THE COUNTRY PROGRAM EVALUATION STUDY
ON JICA’S COOPERATION IN TANZANIA

FINAL REPORT

March 2001

International Development Center of Japan
Preface

A large paradigm shift occurred in the environment for assistance to Tanzania during the 1990s due to such factors as the stagnation of social and economic environments in Tanzania and the financial situations of donors. The shift was also promoted by structural adjustment policies for assistance and cooperation by sector programs. JICA’s assistance approach is also in the process of transition from “assistance through projects” to a new approach of “comprehensive efforts for each development subject.” In this regard, JICA’s modality for assistance and methods of implementing assistance have been discussed actively inside and outside JICA.

Given these changes in the environment for assistance in Tanzania, it is very important in this evaluation survey to verify the effects of technical assistance provided by JICA during the past ten years and formulate proposals of the ideal ways of providing assistance in the future. After the preliminary survey in Sept. 2000, this evaluation survey was assigned to the survey team of the International Development Center, headed by Mr. Noriyoshi Nagamatsu, during the period of Jan. to Mar. 2001, and the report was then completed here.

We hope that the results of this evaluation survey not only contribute to a qualitative improvement of future assistance by JICA to Tanzania but that they will also be utilized by many assistance-related people involved in the development of Tanzania as information about assistance issued by JICA.

We express our sincere thanks to the pertinent people in Tanzania and Japan and the assistance donors for extending their cooperation for the implementation of this evaluation survey.

March 2001

Yushu Takashima, Director
Japan International Cooperation Agency
The results of the survey are the opinions of the evaluation survey team and do not represent the opinions of JICA.
Foreword

Tanzania is one of the priority countries for Japanese Official Development Assistance and is a model country for the DAC development strategy. The government of Japan conducted Country-Specific Aid Research from 1996-97, and in 1997 the Government of Tanzania and the High Level Mission for Integrated Economic and Technical Cooperation for Tanzania dispatched by the Government of Japan agreed on a framework for Japan's cooperation in Tanzania. The priority areas for Japan's cooperation were agreed upon through this process to be agriculture and micro enterprise, basic education, basic infrastructure development, basic health and medical care services, and forest conservation. In 1999, the Country Assistance Program of the Ministry of Foreign Affairs of Japan, the Plan of Japan International Cooperation Agency's (JICA) Cooperation in Tanzania, and the plan for evaluating JICA’s cooperation were formulated.

Tanzania has placed more emphasis on issues of poverty in recent years and has formulated the National Poverty Eradication Strategy (NPES) and other strategic programs for poverty reduction. The Poverty Reduction Strategy Paper (PRSP) was formulated based on these approaches, and the relationship between poverty reduction and debt relief was stressed. During this period of change, many donors transferred their support from project-type assistance to program-type assistance, which enhanced donor coordination in each sector. Japan has extended support to Tanzania in the form of project-type assistance, but in 1999 JICA itself started to apply an issue-oriented approach to its cooperation based on the plan formulated that year. This new approach requires that JICA evaluate its cooperation in the 1990s, taking such changes into account.

Given this background, JICA dispatched a Preliminary Study Team of the Country Program Evaluation Study (hereinafter referred to as the CPE Study) of JICA’s cooperation in Tanzania to stay in Tanzania from the end of August to the beginning of September 2000. The study team and the government of Tanzania agreed on the CPE Study in Tanzania by JICA. The study team conducted a preparatory study for a full-scale evaluation.

Based on the agreed contents of the CPE Study between the Preliminary Study Team and the government of Tanzania, a second CPE Study Team was dispatched to Tanzania and conducted an evaluation from early February to mid-March 2001. The subject term for the CPE Study was from fiscal years 1991 to 2000; the subject programs were in the agriculture, education, health, and infrastructure development sectors. JICA cooperation as a whole to Tanzania during those years was also a subject. The CPE Study Team extracted lessons from the evaluation results and made recommendations aimed at improving JICA’s Country Program as well as cooperation. This is
the report of the CPE Study.

The CPE Study Team would like to express its gratitude to government officials in Tanzania, the staff of the bilateral and multilateral donor organizations and NGOs, project staff members, staff of JICA Tanzania Office and Headquarters, scholars, and consultants for their kind cooperation with the CPE Study.

March 2001

Nagamatsu Noriyoshi
Head of the Country Program Evaluation (Second) Team
International Development Center of Japan
Summary

1 Evaluation Study

(1) Purpose of the Evaluation

1) Evaluating JICA’s cooperation in Tanzania over the past ten years thoroughly, and lessons for improvement of JICA’s future cooperation would be drawn from the results of the CPE Study.

2) Proposing recommendations for the Country Cooperation Plan for Tanzania and those for improvement of JICA’s cooperation based on the lessons from the CPE Study.

(2) Subjects for the CPE Study

Subjects for the CPE Study were as follows.

Period: JICA's cooperation implemented in Tanzania from 1991 to 2000
Sectors: Agriculture, education, health, infrastructure development, and JICA’s cooperation as a whole to Tanzania
Programs: Groups of Projects of Grant Aid and Project-Type of Technical Cooperation indicated on the program tree for JICA’s Plan of Country Program Cooperation

Number of programs:
Agriculture=3 programs, Infrastructure Development=5 programs, Health=3 programs, Education=1 program

Number of Projects:
Agriculture=114 projects, Infrastructure Development=79 projects, Health=51 projects, Education=148 projects

(3) Members of the CPE Study

<table>
<thead>
<tr>
<th>Sector</th>
<th>Consultant Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Leader/ Evaluation Methodology</td>
<td>Nagamatsu Noriyoshi</td>
<td>International Development Center of Japan</td>
</tr>
<tr>
<td>Micro Economic Analysis</td>
<td>Sakamoto Koichi</td>
<td>Dept. of International Economics, Hamamatsu University</td>
</tr>
<tr>
<td>Infrastructure Development</td>
<td>Terahara George</td>
<td>International Development Center of Japan</td>
</tr>
<tr>
<td>Poverty Reduction/Rural Development</td>
<td>Aizawa Yoshio</td>
<td>International Development Center of Japan</td>
</tr>
<tr>
<td>Poverty Reduction/Health/Education</td>
<td>Abe Kimiko</td>
<td>International Development Center of Japan</td>
</tr>
</tbody>
</table>

1 These numbers included those of Independent Dispatch of Experts and Dispatch of JOCV: Agriculture=75 projects, Infrastructure Development=29 projects, Health=23 projects, Education=136 projects.
(4) Timing of the CPE Study and Field Study

The CPE Study conducted from late January 2001 to middle March. During this term, the team member went to Tanzania and conducted evaluation study. Their stays in Tanzania varied, but they stayed in Tanzania from early February to early March.

(5) Relationship between the CPE Study and the CPE Preliminary Study

The CPE Study Team was the second team dispatched to Tanzania. Prior to this team, the Preliminary Study Team which was consisted of two staff from JICA and one consultant was dispatched and collected information on the aid environment, other donors’ experiences in country evaluation, so forth. The Preliminary Study Team proposed methods of evaluation, including the evaluation methodology and criteria for the second CPE Study based on the information collected during their visit in Tanzania.

(6) Methodology of the CPE Study

The CPE Study Team selected among the DAC 5 Criteria, relevance, efficiency, and sustainability based on the proposal from the CPE Preliminary Study. One program from each of the three sectors, agriculture, health, infrastructure development, was selected subject for the case study for the examination of sustainability. Evaluation on sustainability of a program in the education sector was not conducted since Japan's cooperation in the sector has started relatively recently.

(7) Ways of Information Collection

Existing JICA reports in regard to its cooperation in Tanzania and other donors reports on their country evaluation were utilized. Also, all information and analysis on the aid environment, trends of other donors’ cooperation, and the specific sectors collected by the Preliminary Study Mission of the CPE Study are thoroughly reviewed and reflected in the CPE Study. Interviews were conducted from JICA staff, Japanese Experts, and consultants in Japan; from staff of JICA Tanzania Office, Tanzanian counterparts, beneficiaries, and other donors in Tanzania.

Members of the CPE Study Team visited project sites for information collection, but due to time restraints, information on some projects was not collected sufficiently. The information on projects conducted long time ago was also difficult to collect.

2 Evaluation Results

(1) National Level

1) In the early 1900s, Japan’s assistance to Tanzania was relevant to with the development plan of the Tanzanian government. However, results from Japanese assistance leading to long-term and dramatic solution and improvement of Tanzania’s development problems were limited. After the mid-1990s, Other donors, however, including the World Bank, viewed critically the Tanzanian government’s stagnating promotion of reform. Japan decided to provide assistance based on a slightly generous
evaluation of the former viewpoint.

2) JICA’s assistance was directed to people at the poverty level who were suffering from large negative effects of structural adjustment during the 1900s. Providing economic infrastructure through grant assistance did not directly stimulate direct production or introduce foreign capital. However, such assistance provided a foundation to prevent further aggravation.

3) Other donors evaluate Japan highly for expressing opinions at various donor meetings held in Tanzania and deem that the Japanese way of thinking is fully visible. They anticipate Japan’s positive involvement in RDS and ASDS, which are now under examination. If Japan can positively contribute to forming overall policies of donors through such involvement, the assistance from Japan will have been implemented efficiently from the viewpoint of coordination among donors.

4) The new JICA approach based on current issue-oriented programs definitely contributes to resolving and improving sector-wide issues more systematically than the conventional approach based on individual projects. These programs are not equal in the degree of completeness as a program. They may also contain projects whose inclusion in the same program is questionable from the viewpoint of relationships and complementarity with other projects.

(2) Program Level

1) Agriculture
  * Creating a sense of ownership in the farmer's associations was imperative. * Input was not effective in producing significant outputs/outcome, * It is necessary not only to recognize recommendations that arise from the lessons learned, but also to utilize them. * KRII is unlikely to support the poor to be economically independent and reduce poverty, and the scale of outputs/outcomes from the inputs was not necessarily calculated in detail at the time of project formulation

2) Infrastructure
  * Past selection of different counterparts and goals by project reduced the integrity of the programs. Thus, some of programs consisting of successful individual projects were not fully successful as programs.

3) Health
  * The consistency of the Health and Medical Care Service Strengthening Program with an upper level development plan was increased in the late 1990s. * The efficiency of the projects was decreased due to allocating resources for improving the settings of projects prior to conducting their activities. * Securing the budget for maintenance for medical equipment provided by Japan was difficulties for the Tanzanian side.

4) Education
  The school mapping project was highly relevant to an upper level of development plan. * The efficiency in the implementation process of the school mapping project was high.
3 Main Lessons leaned

(1) National Level

1) Active participation in donor conferences is important.

2) The assistance through cooperation among donors is important.

3) Staff of JICA Tanzania Office should be increased, otherwise, it will become more difficult to continuously address a wide range of areas. (If the office personnel expansion cannot be achieved within a short period, some concentration of object areas of assistance may be examined.)

4) Expanding the implementation system is necessary.

(2) Program Level

1) Rural Development/Agriculture

*Irrigation projects require creating a sense of ownership in the farmers’ associations at an early stage.  *Formulating appropriate project to gain optimal effectiveness is necessary.  *Utilization of lessons from past experiences including failure should be encouraged.  *Situation analyses on the accumulated amount and the process of accumulation of KRII and discussion of methodology for clarifying the effectiveness of KRII are necessary.

2) Infrastructure Development

*The content of programs should be clarified and the program objectives should be set.  *Projects should be formulated in response to privatization.

3) Health Sector

*Prudent identification of the beneficiaries, consideration of the levels of development of various aspects of the health sector and socio-economic and cultural differences, and deliberate selection of target issues and approaches should be enhanced in the project formulation process.  *The strategic aspect of the country program should be intensified through setting program objectives in order to promote the program approach, as a tentative measures while implementation of the programs is not linked with budget allocation.

4) Basic Education Sector

*Common understanding of the important factors of capacity building projects among stakeholders should be created.  *More Effective study designs should be applied for a capacity building project.
4 Recommendation

(1) National Level

1) In order to promote program-type assistance in Japan’s international cooperation, followings are necessary: concentration in the high-priority sectors and investment budget in those sectors over a certain period. For short time, it is, first, necessary, to specify the high-priority areas. Second, to comprehensively and flexibly invest various resources and schemes in such areas. Indicators within each sector that can be monitored are to be established, and they are to be monitored by JICA for the improvement of the Country Program for Tanzania.

2) Publication of the JICA’s Country Program for Tanzania and provision of an implementation system based on the program should be realized.

3) Promotion of coordination among donors and provision of a system for that purpose are necessary.

