by ineffectual government policy. Economic growth has been high. However, progress remains unbalanced, favouring the urban and the relatively well off as opposed to the rural poor engaged in subsistence agriculture. In response to the questions posed at the start of this section, the results achieved may be in line with the actual expenditure effort, but they far from satisfy or properly attend to the needs and preferences of the broad range of constituents in Tanzania. The effort has been skewed in important respects and Parliament should act to ensure better results.

- \* Tanzania is on target to achieve only some of the MDGs by 2015, and time is running out. A range of vital World Bank development indicators have progressed little if at all; some have worsened (e.g. especially youth unemployment). On the Human Development Index, Tanzania has at last but only just caught up with the average for sub-Saharan Africa.
- \* *Progress is weakest on too many of those development issues that are most important to citizens and the parliament, but these are also precisely the issues to which donors and the government fail to commit and adequate proportion of funding.*
  - Worse yet, these areas where progress is weak yet relatively ill funded are too often areas that donors and the government claim to prioritise.
  - Public opinion (see e.g. Figure 5 in section C-4, main report) even tells the government where progress is most required
  - Donors and the executive may be more concerned with their own prerogatives than with the concerns of stakeholders in parliament and society at large.
- \* Agriculture stands out as a sector to which donors and government claim to be committed, where progress is negative, and actual funding levels low. It is no wonder that rural poverty continues at high levels.
- \* This means that there is a strong case for parliament asserting itself with the aim of establishing a better link between donor and executive funding patterns and the needs and preferences of the real stakeholders in the development drama
  - A better accountability 'feedback loop' would strengthen this parliamentary input, encouraging a better link between setting priorities, expenditure patterns, and outcomes in the long run
  - Parliament at the very least should assert control over its own resources so as to boost its capacity to participate in the policy process.
  - This is all the more necessary as new resource revenues come on stream, threatening the country with a potential 'resource curse' outcome.

*Both the donors and the executive underestimate the benefits for successful development of listening more to parliament and to the people, of providing more information and transparency on policy inputs and results to help stakeholders make choices, and of developing a more open decision-making process.*

### 3. List of websites with useful information

Tanzanian Parliament: <http://www.parliament.go.tz/>  
Government of Tanzania: <http://www.tanzania.go.tz/>  
Latest GoT strategy document: LTPP 2025 <http://www.tanzania.go.tz/pdf/mpango%20Elekezi.pdf>

#### Data on donor aid flows (sections C and D)

OECD  
<http://stats.oecd.org/>

AidData  
<http://www.aiddata.org/>

Development Partners Group Tanzania  
<http://www.tzdp.org.tz/>

Aid Flows  
<http://www.aidflows.org/>

#### Data on the Tanzanian budget (section C)

Tanzania National Economic Survey  
<http://www.tanzania.go.tz/economicsurveyf.html>

#### Data on Tanzanian public opinion (section C)

Afrobarometer Tanzania (select results of desired round 2000-2012)  
<http://www.afrobarometer.org/results/results-by-country-n-z/tanzania>

#### Data from the Tanzanian parliamentary survey (section C)

Available on request with AIID, and the survey will eventually be linked to the parliamentary website once the reporting phase of the project is complete.

#### Data on development indicators for Tanzania (section E)

Millennium Development Goals  
<http://www.tz.undp.org/docs/mdgprogressreport.pdf>  
[http://www.tz.undp.org/mdgs\\_goals.html](http://www.tz.undp.org/mdgs_goals.html)

Afrobarometer (general)  
<http://afrobarometer.org/> click 'results/by country' and download the summary for the country and survey round desired – look for questions on government performance, satisfaction of development needs

World Development Indicators  
[http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT\\_ID=9147&REQUEST\\_TYPE=VIEWADVANCED](http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT_ID=9147&REQUEST_TYPE=VIEWADVANCED)

World Bank  
<http://data.worldbank.org/>

Human Development Index  
<http://hdrstats.undp.org/en/countries/profiles/TZA.html>

#### Workshops/constituency consultations in Tanzania

The full report should be available on the Tanzanian parliamentary website:  
<http://www.parliament.go.tz/>