4) It is highly possible that Japan would conduct mainly project-type assistance based on a best-mix approach. However, whatever aid modalities Japan applies, Japan should formulate projects within the framework of the strategies or programs that were formulated under the leadership of the GOT. If Japan conduct the budget support or the common basket funding, it is necessary to analyze and discuss the methods for raising the financial management capacity of the Government of Tanzania and for confirming the use of any provided fund and the process.

(2) Program Level

1) More emphasis on sustainability should be put. In order to secure sustainability, securing participation of beneficiaries at the planning phase, analyzing discouraging factors for securing sustainability, and consideration of implication of additional inputs by Japan for securing sustainability.

2) Sufficient forecast of the relationship between input size and the outputs/outcome best suited for that size is necessary.

3) Burden on the counterpart government imposed by a large-scale project should be further considered
Map of Tanzania (areas subject for CPE Evaluation)

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4 Bibliography
Abbreviations and Acronyms

ADB - African Development Bank
ASDS - Agricultural Sector Development Strategy
B/D - Basic Design
BHN - Basic Human Needs
BOT - Build, Operate and Transfer
CHA W AMPU - chi Cha wakakulima wa Mpunga (in Kiswahili)
CIDA - Canadian International Development Agency
C/P - Counterpart
DAC - Development Assistance Committee
DANIDA - Danish International Development Agency
D/D - Detailed Design
DRIMP - Dal es Salaam Road Improvement and Maintenance Project
DRIP - Dal es Salaam Road Improvement Project
EPI - Expanded Program on Immunization
ERP - Economic Recovery Program
ESRF - Economic and Social Research Foundation
FAO - Food and Agriculture Organization
F/S - Feasibility Study
GOT - Government of Tanzania
GDP - Gross Domestic Product
GSM - Global System for Mobile Communications
GNP - Gross National Product
HIPCs - Highly Indebted Poor Countries
HSR - Health Sector Reform
IDA - International Development Association
IMF - International Monetary Fund
IRP - Integrated Roads Project
ISDN - Integrated Services Digital Network
JBIC - Japan Bank for International Cooperation
JICA - Japan International Cooperation Agency
KADC - Kilimanjaro Agricultural Development Center
URT - United Republic of Tanzania
VETA - Vocational Education and Training Authority
1 Outline of the Country Program Evaluation
1. OUTLINE OF THE COUNTRY PROGRAM EVALUATION

(1) Background

Tanzania is one of priority countries for Japanese Official Development Assistance and is a model country for the DAC development strategy. The government of Japan conducted Country-Specific Aid Research from 1996-97, and in 1997 the Government of Tanzania and the High-Level Mission for Integrated Economic and Technical Cooperation for Tanzania dispatched by the Government of Japan agreed on a framework for Japan's cooperation in Tanzania. The Country Assistance Program of the Ministry of Foreign Affairs of Japan, the Plan of Japan International Cooperation Agency's (JICA's) Cooperation in Tanzania, and the plan to evaluate JICA's cooperation were formulated in 1999. The priority areas for Japan's cooperation were agreed upon through this process to be agriculture and micro enterprise, basic education, basic infrastructure development, basic health and medical care services, and forest conservation.

In recent years, Tanzania has placed more emphasis on issues of poverty, and formulated the National Poverty Eradication Strategy (NPES) in 1997 and the Medium Term Expenditure Framework (MTEF) and Tanzania Assistance Strategy (TAS) in 2000. The Poverty Reduction Strategy Paper (PRSP) was formulated based on these programs, and the relationship between poverty reduction and debt relief was stressed. During this period of change, many donors moved their support from project-type assistance to program-type assistance, which enhanced donor coordination in each sector. More specifically, there has been a unification of cooperation procedures among some donors, such as a common fund for sector development plans and common procurements. Japan has extended support to Tanzania in the form of project-type assistance, but in 1999 JICA itself started to apply an issue-oriented approach to its cooperation based on the Plan formulated in that year. This new approach made it necessary for JICA to evaluate its cooperation in the 1990s, taking such changes into account.

Given this background, JICA dispatched the Preliminary Study Team of the Country Program Evaluation Study (hereinafter the CPE Study) of JICA’s cooperation in Tanzania to stay in Tanzania from the end of August to the beginning of September 2000. The study team and the government of Tanzania agreed on the CPE Study in Tanzania by JICA. The study team conducted a preparatory study for a full-scale evaluation. The
preparatory study included introducing the CPE Study to the other donors, collecting information on the trend of the aid environment surrounding Tanzania, other donors’ evaluation methodologies, and the economic and social trends of Tanzania.

Based on the agreed-upon contents of the CPE Study between the Preliminary Study Team and the government of Tanzania, the second CPE Study Team was dispatched to Tanzania and conducted an evaluation at national and program levels from early February to mid-March 2001 (Figure 1.1). The evaluation results and recommendation were compiled as a report by the second CPE Study Team.

<table>
<thead>
<tr>
<th>1996—97</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
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<tbody>
<tr>
<td>Country-Specific Aid Research</td>
<td>Formulation of Aid Policy (MOFA)</td>
<td>Dispatch of the CPE Preliminary Study Team (Agreement on evaluation methodology, etc.)</td>
<td>Dispatch of CPE Study Team (Evaluation, report writing)</td>
</tr>
</tbody>
</table>

Governments of Tanzania and Japan agreed a framework of Japan’s assistance

Formulation of Country Program (JICA)

Levels for evaluation and evaluation criteria were decided

Programs subject for evaluation on sustainability were decided

Figure 1.1 Steps for CPE Evaluation
Source: CPE Study Team

(2) Purpose of the Evaluation

The CPE Study was conducted for the following purposes, with consideration of the analysis results from the Preliminary Study.

(1) JICA’s cooperation in Tanzania over the past ten years would be evaluated thoroughly, and lessons for improvement of JICA’s future cooperation would be drawn from the results of the CPE Study.

(2) Recommendations for the Country Cooperation Plan for Tanzania and those for improvement of JICA’s cooperation would be proposed based on the lessons from the CPE Study.
(3) Subjects for the CPE Study

Subjects for the CPE Study were as follows.

Period: JICA’s cooperation implemented in Tanzania from 1991 to 2000
Areas: Agriculture, education, health, infrastructure development, and JICA’s cooperation as a whole to Tanzania
Programs: Groups of Projects of Grant Aid and Project-Type of Technical Cooperation indicated on the program tree for JICA’s Plan of Country Program Cooperation.
(Figure 1.2)
Figure 1.2 Program Tree Indicated in the JICA Country Program for Tanzania
The programs subject to the CPE Study were retrospectively-created programs by the Plan of JICA’s Cooperation in 1999. "Retrospectively-created programs" are those that had not been originally forged and implemented as programs but are groups or collectives of projects that had been independently implemented from 1991 to 2000. Schemes of the projects include Project-Type of Technical Cooperation, Project Formulation Study, Detailed Design Study, Basic Design Study, and Project Formulation Advisors.

1) Number of projects and programs subject for CPE Study.

There are twelve programs subject for CPE Study.

**Number of programs**

- Agriculture: 3 programs
- Infrastructure Development: 5 programs
- Health: 3 programs
- Education: 1 program

Due to the nature of retrospectively-defined programs, the CPE Study utilized reports of project evaluations to assess the programs.

The projects consisting the programs are divided into two categories: the Independent Dispatch of Experts and Dispatch of JOCV and all others. The later includes 129 projects as follows.

**Number of Projects other than Independent Dispatch of Experts and Dispatch of JOCV**

- Agriculture: 39 projects
- Infrastructure Development: 50 projects
- Health: 28 projects
- Education: 12 projects

Projects of Independent Dispatch of Experts and Dispatch of JOCV consist of 236 projects.

**Number of Projects of Independent Dispatch of Experts and Dispatch of JOCV**

- Agriculture: 75 projects
- Infrastructure Development 29 projects
- Health 23 projects
- Education 136 projects

Table 1.1 provides above projects and programs.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Programs</th>
<th>Number of Projects</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction</td>
<td>3</td>
<td>39</td>
<td>75</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>5</td>
<td>50</td>
<td>29</td>
</tr>
<tr>
<td>Health</td>
<td>3</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>Education</td>
<td>1</td>
<td>12</td>
<td>136</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>129</td>
<td>263</td>
</tr>
</tbody>
</table>

There were many projects; as a result of the time constraint, the CPE Study Team's research study in Tanzania encountered difficulty collecting sufficient information on some projects.

(4) Timing of the CPE Study conducted in Japan and Tanzania

The CPE Study was conducted from late January to mid-March; during this term, members of the CPE Study Team were dispatched to Tanzania as follows(Table 1.2, ( ) = number of days stayed.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Consultant Name</th>
<th>Stayed in Tanzania (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Leader/ Evaluation</td>
<td>Nagamatsu Noriyoshi</td>
<td>6–27 February 2001 (22)</td>
</tr>
<tr>
<td>Methodology</td>
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<td></td>
</tr>
<tr>
<td>Micro Economic Analysis</td>
<td>Sakamoto Koichi</td>
<td>4–18 February 2001 (22)</td>
</tr>
<tr>
<td>Infrastructure Development</td>
<td>Terahara George</td>
<td>11 February –11 March (29)</td>
</tr>
<tr>
<td>Poverty Reduction/Rural Development</td>
<td>Aizawa Yoshio</td>
<td>11 February –11 March (29)</td>
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<tr>
<td>Poverty Reduction/Health/Education</td>
<td>Abe Kimiko</td>
<td>11 February –11 March (29)</td>
</tr>
</tbody>
</table>

Source: CPE Study Team
It should be noted that the CPE Study Team was the second team to visit Tanzania; the CPE Preliminary Study Team visited previously as the first team. Members of the two teams were completely different; the first team included two persons from JICA’s Office of Evaluation and Post Project Monitoring, Planning and Evaluation Department and one from a private consulting firm.

(5) Selection of Evaluation Methodology

The CPE Preliminary Study Team proposed methods of evaluation based on the information collected during their visit in Tanzania, including the evaluation methodology and criteria for the second CPE Study. The methods of evaluation for the CPE Study were finally defined by this proposal, as well as the contents of the terms of reference prepared by JICA for the CPE Study. Details of the evaluation methods are explained in Chapter 4 (4.1) of this report.

(6) Setting up the Advisory Committee

An advisory committee was formed for the CPE Study to reflect the opinions of TOG and increase the efficiency of this evaluation study. The advisory committee consisted of officials from the Ministry of Finance, the Civil Service Department of the President’s Office, and other relevant government offices.

(7) Hiring local consultants

The CPE Study Team hired local consultants (Appendix 1), who supported the Team members in collecting information and conducting interviews.

(8) Work Plan

<table>
<thead>
<tr>
<th>Studies in Japan</th>
<th>Late January to early February 2001</th>
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<tbody>
<tr>
<td></td>
<td>Interviews with relevant people in Japan and literature review</td>
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<td></td>
<td>Preparation of the Evaluation Matrix and the</td>
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<td>Inception Report</td>
<td></td>
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<tr>
<td>Studies in Tanzania</td>
<td>Early February to early March 2001</td>
</tr>
<tr>
<td>Final Report writing</td>
<td>Early March to late March 2001</td>
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2 Economic and Social Trends
2. ECONOMIC AND SOCIAL TRENDS

This section will present a summary of the overall economic and social developments of the past ten years. The area covered is primarily mainland Tanzania unless otherwise indicated.

2.1 Macro-Economic Analysis

A summary of macro-economic developments will be presented in this sub-section, including the surrounding environments. The period for analysis was from 1991 to 2000 on a calendar year basis and from 1991/1992 to 2000/2001 on a fiscal year basis (July-June).

(1) Primary Features of Tanzania’s Economy

The primary features of the economy for the past ten years are listed below and were the basis of the subsequent analyses.

1) Non-economic factors were not important. Though Tanzania had the largest number of ethnic groups in sub-Saharan Africa, there were no ethnic conflicts that influenced the economy.

A primary constraint to development was the fact that major agricultural production areas existed near the borders, resulting in difficulties in transportation between rural and urban areas.

2) Severely indebted country
Tanzania was the most indebted country in the world in 1991. Its ratio of external debt stock to export of goods and services was more than 1,000%. The ratio in 1999 was still high, standing at 549.6%. The country qualified for debt relief under the Enhanced HIPC Initiative.

3) Highly aid-dependent economy
Exports totaled only about half of the imports throughout the ten-year period. Tanzania has depended on aid since independence.
4) Most intensively adjusting country
The World Bank classified Tanzania into one of nineteen intensively adjusting countries in Africa in 1988.\(^1\) In its evaluation report (1994), the World Bank stated that investment ratios increased only in Ghana and Tanzania in all of sub-Saharan Africa. In addition, the CPE Study classified the country in 1999 as one of four intensively adjusting countries that met the following conditions: Article VIII country (in IMF’s classification), adoption of a flexible exchange rate system, and experience with adjustment in financial sectors.

(2) Macro-economic trends

Table 2.1 shows the trends of the macro-economic indicators.

\(^1\) World Bank (1989).
### Table 2.1a: Trends of the Macro-Economic Indicators

#### EXTENT OF POLICY IMPLEMENTATION

<table>
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<tr>
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<tbody>
<tr>
<td>% changes over previous years</td>
<td>12.23</td>
<td>4.21</td>
<td>32.16</td>
<td>17.88</td>
<td>18.96</td>
<td>19.97</td>
<td>15.71</td>
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</table>

#### MONEtARY POLICY

| Discount Rate (%) | 1.23 | 1.12 | 1.01 | 0.76 | 0.65 | 0.54 | 0.43 | 0.32 | 0.21 | 0.12 | 0.03 | 0.01 |
| % changes over previous years | 0.12 | 0.11 | 0.07 | 0.11 | 0.12 | 0.13 | 0.14 | 0.15 | 0.16 | 0.17 | 0.18 | 0.19 |

#### EXCHANGE RATE POLICY

| Exchange rate (US$, Bn Shillings) | 1.23 | 1.12 | 1.01 | 0.76 | 0.65 | 0.54 | 0.43 | 0.32 | 0.21 | 0.12 | 0.03 | 0.01 |
| % changes over previous years | 0.12 | 0.11 | 0.07 | 0.11 | 0.12 | 0.13 | 0.14 | 0.15 | 0.16 | 0.17 | 0.18 | 0.19 |

#### Note

GDP is based on current prices. Bn Shillings.

### Table 2.1b: IMPACT

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<tr>
<td>% changes over previous years</td>
<td>0.12</td>
<td>0.11</td>
<td>0.07</td>
<td>0.11</td>
<td>0.12</td>
<td>0.13</td>
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<td>0.12</td>
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<td>0.07</td>
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<td>0.12</td>
<td>0.13</td>
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<td>0.17</td>
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### Memo

GDP is based on current prices. Bn Shillings.


Notes: National Accounts data in 1987 are preliminary.
Table 2.1c
SUSTAINABILITY

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<td>DSG/GDP (%)</td>
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<td>1280</td>
<td>1145</td>
<td>865</td>
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<td>574</td>
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For external debt, Global Development Finance 1999.

Note: National Accounts data in 1987 are preliminary.
1) Economic Growth and Industrial Structure
The GDP growth rates were low compared to those of the population, which were above three percent per annum. Though they reached levels above the population growth rates in the second half of the nineties, the growth depended on aid.

On a sectoral basis, the mining sector recorded growth rates around ten percent over the past ten years. Agriculture grew at a rate near the population growth rate, though three years (1992, 1997, and 1998) saw severe droughts that affected production. Manufacturing only accounted for less than ten percent of the GDP.

2) Expenditure and Inflation
As stated above, exports were only half of the imports, though real export growth reached 8.0 percent on average for 1991-1999.

Government consumption expanded substantially in the first half of the 1990s and fell significantly thereafter. The ratios of domestic savings to the GDP remained 3-4 percent of the GDP for that period, which resulted in difficulties in financing investments.

3) Structure of Trade and Balance of Payments
Growth of non-traditional exports surpassed that of traditional commodities (coffee, cashew nuts, and cotton), reaching 48.5 percent of the total export values in 1999, up from 45 percent in 1991. Mining exports increased their shares in the total exports from one percent in 1991 to 13.2 percent in 1999.

The balance of payment ratios of the current account deficits to the GDP declined, but remained in a crisis even at the end of the decade.²

Project financing was much greater in value than program financing for both official transfers and loans, but the trends differed. Project financing reduced its share in the total official transfers from 90.4 percent in 1994/95 to 82.3 percent in 1999. In contrast, the weight of program financing in the total official inflow increased during the same period.

Foreign direct investments increased substantially in the second half of the 1990s. The sectors that received the greatest share were mining and tourism. The high cost of

² JICA macro-economic manual (1996) indicates six percent of the GDP as a critical level of current account deficits.
electricity, at seven times greater than that in Kenya, is a major problem.³

4) External Debt
In 1991, the following five countries in the world had ratios of external debt stock to exports of goods and services exceeding 1,000 percent: Nicaragua, Sudan, Mozambique, Uganda, and Tanzania. Of the five countries, Tanzania was the only one that had not experienced any internal conflict. Its external debt stock stood at 6,380 million US dollars at the end of June 1999. Its ratio to exports was 549.6 percent.

Tanzania reached the decision point of the Enhanced HIPC Initiative in March, 2000. A completion point may be arrived at in the second half of 2001.⁴ With full implementation of the debt reduction measures in the Initiative, the country will become a moderately indebted country in 2001/02.

(3) Development Plans and Programs

1) System for Development and Donor Assistance
Table 2.2 presents a system for development and donor assistance. The system was set in the later period of the 1990s. The Rolling Plan and Forward Budget (RPFB), which had been introduced as a medium-term development program, was replaced by the Medium Plan and Budget Framework (MPBF). The latter was composed of both planning statements and their corresponding budget figures.

⁴ Interviews with the Governor of the Bank of Tanzania and Resident Representative of IMF in February 2001. The governor set November 2001 as a target for the completion point.
<table>
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<tr>
<th>Table 2.2 System for Development and Donor Assistance</th>
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<tr>
<td>Long-term Plan</td>
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<tr>
<td>Vision 2025</td>
</tr>
<tr>
<td>National Poverty Eradication Strategy (NPES)</td>
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<tr>
<td>Budget</td>
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<td>Medium-term Plan</td>
</tr>
<tr>
<td>Rolling Plan &amp; Forward Budget (RPFB)</td>
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<td>Medium Plan &amp; Budget Framework (MPBF)</td>
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<td>Tanzania Assistance Strategy (TAS) for all sectors</td>
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<tr>
<td>Medium Plan &amp; Budget Framework (MPBF)</td>
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<td>Medium-term Expenditure Framework (MTEF)</td>
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<td>Public Expenditure Review (PER)</td>
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<th>DONOR ASSISTANCE</th>
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<td>IMF</td>
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<tr>
<td>Enhanced Structural Adjustment Facility (ESAF)</td>
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<td>World Bank</td>
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<td>Structural Adjustment Credit (SAC)</td>
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<td>Programmatic Structural Adjustment Credit (SAC)</td>
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<td>Country Assistance Strategy (CAS)</td>
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<td>Tanzania Assistance Strategy (TAS) for all sectors</td>
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<td>HIPC</td>
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</table>

In addition to the medium-term framework, long-term plans were introduced toward the end of the decade in the forms of the National Poverty Eradication Plan (NPEP) in 1998 and Vision 2025 in 2000. NPEP covers the period until 2010. The Poverty Reduction Strategy Paper (PRSP) prepared in October 2000 was a medium-term program.

2) Structural Adjustment
The program in action was structural adjustment supported by IMF and the World Bank. As stated above, Tanzania was classified as one of the most intensively adjusting country in sub-Saharan Africa. Though there was a short break with the Bretton Woods Institutions in 1995-96 because of a delay in fiscal policies, the new government, which took effect in 1995, reintroduced active adjustment measures that were implemented throughout the rest of the decade.

The institutional system was well set to make an evaluation of structural adjustment. Leadership in the new government was strong from 1996. A system for development planning and donor assistance had been established, as explained above. Ownership of the adjustment programs was realized.

Table 2.3 provides a summary of the evaluation of the structural adjustment of the CPE Study. The extent of policy implementation and its impact were measured by identifying the priority objectives and the corresponding policy measures.

---

5 The Bank provided sector adjustment loans to industry, agriculture, and finance in the first half of the decade (refer to Section 3).
6 Interview with the Governor of the Bank of Tanzania in February 2001. He is the former advisor to the President and stated that Mr. Mkapa was personally committed to adjustment.
7 In its evaluation report, the World Bank (2000) states that “support for a country-driven formulation of the development strategy,... has been reflected most dramatically in the recent PFP (1998/99-2000/2001) and PER (1998 and 1999) processes” (p.26). Preparation of NPEP, started in 1996, had already involved various stakeholders, which was the case for PRSP.
Table 2.3 Evaluation of Structural Adjustment Program (SAP)

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<td>SHORT-TERM</td>
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<td>Objective (1) Rectification of BOP deficits</td>
<td>Cur. deficit/GDP(%)</td>
<td>less than -6%</td>
<td>-14.9</td>
<td>-15.5</td>
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<td>-8.3</td>
<td>-11.7</td>
<td>-16.6</td>
<td>-9.3</td>
<td>(96-98)</td>
<td>unsuccessful</td>
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<td>Policy: Devaluation of Currency</td>
<td>Real devaluation</td>
<td>plus</td>
<td>-16.1</td>
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<td>9.5</td>
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<td>Objective (2) Reduction in Govt. consumption</td>
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<td>Increase in real interest rates</td>
<td>Real interest rate (%)</td>
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<td>-12.1</td>
<td>34.3</td>
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<td>Increase in real interest rates</td>
<td>Real interest rate (%)</td>
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<td>-7.4</td>
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<td>0.7</td>
<td>-4.2</td>
<td>-4.4</td>
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<td>-0.6</td>
<td>-1.7</td>
<td>-1.3</td>
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<td>Privatisation of public firms</td>
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<td>Objective (5) Continuous growth</td>
<td>GDP growth rates (%)</td>
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<td>1.3</td>
<td>1.6</td>
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<td>4.7</td>
<td>1.8</td>
<td>2.1</td>
<td>unsuccessful</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy: Improvement in income disparity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(including measures against poverty)</td>
<td>Cur. deficit/GDP(%)</td>
<td>less than -6%</td>
<td>-14.9</td>
<td>-15.5</td>
<td>-25</td>
<td>-15.3</td>
<td>-12.1</td>
<td>-7.9</td>
<td>-8.3</td>
<td>-11.7</td>
<td>-16.6</td>
<td>-9.3</td>
<td>(96-98)</td>
<td>unsuccessful</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External debt stock / exports(%)</td>
<td>less than 220%</td>
<td></td>
<td>1,280</td>
<td>1,143</td>
<td>862</td>
<td>747</td>
<td>571</td>
<td>518</td>
<td>568</td>
<td>645</td>
<td>920</td>
<td>577</td>
<td>(96-98)</td>
<td>unsuccessful</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Mission evaluation based mainly on IFS, IDA & IMF (2000); IMF (2000).
Notes: 1) Fiscal year figures. 2) This ratio in net present values is compared with current values for 1991-98.
Overall, adjustment policies were implemented without achieving their impact potential. More specifically, macro-economic stability was not realized, though the reduction in government consumption was substantial in the second half of the 1990s compared to the first half. On the structural front, the GDP growth rates did not recover, which indicated that Tanzania’s economy did not return to a sustainable growth path. Of the three policy groups, public sector reforms did not materialize, which is a common phenomenon in adjusting countries.

The external debt burden was ultimately not sustainable and resorting to the HIPC Initiative was required.

3) Budget
According to Table 2.4 for the overall fiscal performance, there were no counterpart funds for the development budget. It is also noted that project support was much greater than program (import) support with both grants and loans from abroad.
### Table 2.4 Central Government Operations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue</strong></td>
<td>133.20</td>
<td>173.52</td>
<td>164.11</td>
<td>242.44</td>
<td>331.24</td>
<td>448.34</td>
<td>572.05</td>
<td>619.10</td>
<td>689.47</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>151.90</td>
<td>194.90</td>
<td>305.01</td>
<td>487.90</td>
<td>595.99</td>
<td>638.43</td>
<td>765.14</td>
<td>898.80</td>
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</tr>
<tr>
<td><strong>Recurrent</strong></td>
<td>135.40</td>
<td>162.30</td>
<td>240.30</td>
<td>284.00</td>
<td>401.90</td>
<td>474.59</td>
<td>528.13</td>
<td>567.74</td>
<td>657.25</td>
</tr>
<tr>
<td><strong>Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic financed</td>
<td>16.50</td>
<td>32.60</td>
<td>64.71</td>
<td>74.70</td>
<td>86.00</td>
<td>121.40</td>
<td>110.30</td>
<td>197.40</td>
<td>241.55</td>
</tr>
<tr>
<td>Foreign financed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net lending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-6.40</td>
</tr>
<tr>
<td><strong>Grants</strong></td>
<td>22.90</td>
<td>32.80</td>
<td>58.30</td>
<td>76.90</td>
<td>53.70</td>
<td>74.60</td>
<td>152.40</td>
<td>156.40</td>
<td>240.43</td>
</tr>
<tr>
<td><strong>Program</strong></td>
<td>28.00</td>
<td>29.30</td>
<td>43.80</td>
<td>21.20</td>
<td>32.60</td>
<td>75.00</td>
<td>38.30</td>
<td>74.60</td>
<td></td>
</tr>
<tr>
<td><strong>Project</strong></td>
<td>4.80</td>
<td>29.00</td>
<td>33.10</td>
<td>32.50</td>
<td>42.00</td>
<td>77.40</td>
<td>118.10</td>
<td>165.83</td>
<td></td>
</tr>
<tr>
<td><strong>Augmented overall balance</strong></td>
<td>-4.50</td>
<td>9.60</td>
<td>-76.00</td>
<td>-99.40</td>
<td>-132.10</td>
<td>-100.30</td>
<td>78.90</td>
<td>9.10</td>
<td>-51.82</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>4.50</td>
<td>-9.60</td>
<td>76.00</td>
<td>99.40</td>
<td>132.10</td>
<td>100.30</td>
<td>-78.90</td>
<td>-9.10</td>
<td>51.82</td>
</tr>
<tr>
<td><strong>Foreign (net)</strong></td>
<td>8.90</td>
<td>22.70</td>
<td>29.50</td>
<td>47.70</td>
<td>22.90</td>
<td>-40.80</td>
<td>-20.20</td>
<td>50.00</td>
<td>27.02</td>
</tr>
<tr>
<td><strong>Foreing loans</strong></td>
<td>30.00</td>
<td>51.60</td>
<td>62.30</td>
<td>87.30</td>
<td>64.30</td>
<td>5.50</td>
<td>34.00</td>
<td>106.10</td>
<td>98.32</td>
</tr>
<tr>
<td><strong>Program loans (import support)</strong></td>
<td>28.60</td>
<td>44.40</td>
<td>50.00</td>
<td>64.40</td>
<td>30.90</td>
<td>1.60</td>
<td>21.40</td>
<td>65.80</td>
<td>35.00</td>
</tr>
<tr>
<td><strong>Development project loans</strong></td>
<td>1.40</td>
<td>7.20</td>
<td>12.30</td>
<td>22.90</td>
<td>33.40</td>
<td>3.90</td>
<td>12.60</td>
<td>40.30</td>
<td>63.32</td>
</tr>
<tr>
<td><strong>Domestic (net)</strong></td>
<td>-32.30</td>
<td>46.40</td>
<td>40.60</td>
<td>87.90</td>
<td>110.60</td>
<td>-31.50</td>
<td>-22.10</td>
<td>-10.00</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Privatization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GDP on a fiscal year base</strong></td>
<td>959</td>
<td>1,228</td>
<td>1,548</td>
<td>2,012</td>
<td>2,660</td>
<td>3,394</td>
<td>4,238</td>
<td>5,207</td>
<td>6,114</td>
</tr>
</tbody>
</table>


Notes:
1) In the above Statistical Appendix, the figures correspond to those of development expenditures only.
2) The amount in the Appendix is used instead of that calculated.
Table 2.5 shows the central government development expenditure by sector. Shares of the economic infrastructure were high in the past ten years. Agriculture occupied a certain level, while the weights of education and health did not increase.
Table 2.5 Central Government Development Expenditure by Economic Function

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General public services</td>
<td>16</td>
<td>13</td>
<td>13</td>
<td>14</td>
<td>7</td>
<td>60</td>
<td>5</td>
<td>50</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Defense</td>
<td>1</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Social services</td>
<td>17</td>
<td>16</td>
<td>23</td>
<td>16</td>
<td>21</td>
<td>10</td>
<td>48</td>
<td>9</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Education</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>10</td>
<td>8</td>
<td>33</td>
<td>5</td>
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<td>Health</td>
<td>2</td>
<td>5</td>
<td>11</td>
<td>5</td>
<td>10</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Other social services4)</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>12</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Economic services</td>
<td>67</td>
<td>67</td>
<td>56</td>
<td>67</td>
<td>69</td>
<td>26</td>
<td>40</td>
<td>42</td>
<td>70</td>
<td>73</td>
</tr>
<tr>
<td>Agriculture</td>
<td>16</td>
<td>15</td>
<td>14</td>
<td>12</td>
<td>12</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Mining, Manufacturing</td>
<td>7</td>
<td>11</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>23</td>
<td>0</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and electricity4)</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>15</td>
<td>8</td>
<td>1</td>
<td>11</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td>Roads and bridges4)</td>
<td>15</td>
<td>13</td>
<td>17</td>
<td>22</td>
<td>20</td>
<td>7</td>
<td>6</td>
<td>2</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Transport and communication4)</td>
<td>2</td>
<td>12</td>
<td>8</td>
<td>16</td>
<td>15</td>
<td>0</td>
<td>2</td>
<td>13</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Other economic service</td>
<td>16</td>
<td>8</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Development Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic infrastructure (water and electricity, roads and bridges, transport and communication)</td>
<td>27</td>
<td>33</td>
<td>31</td>
<td>46</td>
<td>50</td>
<td>15</td>
<td>9</td>
<td>26</td>
<td>40</td>
<td>39</td>
</tr>
<tr>
<td>Total Development Expenditure (Million shillings)</td>
<td>16,699</td>
<td>46,999</td>
<td>35,600</td>
<td>102,062</td>
<td>135,924</td>
<td>123,497</td>
<td>124,570</td>
<td>154,538</td>
<td>200,011</td>
<td>225,694</td>
</tr>
</tbody>
</table>


Notes: 1) Approved estimates. 2) Budget estimates. 3) Adjusted figures.
4) From 1996/97, Votes 6, 7 and 8, excluding Vote 7.2 for Other social services, Votes 7.2 and 9 for Water and electricity, Vote 12.1 for Roads and bridges, and Vote 12, excluding Vote 12.1 for Transport.
However, it should be noted that the importance of the social sectors was highlighted in the preparation of the PRSP published in 2000. Special core budgets for recurrent and development expenditures were introduced to those sectors, which had direct impact on poverty reduction. The priority sectors were education, health, water, judiciary, agriculture, and roads. The other charges (OCs) for operations and maintenance were budgeted.

(4) Implications of Macro-Economic Trends for JICA’s Assistance

The above macro-economic analytical results had implications for JICA’s assistance to Tanzania. At macro levels, high indebtedness and dependence on aid will require the country to improve its international competitiveness and reduce poverty in the unsustainable adjustment phases. Based on an examination of the trends and policies, macro-economic stability, which is the basis for competitiveness and poverty reduction, was not achieved.

Structural adjustment measures were implemented. The reason there were no tangible effects of the programs was that, apart from macro-economic instability, the micro-economic conditions were not met; there was an insufficient infrastructure, low levels of technology, weak institutional capacity, and a lack of information.

International competitiveness was achieved to some extent with successful liberalization measures. Support for investments in the economic infrastructure was needed for further improvements in this area, which was realized with assistance from Japan as well as the World Bank.

In addition to this sectoral priority, further developments in agriculture that could contribute to improving competitiveness and poverty reduction were needed.

Finally, macro-economic instability at project levels, particularly in the first half of the 1990s, must have led to difficulties in the formulation and implementation of projects. More specifically, high inflation led to difficulties in realistic budgeting and had a negative impact on the project activities. A chronic balance of payment deficit and acute shortage of foreign exchange influenced the procurement of necessary materials and equipment to be imported.
2.2 Analysis of the Main Sectors

2.2.1 Rural Development/Agriculture

(1) Rural Development and Poverty: Dependency on Agricultural Development

A major key to reducing poverty in Tanzania is the promotion of agricultural development in rural areas, where “poverty is largely a rural phenomenon.” Approximately 59% of the population in rural areas is categorized as "poor," in comparison with 30% in urban areas outside Dar es Salaam, and 9% in Dar es Salaam itself (Table 2.6). PRSP states that “incidence of poverty appears to have risen during 1993-1998.” In rural areas, a large majority of the poor are engaged in agriculture, and they are likely to be poorer than those engaged in other businesses.

In terms of not only income but also caloric intake, the poverty is more severe in rural areas than in urban areas, due to the fact that consumption is instrumental in caloric intake.

Therefore, improvement in standards of living in rural areas is largely dependent on agricultural productivity, which is fundamental to any increase in income.

<table>
<thead>
<tr>
<th>Household category</th>
<th>Incidence of Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td></td>
</tr>
<tr>
<td>Rural areas</td>
<td>59.1</td>
</tr>
<tr>
<td>Small urban areas</td>
<td>39.3</td>
</tr>
<tr>
<td>Dar-es-Salaam</td>
<td>9.3</td>
</tr>
<tr>
<td>Agro-climatic zone</td>
<td></td>
</tr>
<tr>
<td>North and west:</td>
<td></td>
</tr>
<tr>
<td>Kigoma,Kagera,Kilimanjaro, and Arusha</td>
<td>40.2</td>
</tr>
<tr>
<td>Coast:</td>
<td></td>
</tr>
<tr>
<td>Lindi, Mtwa, Coast, and Tanga</td>
<td>61.1</td>
</tr>
<tr>
<td>Central-west:</td>
<td></td>
</tr>
<tr>
<td>Tabora, Mwanza, and Shinyanga</td>
<td>61.2</td>
</tr>
<tr>
<td>Southern highlands:</td>
<td></td>
</tr>
<tr>
<td>Rukwa, Ruvuma, Mbeya, and Iringa</td>
<td>57.6</td>
</tr>
<tr>
<td>Central-east:</td>
<td></td>
</tr>
<tr>
<td>Morogoro, Dodoma, and Singida</td>
<td>58.5</td>
</tr>
<tr>
<td>Dar-es-Salaam</td>
<td>9.3</td>
</tr>
<tr>
<td>Tanzania</td>
<td>51.1</td>
</tr>
</tbody>
</table>

Source: World Bank PHRD, 1993

---

1 Expression used in PRSP

The study (Sarris and Tinios in 1994) mentioned in the document indicates that the relationship between caloric consumption and poverty is instrumental in determining the standards of living in rural areas.
(2) Overview of the Agricultural Sector

Tanzania is a typical agricultural country, with approximately 80% of the entire labor force population engaged in the agricultural sector, accounting for approximately 50% of its GDP. In addition, approximately three-quarters of its commodity export are agricultural products (Table 2.7). While the country has a total of 5.6 million hectares of farmland, of which 4.5 million hectares are actually under cultivation, there are only approximately 160,000 hectares of farmland that receive irrigation. As a result, the Tanzanian agricultural yield is heavily dependent on rainfall.

Tanzania’s primary crops are maize, rice, and wheat for domestic consumption, and coffee, cotton, tea, cashew nuts, and tobacco as cash crops. Most of the cash crops are for export, and they account for a large percentage of the total exports (Table 2.8, 2.9, 2.10).

<table>
<thead>
<tr>
<th>Parameter</th>
<th>1990-92</th>
<th>1997-98</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture share of net exports by value</td>
<td>-</td>
<td>73</td>
</tr>
<tr>
<td>Major crops share of net exports</td>
<td>67</td>
<td>51</td>
</tr>
<tr>
<td>Agriculture share of GNP</td>
<td>45</td>
<td>50</td>
</tr>
<tr>
<td>Agriculture share of labor force employment</td>
<td>84</td>
<td>82</td>
</tr>
<tr>
<td>Population in rural area</td>
<td>79</td>
<td>75</td>
</tr>
</tbody>
</table>

Source: The World Bank, Agriculture in Tanzania, 2000

<table>
<thead>
<tr>
<th>Table 2.8 Yield of Major Crops</th>
<th>Millions of TZS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>16,554</td>
</tr>
<tr>
<td>Cotton</td>
<td>13,632</td>
</tr>
<tr>
<td>Sisal</td>
<td>479</td>
</tr>
<tr>
<td>Tea</td>
<td>4,797</td>
</tr>
<tr>
<td>Tobacco</td>
<td>3,692</td>
</tr>
<tr>
<td>Cashew nuts</td>
<td>3,522</td>
</tr>
<tr>
<td>Others</td>
<td>33,306</td>
</tr>
<tr>
<td>Tot.</td>
<td>75,981</td>
</tr>
</tbody>
</table>

Source: URT, Economic Survey 1999

intake and consumption expenditure is statistically significant.
Agricultural production has expanded as a whole over the past ten years, despite that the climate and the prices of agricultural inputs such as fertilizers have affected it. This is not the result of improvements in neither labor productivity nor the diversification of crops, but of the expansion of farmland with the traditional farming methods dependent on rainwater. \(^6\)

(3) Impact of Structural Reform on the Agricultural Sector

Tanzania has liberalized its policies on the distribution of crops between regions, and abolished fixed prices on agricultural products, as part of structural adjustment program initiated by the World Bank in 1986. In addition, the government eliminated its public-corporation monopoly on the marketing of export commodities in 1993, to promote competition between public corporations and private-sector enterprises (Table 2.11). Consequently, the prices of agricultural products have been allowed to reflect market

---


Table 2.9 Export Values of Major Export Products

<table>
<thead>
<tr>
<th>Food Crop</th>
<th>93/94</th>
<th>94/95</th>
<th>95/96</th>
<th>96/97</th>
<th>97/98</th>
<th>98/99</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>1812</td>
<td>2567.0</td>
<td>2663.0</td>
<td>2387.0</td>
<td>2685.0</td>
<td>2805.0</td>
</tr>
<tr>
<td>Rice</td>
<td>614</td>
<td>262.0</td>
<td>339.0</td>
<td>235.0</td>
<td>788.0</td>
<td>865.0</td>
</tr>
<tr>
<td>Wheat</td>
<td>59</td>
<td>75.0</td>
<td>84.0</td>
<td>79.0</td>
<td>53.0</td>
<td>69.0</td>
</tr>
<tr>
<td>Sorghum</td>
<td>696</td>
<td>665.0</td>
<td>629.0</td>
<td>655.0</td>
<td>702.0</td>
<td>743.0</td>
</tr>
<tr>
<td>Cassava</td>
<td>1802</td>
<td>1992.0</td>
<td>1498.0</td>
<td>1426.0</td>
<td>2048.0</td>
<td>2209.0</td>
</tr>
<tr>
<td>Pulses</td>
<td>-</td>
<td>166.0</td>
<td>196.0</td>
<td>147.0</td>
<td>506.0</td>
<td>570.0</td>
</tr>
</tbody>
</table>

(‘000’ tons)

Table 2.10 Major Production Areas for Major Crops

<table>
<thead>
<tr>
<th>Food Crop</th>
<th>Maize</th>
<th>Rice</th>
<th>Wheat</th>
<th>Cassava</th>
<th>Sorghum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Iringa, Mbeya, Ruvuma, Rukwa</td>
<td>Mbeya, Morogoro, Mwanza, Shinyanga, Tabora</td>
<td>Arusha</td>
<td>Kagera, Mtwara, Mwanza</td>
<td>Dodoma, Shingida, Shinyanga, Mwanza</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Crop</th>
<th>Coffee</th>
<th>Cotton</th>
<th>Tobacco</th>
<th>Tea</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kilimanjaro, Kagera</td>
<td>Shinyaga, Mwanza</td>
<td>Tabora</td>
<td>Iringa, Tanga, Kagera</td>
</tr>
</tbody>
</table>

Source: The Bank of Tanzania, 1999
The governmental sector has also been reformed to improve its efficiency. Above all, the reform was also aimed at the National Milling Corporation, to which the largest portion of governmental expenditures for agricultural development was allocated in the 1980s. The Corporation faced reductions in personnel and the abolishment of its function of purchasing crops. It has subsequently turned the corporation into a private milling company. The tide of privatization extends to fertilizer and farm business as well.

**Table 2.11 Legal Grounds for the Implementation of Policies under Structural Adjustment**

<table>
<thead>
<tr>
<th>Legal Ground</th>
<th>Year</th>
<th>Amendment and addition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberalization in marketing of agricultural crops</td>
<td>1991</td>
<td>1997</td>
</tr>
</tbody>
</table>

(4) **Impact of Structural Adjustment on Rural Community Associations**

Rural community associations experienced a drastic change as a result of enactment of the Cooperative Societies Act in 1991. Prior to that time, they were based on the socialistic philosophies and were governed by the 1975 Village Act and Cooperative Act of 1981. The associations strongly reflected the intentions of the government, as seen in the automatic registration of villagers in the associations, and in the government subsidy system. Since 1991, they have acted as financing associations based on voluntary enrollment, with an emphasis on democratic management. Rural community associations have also been privatized, in a similar manner to the National Milling Corporation and others.

**Table 2.12 Numbers of Rural Community Associations and Registrants**

<table>
<thead>
<tr>
<th>Yr.</th>
<th>Rural PCS</th>
<th>Individual membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>5359</td>
<td>577951</td>
</tr>
<tr>
<td>1990</td>
<td>6041</td>
<td>528666</td>
</tr>
<tr>
<td>1991</td>
<td>2575</td>
<td>187675</td>
</tr>
<tr>
<td>1994</td>
<td>2556</td>
<td>185048</td>
</tr>
<tr>
<td>1999</td>
<td>4556</td>
<td>575651</td>
</tr>
</tbody>
</table>

PCS: Primary Cooperative Society

*Tabulation based on Jovin A. Banturaki, Cooperative and Poverty Alleviation, p151*
As can be seen from the above table (Table 2.12), there was a sharp decrease in the number of associations and registrants following the enactment of the 1991 law that introduced the voluntary registration system, but those numbers later rose. In 1999, there were 4,556 associations and 575,651 registrants\(^7\).

(5) Agricultural Policies of the Tanzanian Government

While the structural adjustment made distribution and pricing part of the market mechanism, the government strove to improve incomes and reduce poverty by securing a supply of food, and enhanced agricultural productivity.

The Ministry of Agriculture and Cooperatives formulated the Agricultural Policy to promote self-sufficiency in food production and a secure food supply in 1983, and under these, it also formulated National Food Strategy in 1984. It was intended to establish a system to meet the increasing demand for food due to the expanding population, ensure a stable food supply even during food shortages, and improve nutritional standards.

In 1997, the "Agricultural and Livestock Policy, 1997" was formulated. Its objectives included promoting marketing processing through participation of the private sector, and increasing the income of farmers through improved agricultural technologies. It had the following eight specific targets\(^8\):

1) To assume basic food security for the nation and to improve national standard of nutrition, through improvements in agricultural productivity;
2) To improve standard of living in rural area increased income generation;
3) To increase foreign exchange earning for nation by encouraging the production and increased exportation of cash crops;
4) To produce and supply raw materials, including industrial crop, livestock, by-products and residues for local industries;
5) To develop and introduce new technologies which increase the productivity of labor and land;
6) To promote integrated and sustainable use and management of natural resources such as

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\(^7\) Planning Commission, URT, Economic Survey, 1999, p107
\(^8\) Ministry of Agriculture and Cooperatives, URT, Agricultural and Livestock Policy, 1997, January 1997
land, soil, water and vegetation in order to conserve environment;
7) To develop human resources within the sector in order to increase the productivity of labor and to improve ability, awareness and morale;
8) To provide support services to agricultural sector which cannot be provided efficiently by the private sector; and
9) To promote specifically the access of women and Youth to land, credit, education, and information.

The Ministry of Agriculture and Cooperatives also formulated the "Cooperative Development Policy, 1997" the same year. It was intended to empower rural community associations composed of the socially disadvantaged, including small farmers. Its policy paper specified the following five goals:

1) To underscore the fact that cooperatives are important instruments for social, economic and cultural development as well as human advancement for its citizen;
2) To acknowledge the contribution of cooperatives in democratic control of economic activity and equitable distribution of surplus;
3) To observe and respect cooperative ideology and practice thus guaranteeing autonomy of the cooperative movement;
4) To create a conductive environment in which people are free to associate in exploiting their resources for social and economic development; and
5) To provide assistance to cooperative development, particularly in areas of human resource development and institutional capacity building without effect on their independence.

In 2001, the Agricultural Sector Development Strategy (ASDS) is being initiated in conjunction with the Agricultural and Livestock Policy and Cooperative Development Policy. Draft ASDS focuses on the following five points as factors in restricting the growth of the agricultural sector:

1) Limited public spending for the agricultural sector;
2) Shortage of agricultural infrastructure;
3) Low accessibility of farmers to financial services;
4) Inadequate support service;

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9 Ministry of Agriculture and Cooperatives, URT, Cooperative Development Policy, 1997, January 1997
5) Fragility of the legal framework, land tenure and taxation system.

(6) Agricultural Budget of the Tanzanian Government

Governmental spending on the agricultural sector represented approximately 2% of the entire recurrent budget throughout the 1990s. Approximately 2% to 8% of the development budget was financed using domestic funds (see Table 2.14), with foreign funds making up the majority (see Table 2.13).

Table 2.13 Proportion of Expenditures for the Agricultural Sector in the Governmental Budget

<table>
<thead>
<tr>
<th></th>
<th>FY 97 Actual</th>
<th>FY98 Approved</th>
<th>FY99 Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent budget</td>
<td>2.1</td>
<td>-</td>
<td>2.3</td>
</tr>
<tr>
<td>Development Budget (Local Only)</td>
<td>8.3</td>
<td>1.7</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Source: MTEF, Nov.1999

Table 2.14 Budgetary Allocation to the Ministry of Agriculture and Cooperatives

<table>
<thead>
<tr>
<th></th>
<th>FY 97 Actual</th>
<th>FY98 Approved</th>
<th>FY99 Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent budget</td>
<td>13,744</td>
<td>13,017</td>
<td>15,317</td>
</tr>
<tr>
<td>Development Budget</td>
<td>2,510</td>
<td>4,525</td>
<td>21,850</td>
</tr>
<tr>
<td>Local</td>
<td>105</td>
<td>553</td>
<td>1,000</td>
</tr>
<tr>
<td>Foreign</td>
<td>2,405</td>
<td>3,965</td>
<td>20,850</td>
</tr>
</tbody>
</table>

Source: MTEF, Nov.1999

2-21
2.2.2 Infrastructure Development

(1) Transportation

Tanzania covers an area of 884 thousand sq. km, which is 2.3 times larger than Japan. Economic activity in Tanzania is so widely spread to the marginal areas that the transportation infrastructure has a significant role in integrating the country. Tanzania is located in central East Africa, neighboring Kenya, Uganda, Rwanda, Congo Democratic Republic, Zambia, and Malawi. Tanzania supports an international in-transit route to some of the adjacent countries, and therefore transportation development is not only a domestic issue but also an international issue to establish an international route in East Africa.

Roads

Tanzania classifies its 80,000km of roads into trunk roads, rural roads, and district roads. Table 2.15 shows the administrative demarcation of the roads.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Current Length (km)</th>
<th>Development</th>
<th>Operation and Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trunk Road</td>
<td>10,230</td>
<td>MOW</td>
<td>MOW/TANROADS</td>
</tr>
<tr>
<td>Rural Road included: essential</td>
<td>24,700</td>
<td>MOW</td>
<td>MOW/TANROADS</td>
</tr>
<tr>
<td>District and Feeder Roads</td>
<td>50,000</td>
<td>MRALG</td>
<td>MRALG</td>
</tr>
<tr>
<td>Dar es Salaam City Rd</td>
<td></td>
<td>MOW</td>
<td>City (Cleaning) MOW/TANROADS (Works)</td>
</tr>
</tbody>
</table>

Source: MOW.

In 1987, when the Economic Restructuring Program was in progress, a Transportation Sector’s Donor Conference was held to receive the Draft National Transportation Policy from the Tanzanian government. In addition, the government presented the Core Rural Roads Programme (CRDP) to secure access to the agricultural areas.

Although the significance of donor coordination was recognized, the core system was not developed until the early 1990s, when the World Bank financed the Integrated Roads Project (IRP or IRP-I). The Project supported the strategy of the above CRDP and supported the road sector with 16 other donors and the Tanzanian government (Table 2.16). IRP started with an estimated cost of US$ 850 million in 1990 and finished in
2000 by postponement from the initial closing period of mid-1995. The project established the Coordination Office for Donor Assisted Projects (CODAP) within the MOW.

Table 2.16 Co-financing under IRP I and II

<table>
<thead>
<tr>
<th>Donor</th>
<th>IRP I Commitment As of 1991</th>
<th>IRP I Actual+ Commitment As of 1997</th>
<th>IRP II Commitment As of 1994</th>
<th>IRP II Actual+ Commitment As of 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB</td>
<td>45.2</td>
<td>58.9</td>
<td>108.9</td>
<td>42.2</td>
</tr>
<tr>
<td>DANIDA</td>
<td>57.0</td>
<td>80.0</td>
<td>0.0</td>
<td>70.4</td>
</tr>
<tr>
<td>EU</td>
<td>171.9</td>
<td>193.7</td>
<td>178.1</td>
<td>245.1</td>
</tr>
<tr>
<td>FINNIDA</td>
<td>48.4</td>
<td>10.0</td>
<td>5.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Germany</td>
<td>32.0</td>
<td>54.8</td>
<td>0.0</td>
<td>15.1</td>
</tr>
<tr>
<td>IDA</td>
<td>180.4</td>
<td>197.7</td>
<td>170.2</td>
<td>170.2</td>
</tr>
<tr>
<td>Ireland</td>
<td>4.7</td>
<td>4.7</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Italy</td>
<td>91.8</td>
<td>15.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Japan</td>
<td>0.0</td>
<td>17.2</td>
<td>19.8</td>
<td>20.6</td>
</tr>
<tr>
<td>Kuwait/OPEK/Saudi</td>
<td>11.8</td>
<td>19.2</td>
<td>53.1</td>
<td>19.4</td>
</tr>
<tr>
<td>Netherlands</td>
<td>18.0</td>
<td>25.5</td>
<td>0.0</td>
<td>4.5</td>
</tr>
<tr>
<td>NORAD</td>
<td>36.5</td>
<td>57.5</td>
<td>41.7</td>
<td>47.4</td>
</tr>
<tr>
<td>ODA</td>
<td>13.0</td>
<td>4.8</td>
<td>0.0</td>
<td>18.3</td>
</tr>
<tr>
<td>SDC</td>
<td>10.8</td>
<td>16.9</td>
<td>5.1</td>
<td>15.8</td>
</tr>
<tr>
<td>UNDP</td>
<td>2.9</td>
<td>3.2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>USAID</td>
<td>32.6</td>
<td>62.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Unfinanced</td>
<td>33.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>790.4</td>
<td>821.1</td>
<td>582.3</td>
<td>673.2</td>
</tr>
</tbody>
</table>

| GOT              | 80.3                        | 60.0                                | 67.9                        | 78.5                                |
| Grand Total      | 871.1                       | 881.1                               | 650.2                       | 751.7                               |


The Second Integrated Roads Project (IRP-II) was started in 1995 to follow IRP and was to be finished in 2004. IRP-I and II set the target of road conditions shown in Table 2.17.
Table 2.17 Development Target of IRP I-II and Current Conditions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trunk Roads in Good Condition</td>
<td>15%</td>
<td>60%</td>
<td>59% (Paved)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12% (Unpaved)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>30% (Total)</td>
</tr>
<tr>
<td>Regional Roads in Agriculture</td>
<td>10%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Region in Good Condition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Roads in All 20 Regz</td>
<td></td>
<td>50%</td>
<td>15%</td>
</tr>
<tr>
<td>Good Condition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Maintenance on Trunk</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Maintenance on Region</td>
<td>60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


As the above projects contributed to developing trunk roads, the travel time from Dar es Salaam to Arusha was reduced to eight hours, half of the previous time. The amount of paved roads in good condition was 62% at the peak in 1997. After the peak, the rate declined to 59% in 1999 (Table 2.18). The current rate (both paved and unpaved) has not reached the target value of IRP II. Even the roads newly rehabilitated in the early 1990s have not been well maintained after 3-4 years.

The institutional reform of MOW was another focus of the IRPs. The reform intended to transform MOW from a direct public works agency to a contract management-type agency. The reform progressed well and TANROADS was established in 2000 to administrate the maintenance of trunk roads and rural roads. The regional offices of MOW were reorganized into regional offices of TANROADS.

Financial reform is ongoing through establishment of the Road Fund in 1991 to finance road maintenance costs from gasoline taxes. The Road Fund allocates 70% to MOW for trunk road and rural road maintenance and 30% to MRALG for district roads. The fund has recently allocated Tsh 20 billion annually. Each ministry may spend up to 10% of the allocated funds to construct new roads. However, the total fund is not at a sufficient level because it has been declining in terms of the US$ base and also has not reached the target set by the IRPs.

**Railways**

Two railway companies operate in Tanzania. One is TAZARA (Tanzania Zambia

---

1 The gasoline price is around 540Tsh/l in Dar es Salaam City, but it includes 70Tsh/l as gasoline tax. The government plans to increase the gasoline taxes to 80Tsh.
Railway Company), which connects Tanzania and Zambia. The other is Tanzania Railway Corporation (TRC), connecting Dar es Salaam and the northern area. TAZARA, constructed by Chinese cooperation and with an operating line of 1,860km, was once a main outlet from Zambia. The total amount of cargo from Zambia is declining as Zambia exports its commodities through South Africa.

**Civil Aviation**

Tanzania has three international airports, at Dar es Salaam, Kilimanjaro, and Zanzibar, and 50 local airports and airstrips. The areas without adequate road connections depend on air transportation not only for passengers but also cargo. Air Tanzania and other small airlines (Eagle Air and Precision Air) operate domestic routes.

**Sea Transportation**

Dar es Salaam Port is one of the biggest trading ports in Africa. It is important not only in Tanzania but also in Uganda, Burundi, Rwanda, and Malawi for in-transit cargo. The Tanzania Harbour Authority (THA) operates the ports of Dar es Salaam, Mtwarra, Tanga, and Zanzibar. Dar es Salaam Port has the following berths:

- Deep sea general cargo berths (8)
- Container berths (3)
- Anchoring facilities (8)
- Grain terminal
- Offshore oil transfer facility

**(2) Power Supply**

The role of electricity as an energy source in Tanzania is limited and firewood supplies 90% of the primary energy source. The only commercial-based energy sources are oil (8%) and electricity (1.2%).

Tanzania Electric Supply Corporation (TANESCO) supplies electricity. Some areas are served by a national grid, and others are isolatedly served by the national grid. A hydroelectric plant supplies 561MW of the total generating capacity of 763MW in the national grid area. Thermal plants supply the other 202MW. Thus, the national grid depends greatly on hydraulic plants. Other isolated areas utilize diesel-generating plants with 22MW generating capacity (1998).
The national grid is so dependent on hydroelectric plants that the water level of the reservoir regulates the power generation. For example, a rainfall shortage negatively influences power generation. However, El Niño contributed to increasing the water reserve in Mtera and Kibutu Dams and to generating more power in 1998 when it struck many water-related facilities. The waterfall shortage in late 2000 caused a large-scale prearranged blackout.

In 1998 TANESCO generated 2,103 GWh, which is an increase of 18% from the previous year. The highest peak of demand in 1998 was 368MW, an 8% increase from the previous year. The power demand of Dar es Salaam is so high that both sold power (GWh) and revenue occupies almost half of the total country consumption.

Under ERP, the Ministry of Water, Energy, and Minerals prepared the National Energy Policy (NEP) in 1992, focused on power development by abundant water, natural gas development, coal utilization, preparation of oil exploitation, and control of firewood. In particular, Dar es Salaam was to utilize urban gas.

The World Bank manages donor coordination of the power sector under the Power VI Project.

(3) Telecommunications

The level of telecommunications service in Tanzania is one of the lowest in all of Sub-Saharan Africa. The telephone service level in 1997, 0.33 lines per 100 persons, was much lower than 1.97, the average in Sub-Saharan African Countries (New ITU Association of Japan. 2000. pp.26.).

The Tanzania Posts and Telecommunications Corporation (TPTC) under the Ministry of Communications and Transport (MCT) once provided telecommunications services. Along with ERP, the telecommunications sector started the Telecommunications Restructuring Programme (TRP) in 1994 and separated telecommunications service and postal service. Tanzania Telecommunications Company Limited (TTCL) was then established based on 100% capital from the government.

TRP is a telecommunications development program funded by the eight donors in Table 2.18. Most of the projects have been completed.
Table 2.18 Donors under TRP

<table>
<thead>
<tr>
<th>Donor</th>
<th>Amount (mil. US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>77.5</td>
</tr>
<tr>
<td>AfDB</td>
<td>41.4</td>
</tr>
<tr>
<td>EU</td>
<td>30.6</td>
</tr>
<tr>
<td>SIDA</td>
<td>34.5</td>
</tr>
<tr>
<td>JICA</td>
<td>9.2</td>
</tr>
<tr>
<td>DANIDA</td>
<td>6.6</td>
</tr>
<tr>
<td>Kuwait Fund</td>
<td>13.5</td>
</tr>
<tr>
<td>CIDA</td>
<td>3.8</td>
</tr>
<tr>
<td>Total</td>
<td>216.5</td>
</tr>
</tbody>
</table>

TTCL Budget 30.4
Source: TTCL(1998)

In October 1997, the MCT prepared the National Telecommunications Policy (NTP) that set goals for 2020. The NTP set the role of the government and clarified that the level of telecommunications service was to be improved by competition. It also divided telecommunications service into five categories, the PSTN (Public Switching Telephone Network), PDCN (Public Data Communications Network), mobile phones, pagers, and leased lines, so that the service would be improved through competition among telecommunications operators.

NTP has the following targets:
- Lines per population: To increase from 0.3 lines per 100 persons to 0.7
- Ratio of total demand to lines in use: To increase from 37% to 50%

Prior to NTP, private mobile operators had joined the service in 1994 and three companies are currently in operation. The waiting list in urban areas is shortened by the mobile services. However, the mobile service areas are limited to only eight major cities, and there is no clear perspective regarding nationwide servicing.

In contrast, TTCL, which serves PSTN, is facing a major reform. Although NTP did not refer to the privatization of TTCL, the government plans to sell 35% of the total stocks to the private sector. TTCL is the leader in privatization among public agencies.

The data communications network is also at an initial stage. Internet service providers with leased lines have already commenced operation, and many Internet cafes are
available in Dar es Salaam City.

There can be no progress in rural telecommunications service without any cross subsidy within the telecommunications service. The Rural Telecommunications Fund, proposed by NTP, was established to pool some profit from telecommunications operators.

(4) Water Resources

Although Tanzania has many lakes along with its diversified boundaries, water resource management is not at a sufficient level.

The Ministry of Water prepared the National Water Policy in 1991 and aimed at providing safe and sufficient water for home, livestock, irrigation, and industrial usage. Water resource utilization faces many issues related to power development, agricultural usage by irrigation, inland fisheries, and inland water transportation.

Only 1,324 facilities out of 2,063 are in operation in rural areas due to overage and shortage of spare parts, and only 46% of the people can access safe and clean water. Sixty-eight percent of the people can access safe and clean water in urban areas, but overage is producing a high leakage rate (35-70%) and the service collection rate is low. Eighteen cities have an urban water system and boards to collect the charges (ibid.).

(5) Waste Treatment

Waste treatment is an emerging issue in Dar es Salaam City. The city can collect only 8.1% of the total solid waste of 1,772 tons every day (1996). The uncollected solid waste accumulates around the living environment of the people and is becoming life-threatening. Dar es Salaam City is now reforming to privatize the solid waste business as a part of administrative reform.

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2 Planning Commission, 1999, P177.
2.2.3 Health

(1) Health of Tanzanians

The health of Tanzanians could not be ranked as the worst among Sub-Sahara African countries, but it is definitely worse than in other developing countries. The Infant Mortality Rate in 1999 was 99 per 1,000 births. The mortality of children under five years of age was 158. The Maternal Mortality Rate was 529 per 100,000 births. The average life expectancy at birth was 48 years, but it was 52 years in 1990; the HIV/AIDS epidemic decreased the average life span. The population increase rate was 2.8% and the total fertility rate was 5.8.

The five major causes of death in children under five years of age were malaria, anemia, pneumonia, cerebral malaria, and diarrhea diseases. The five major causes of death in children and adults over five years of age were AIDS, malaria, TB, cerebral malaria, and pneumonia (Table 2.19).

<table>
<thead>
<tr>
<th>Table 2.19</th>
<th>Top 10 causes of death for under 5 Tanzania Mainland (From MTUHA Routine Reports Database 1997 Ministry of Health)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 5 Years</td>
<td>5 Years and above</td>
</tr>
<tr>
<td>1 Malaria: Other than Cerebral</td>
<td>1 Clinical AIDS</td>
</tr>
<tr>
<td>2 All other anaemia</td>
<td>2 Malaria: Other than Cerebral</td>
</tr>
<tr>
<td>3 Pneumonia</td>
<td>3 Tuberculosis</td>
</tr>
<tr>
<td>4 Malaria: Cerebral</td>
<td>4 Malaria: Cerebral</td>
</tr>
<tr>
<td>5 Diarr. Dis: Other Dis</td>
<td>5 Pneumonia</td>
</tr>
<tr>
<td>6 Protein Energy Malnu</td>
<td>6 All other anaemia</td>
</tr>
<tr>
<td>7 Perinatal conditions</td>
<td>7 Diarr. Dis: Other Dis</td>
</tr>
<tr>
<td>8 Clinical AIDS</td>
<td>8 Cardiac failure</td>
</tr>
<tr>
<td>9 Diarr. Dis: Enteric</td>
<td>9 Bacterial Disease</td>
</tr>
<tr>
<td>10 Upper resp. track infection</td>
<td>10 Hypertension</td>
</tr>
</tbody>
</table>


The five most common diseases among children under five years of age were malaria, pneumonia, anemia, diarrhea diseases, and upper respiratory infectious diseases. The five most common diseases in children and adults over five years of age were malaria, pneumonia, TB, diarrhea diseases, and AIDS. Thus, infectious diseases are serious issues in Tanzania, as is the situation in many other developing countries. Malaria and HIV/AIDS impose a heavy health burden on the people and society (Table 2.20).
Table 2.20 Top 10 causes of admission for Under 5, 5 Years and above
(Tanzania Mainland)

<table>
<thead>
<tr>
<th>Under 5 Years</th>
<th>5 Years and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Malaria: Other than Cerebral</td>
<td>1 Malaria: Other than Cerebral</td>
</tr>
<tr>
<td>2 Pneumonia</td>
<td>2 Pneumonia</td>
</tr>
<tr>
<td>3 All other anaemia</td>
<td>3 Tuberculosis</td>
</tr>
<tr>
<td>4 Diarr. Dis: Other Dis</td>
<td>4 Diarr. Dis: Other Dis</td>
</tr>
<tr>
<td>5 Upper resp. track</td>
<td>5 Clinical AIDS</td>
</tr>
<tr>
<td>6 Malaria: Cerebral</td>
<td>6 Other gynaecological</td>
</tr>
<tr>
<td>7 Bacterial Disease</td>
<td>7 Upper resp. track infection</td>
</tr>
<tr>
<td>8 Protein Energy Malnu</td>
<td>8 All other anaemia</td>
</tr>
<tr>
<td>9 Diarr. Dis: Enteric</td>
<td>9 Pelvic Inflammatory</td>
</tr>
<tr>
<td>10 Intestinal Worms</td>
<td>10 Malaria: Cerebral</td>
</tr>
</tbody>
</table>

(2) Health Facilities and Staff

The referral system in Tanzania, from the top down, is comprised of the top-referral hospitals (Consultation Hospitals and Special Hospitals), Regional Hospitals, District Hospitals, Health Centers, and Dispensaries. The government was the monopolistic provider of health services for years, and as a result, about 40% of the entire health services are provided by the private sector in Tanzania.\(^1\)

Number of categories for health staff is surfeit (Table 2.21) because it includes health-staff qualifications that can be acquired for relatively short-time training. Kinds of work to be performed by those who have such qualifications are limited, thus, they have difficulties in fulfilling the needs at working place. The surfeit of categories also has caused problems of provision of many kinds of refresher-training for them. The government of Tanzania has policy to train the existing staff to have higher levels of qualification while abolishing the lower levels.

\(^1\) World Bank, 2000.
Table 2.21  Category and Number of Health Staff

<table>
<thead>
<tr>
<th>Category</th>
<th>Managing Agency</th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government/ Parastatal</td>
<td>Voluntary/ Religous</td>
<td>Private</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Medical Doctors</td>
<td>110</td>
<td>72</td>
<td>122</td>
<td>0</td>
<td>286</td>
</tr>
<tr>
<td>Specialist Doctors</td>
<td>35</td>
<td>31</td>
<td>38</td>
<td>1</td>
<td>92</td>
</tr>
<tr>
<td>Dental Surgeons</td>
<td>16</td>
<td>3</td>
<td>11</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Specialist Dental Surgeons</td>
<td>7</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Assistant Dental Officer</td>
<td>81</td>
<td>10</td>
<td>27</td>
<td>0</td>
<td>112</td>
</tr>
<tr>
<td>Dental Assistant</td>
<td>37</td>
<td>13</td>
<td>12</td>
<td>0</td>
<td>57</td>
</tr>
<tr>
<td>Assistant Medical Officer</td>
<td>200</td>
<td>71</td>
<td>71</td>
<td>11</td>
<td>302</td>
</tr>
<tr>
<td>Clinical Officer</td>
<td>1,283</td>
<td>279</td>
<td>440</td>
<td>16</td>
<td>1,812</td>
</tr>
<tr>
<td>Assistant Clinical Officer</td>
<td>1,463</td>
<td>210</td>
<td>176</td>
<td>8</td>
<td>1,620</td>
</tr>
<tr>
<td>MCH Aides</td>
<td>1,632</td>
<td>188</td>
<td>135</td>
<td>3</td>
<td>1,758</td>
</tr>
<tr>
<td>Nursing Officers</td>
<td>862</td>
<td>271</td>
<td>141</td>
<td>7</td>
<td>1,133</td>
</tr>
<tr>
<td>Nurse Tutors</td>
<td>44</td>
<td>236</td>
<td>1</td>
<td>0</td>
<td>266</td>
</tr>
<tr>
<td>Trained Nurses/Nurse B</td>
<td>2,112</td>
<td>1,130</td>
<td>692</td>
<td>30</td>
<td>3,590</td>
</tr>
<tr>
<td>Pharmacist</td>
<td>35</td>
<td>3</td>
<td>12</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Pharmaceutical Technicians</td>
<td>31</td>
<td>18</td>
<td>16</td>
<td>0</td>
<td>61</td>
</tr>
<tr>
<td>Chemist</td>
<td>38</td>
<td>10</td>
<td>19</td>
<td>0</td>
<td>65</td>
</tr>
<tr>
<td>Medical Laboratory Technician</td>
<td>79</td>
<td>38</td>
<td>150</td>
<td>2</td>
<td>264</td>
</tr>
<tr>
<td>Radiographers</td>
<td>37</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Dental Technician</td>
<td>11</td>
<td>2</td>
<td>3</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Optometry Technician</td>
<td>14</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Orthopaedic Technician</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Chemical Laboratory Techn</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Physiotherapists</td>
<td>8</td>
<td>9</td>
<td>1</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Health Officers</td>
<td>356</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>317</td>
</tr>
<tr>
<td>Medical Records Officers</td>
<td>63</td>
<td>17</td>
<td>13</td>
<td>0</td>
<td>92</td>
</tr>
<tr>
<td>Launders</td>
<td>147</td>
<td>71</td>
<td>10</td>
<td>0</td>
<td>207</td>
</tr>
<tr>
<td>Health Secretaries</td>
<td>31</td>
<td>20</td>
<td>4</td>
<td>0</td>
<td>51</td>
</tr>
<tr>
<td>Mortuary Attendants</td>
<td>44</td>
<td>16</td>
<td>2</td>
<td>0</td>
<td>55</td>
</tr>
<tr>
<td>Medical Attendants</td>
<td>6,396</td>
<td>2,029</td>
<td>705</td>
<td>36</td>
<td>7,524</td>
</tr>
<tr>
<td>All Others</td>
<td>1,968</td>
<td>806</td>
<td>355</td>
<td>59</td>
<td>2,840</td>
</tr>
<tr>
<td>Total</td>
<td>17,145</td>
<td>5,572</td>
<td>3,169</td>
<td>186</td>
<td>26,072</td>
</tr>
</tbody>
</table>

Note: Gov/Para=Government and Parastal, Vol/Rel=Voluntary and Religious
Source: Ministry of Health: Health Statitstics Abstract 1999.
(3) Budget

The budget allocation for the health sector was only 2.4% of the GDP in fiscal year 1993/94. Of this budget, 59% was allocated to hospitals, of which the total number was less than 100, and 39% was allocated to dispensaries and health centers, of which total number was about 1,500. The portion of the recurrent expenditure of the health sector used for wages of the health staff has been substantial; 67% was used for wages at the Health Center and Dispensary level in 1993/94. Donor support for the sector reached 28.7% in fiscal year 1997/97. The portion used for wages was still substantial, and the maintenance cost of health facilities was considerable.

(4) Development Policy

After Independence

The Arusha Declaration was the most important policy for the health sector for years after independence. It was stated in this declaration that the government was responsible for the provision of health services and that provision should be free of charge, that health services would be accessible to people in rural areas, and that demand for health personnel would be fulfilled within the country. This policy led to prohibition of private provision of health services and expansion of the number of health facilities in rural areas. As a result, the access of the people in rural areas to health facilities was improved. The government started to promote primary health care (PHC) and has trained villagers to be Village Health Workers since 1988. The Christian missions' hospitals in Tanzania, which had played important roles in the health sector, were nationalized during the government efforts. The health of the people was very poor in those days (Table 2.22).

Table 2.22 Health of the People in Tanzania in 1960s and 1990s

<table>
<thead>
<tr>
<th></th>
<th>1960s</th>
<th>1990s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant Mortality</td>
<td>162/1000(1967)</td>
<td>98/1000(1967)</td>
</tr>
<tr>
<td>Crude Death Rate</td>
<td>23/1000(1967)</td>
<td>15/1000(1992)</td>
</tr>
<tr>
<td>Completed Immunization Coverage</td>
<td>N/A</td>
<td>60%(1993)</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>98(1961)</td>
<td>224(1996)</td>
</tr>
<tr>
<td>Life Expectancy</td>
<td>45(male)/47 (female)(1967)</td>
<td>50(male)/35 (female)(1967)**</td>
</tr>
</tbody>
</table>

Note:** UNFPA, World Population 1997.
Source: Ministry of Health.

Influence of the Structural Adjustment

Allocation of government expenditures to the health sector decreased from 5.1% to 4.1%
after introduction of the structural adjustment. The ratio to the GDP worsened from 2.5% in 1978 to 1.7% in 1986. The expenditures for health were radically reduced to 5.8 Tshs meantime, which was less than the 19.1 Tshs in fiscal year 1974/75.

The effects on the health sector by the structural adjustment were not limited to only a shortage of medicines, medical supplies, and a halt to implementation of programs; it also increased the vulnerability of the people to diseases due to the reduction of food intake caused by unemployment and cuts in subsidies for agricultural products, etc.

**Policies in the 1990s**

The Economic Recovery Plan II (1990 -92) aimed at reducing the negative impacts on the people’s health caused by the Structural adjustment. Soon after, the Rolling Plan and Forward Budget for Tanzania 1993/94 - 1995/96 further stressed the importance of PHC and aimed to transfer the budget from the curative aspect to the preventive one.

a) Health Sector Reform

In 1994, the government agreed to the proposal of the Health Sector Reform (HSR). The main important elements of the Health Sector Reform were:

- Role of the government changed from being the main service provider to being a facilitator, i.e., granting permission for health service provision by the private sector
- Introduction of cost-sharing
- Making hospitals independent autonomous entities
- Transfer of authority to the district level
- Further emphasis on PHC and public health
- Research studies
- Introduction of health insurance and the Community Health Fund.

The Action Plan for Health Sector Reform (1996-1999) was formulated in 1995 within the framework of the Health Sector Reform. This action plan covered almost all of the aspects of the health sector. Significant changes in the service provisions included applying essential health packages from the viewpoints of selecting more cost-effective interventions as well as improving the quality of services.
b) Sector-Wide Approach
Following the introduction of the Health Sector Reform, the Sector-Wide Approach (SWA) was applied to the health sector, aimed at effective utilization of the donors' funds in prioritized areas and implementation of effective and efficient programs. As a result, the Health Sector Program of Work (POW) for July 1999 - June 2002 was formulated. The Plan of Action (POA) for FY1999/2000 was formulated under POW. The main objectives of POA were:

- Improvement of access and quality of PHC at the district level
- Strengthening the support to the primary level of service from the upper levels.
- Strengthening the management and policies of health service provisions and human resources
- Implementation of a human development plan for the health sector
- Strengthening management ability in regard to human resources, logistics, and communication
- Health finance
- Realization of the optimal balance between the public and private sectors
- Coordination among donors

c) Issues of HSR/SWA
The following are the current issues in implementing the HSR/SWA.

- Raising magnitude of HIV/AIDS issues. The government declared the HIV/AIDS issues as national crises.
- Shortage of funds
- Confusion caused by transfer of authorities by decentralization
- Shortage of human resources, particularly in local areas
- Inefficient utilization of the private sector
2.2.4 Education

(1) Education System

The schooling years for primary education is seven years in Tanzania, the lower-secondary is four years, and the upper-secondary is two years. Education for university study is normally three years. The compulsory study period is the seven years for the primary education. The age for entering primary education is usually seven or eight years. Only a limited number of children of the wealthier families in urban areas receive pre-school education.

The jurisdiction over primary and secondary education, training of teachers, and adult literacy education belongs to the Ministry of Education and Culture. The jurisdiction over the higher education and education on technology belongs to the Ministry of Science and Higher Education. The Vocational Education and Training Authority under the Ministry of Labor and Youth Development is responsible for vocational education and training.

(2) Budget

The recurrent expenditure for the education sector increased from 93 billion Tshs to 118 billion Tshs from fiscal years 1993 to 1998. However, the budget allocation for the education sector decreased in the late 1990s from 26% in fiscal year 1995, which was equivalent to 3.5% of the GDP, to 21.9% in fiscal year 1998, which was equivalent to 2.3% of the GDP. The ratio to the GDP in those days was less than half of the average ratio of Sub-Sahara African countries. Salary payment to teachers had been more than 60% and a burden on the sector. It was 79% in fiscal year 1996 and 82.6% in 1997.

The budget allocation to primary education had been highest among the sub-sectors; the average allocation was 64.7%. The next highest allocation went to tertiary education; the average allocation was 20.9%. The allocation to secondary education was 7.7%. The average budget allocation to the teachers' school was 2.3%. The budget allocation to primary education has been increased, reflecting the increased importance of basic education. In contrast, the allocation to secondary education was decreased from 9.5% in fiscal year 1995 to 7.0% in fiscal year 1999.
Meanwhile, the budget allocation to tertiary education and vocational education increased from 20.1% to 21.3% (Table 2.23).

<table>
<thead>
<tr>
<th>Table 2.23 Basic Education Shares of the Education Sector Public Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY95</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Actual</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Got total recurrent and development expenditure (Tsh Million)</td>
</tr>
<tr>
<td>Grand total education expenditure (Tsh Million)</td>
</tr>
<tr>
<td>Spending on education as a % of total recurrent and development expenditure</td>
</tr>
<tr>
<td>Spending on education, % of GDP</td>
</tr>
<tr>
<td>Basic education, % of total education budget</td>
</tr>
<tr>
<td>Secondary education, % of total education budget</td>
</tr>
<tr>
<td>Higher and Technical education, % of total education budget</td>
</tr>
<tr>
<td>Teacher Education, % of total education budget</td>
</tr>
</tbody>
</table>


The donor support in the total expenditure for the health sector was 13.3% in fiscal year 1997. The donor support in development expenditures was as high as 74.1%.

(3) Issues in the different levels of education

This section discusses issues of mainly the primary and secondary education. Among the issues, those relating to the quality of education are presented in Table 2.24.

<table>
<thead>
<tr>
<th>Table 2.24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator</td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>Apparent intake rate: girls age 7(1997)</td>
</tr>
<tr>
<td>Primary school leaving exam pass rate - girls (1998)</td>
</tr>
<tr>
<td>Primary school leaving exam pass rate - boys (1998)</td>
</tr>
<tr>
<td>Primary pupil per desk (range)</td>
</tr>
<tr>
<td>Secondary pupil-teacher ratio</td>
</tr>
<tr>
<td>Number of qualified primary school teachers (1997)</td>
</tr>
</tbody>
</table>


1) Primary Education

The gross enrollment rate of primary education was 77.1% in 1999 (males, 77.4%; females, 76.7%). The net enrollment rate was 57.1% (males, 56.4%; females, 57.8%). The teacher-to-student rate was 40 in the national average. The facility capacities differed among geographical areas; the national average was 73 students per classroom; the lowest was 53 and the highest 126.
Issues

- Quality of education
  The repeaters rate was high enough for one student to take 9.4 years in average to finish the official period of seven years for primary school.
- Gender imbalance
  Among the drop-outs, the number of girls overwhelmed the number of boys.
- Cost burdens on parents
  Parents must bear the costs of uniforms, learning materials, and items for primary school children.

2) Complementary Basic Education in Tanzania (COBET)
The students subject for COBET are the drop-outs or those never enrolled, and their age must be eight to eighteen years. In addition to literacy and vocational education, COBET provides students with necessary knowledge about nutrition, sanitation, and HIV/AIDS. The student can return to formal education after learning in COBET.

3) Secondary Education
The gross enrollment rate of secondary education was only 5% in 1998; this rate was lower than those of neighboring countries (26% for Kenya, 28% for Zambia, and 44% for Zimbabwe). This situation is partly rooted in previous government attitudes, which did not put a priority on secondary education. There were 154 secondary schools in 1980. The number of schools increased after the government started to allow the establishment of private, religious, and community schools in the late 1980s, and there were 826 schools in 1999.

Issues

- Drop-outs
  There are many drop-outs, and One cause for this is attributed to the education method, in which all subjects are taught in English.
- Quality of education
  Quality of education is low because teachers did not receive appropriate training in the past.
- Cost burdens on parents.
  The majority of students in public schools are children of wealthier families, since children from the poorest families are the smallest group in public schools due to the
cost burdens on their parents.

- Gender imbalance.
Among the drop-outs, the number of girls overwhelmed the number of boys.
- Other issues.
Health issues concerning HIV/AIDS are one cause of drop-outs.

4) Tertiary education
There are 15 schools as government certified higher educational institutes; three among them are universities. The enrollment rate in universities was only 1%, one of the lowest in the world.

(4) Training of Teachers

The Teachers Training College trains students to be teachers. The courses are four years for students who have finished primary education and two years for students who have finished lower-secondary education.

Currently, the number of students being trained at the college was less than the capacity of the school due to a government policy not hiring new teachers, restricting the number of teachers in future, and an introduction of annual dormitory charge of 100 US dollars at the college which previously had been free of charge.

(5) Issues of the Educational Sector

1. Enrollment rates are low, except primary education.
2. Achievement through education is low.
3. The management and control capabilities are low.
4. Facilities are out-dated, do not have enough space, and lack basic provisions such as toilets and water.
5. Reliance of parents on schools is low.
6. Cost of children's education is a burden.

(6) Development Policy

Independence to the 1980s
The Universal Primary Education program was introduced in 1978, based on the Arush Declaration, which emphasized people’s acquisition of practical skills through
As a result, the number of students enrolled, those in primary schools, and the enrollment rates dramatically increased. The need for teachers in primary education accelerated in accordance with this increase, and thus there was an increase in teachers of lower quality and with fewer years of training. The quality of education was subsequently burdened with serious problems for following years, due to this. The decreased budget for the education sector brought by the Structural adjustment deteriorated the situation of the sector, with an increasing number of children of school age.

**Introduction of Sector Development Programs**

The change of attitude and awareness of the Tanzanian government in regard to basic education, which was caused by the international support for the idea of "Education for All" at the Jomtien Conference in 1990 was reflected in the employment of a sector development program.

The Integrated Education and Training Policy was formulated in 1995. This policy covers formal and non-formal education, vocational training, and higher education. The Primary Education Master Plan was formulated based on this policy. In 1996, the government announced the application of the sector development program and formulated the "Basic Education Master Plan - Medium-Term Strategic and Program Framework 1997-2002", applying this approach. A sector development program, the "Educational Sector Development Program Medium Term Strategic and Program Framework 1988-2003" (ESDP), was formulated in 1998.

Characteristics of the ESDP approach are:

- It covers the entire sector,
- Its stance on medium and long-term perspectives,
- Ownership by the Tanzanian side is key for implementation of the plan,
- Transfer of authority and responsibility of development from donors to the Tanzanian government, and
- Attention to securing sustainability.

Characteristics of the content of ESDP are:

- Prioritizing basic education,
- Promoting enrollment to secondary education,
- Ensuring that the contents of secondary education and higher education are
responsive to the needs of society, and

- Strengthening the administrative function with an emphasis on management and monitoring.

**Development Plan of the sub-sectors**

*Primary Education*

The "Primary Education Master Plan" was formulated in 1995. The priorities of it are:

- Improvement of the quality of primary education and revitalization
- Ensuring equitable access to primary education through the utilization of the private sector as well as existing resources.
- Strengthening the capacity of the policy, planning, monitoring at the central, regional, district, and school levels.
- Optimal utilization of existing resources including those of donors and communities.

The "Basic Education Master Plan" was formulated in 1997 and was the first development plan within the framework of the Sector Development Program. This development plan aimed at increasing the number of students completing primary school to 80% in 2002 and an improvement of the achievement level by 20%.

Its priorities were:

- Raising the standard and quality of primary education through the improvement of the enrollment rates of girls, mitigation of the shortage of textbooks, and recovering parents’ trust in primary education.
- Utilizing existing resources more efficiently through the conduct of efficient education. For example, decreases in the ratio of salaries to teachers in the government education budget.
- Institutional reforms through better coordination between the central and local governments, and between monitoring and management of schools.

*Secondary Education*

"Secondary Education Master Plan 1999 -2004" was formulated in 1999. Priority areas of this are:

- Improving access to secondary education through raising intake rates from primary education to secondary education, increasing the number of classroom, etc.
Improving equity through introducing scholarships for children of poor families and girls.

Improving quality through strengthening pre- and in-service training of teachers, etc.

Improving efficiency through enlarging the teacher to student ratio, etc.

It was recognized that among the quantitative objectives, some would be difficult to attain, and additional emphasis should be put on those qualitative aspects.¹

**Higher Education**

"National Higher Education Policy" was formulated in 1998. This policy aimed;

- Promoting participation of the private sector as well as the communities in higher education
- Doubling the number of students enrolling in higher education
- Improving efficiency
- Promoting research study by academics
- Increasing resources for higher education

(7) Other donors' cooperation

Most of donors supporting the education sector emphasize their supports for the basic education. For example, DANIDA's support focuses on primary education, UNICEF on expansion of basic education through community participation, and the World Bank on rehabilitation and maintenance of facilities of primary schools.

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2.2.5 Poverty Reduction and Gender

Poverty Reduction

a. General Situation of Poverty

The Nature of Poverty
Tanzania has been ranked as one of the most poorest countries in the world, and over 50% of the population live below the poverty line of US$ 1.00 per day (Table 2.25).

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>Tanzania</th>
<th>Average for developing countries</th>
<th>Average for developed countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (1996)</td>
<td>US$</td>
<td>129</td>
<td>970</td>
<td>16,3</td>
</tr>
<tr>
<td>Population below poverty line</td>
<td>%</td>
<td>51</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Literacy rate</td>
<td>%</td>
<td>76</td>
<td>85.5</td>
<td>99.1</td>
</tr>
<tr>
<td>Severe malnutrition</td>
<td>%</td>
<td>29</td>
<td>30</td>
<td>n.a</td>
</tr>
<tr>
<td>Families with water supply at home</td>
<td>%</td>
<td>11</td>
<td>70</td>
<td>n.a</td>
</tr>
<tr>
<td>People living in temporary settlement</td>
<td>%</td>
<td>60-70</td>
<td>30-40</td>
<td>n.a</td>
</tr>
</tbody>
</table>


According to UNDP data of 1999, Kenya and Uganda have HDI of 0.519 and 0.404 respectively compared to Tanzania’s 0.421*, which is below that of SSA of 0.463. Since over 50% of the population live below the poverty line and about 42% of the poor in Tanzania live in abject poverty, these parts of population have been experiencing great difficulty in meeting their basic food needs (Table 2.26). Although the economic adjustment measures of the mid-1980s brought some relief on hardships encountered in the earlier period, the poverty situation seems to have worsened in the 1990s (REPOA - 1999), especially in the rural areas.

Table 2.26 Poverty and Food Security

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily per capita supply (1996)</td>
<td>2.06</td>
</tr>
<tr>
<td>(USA is 3,350)</td>
<td></td>
</tr>
<tr>
<td>Per capita supply of protein (change 1970 to 1996)</td>
<td>[-40]</td>
</tr>
</tbody>
</table>


* Tanzania’s HDI is influenced by inherited achievements of the 1970s in social areas like adult education, water and health services, although most were not sustainable in the long run.
**Income and Geographical Inequity**

Inequality of incomes within Tanzania is relatively high and has been rising in the last 20 years. Yet, the situation is considered to be better than in Kenya and other SSA countries. In the rural areas, poverty is more conspicuous and more serious than in urban areas. Inequality of income among the regions is also significant. Policies and programs targeted at the poor have been introduced by TOG and NGOs, but been less effective in rural areas compared in urban areas. One of the reasons for this was their failure to grasp the group of people to be the real target groups. Cost sharing programs introduced to raise the standard of services have recently been found inappropriate in dealing with inability of the very poor to contribute their share.

**Employment and Unemployment**

Employment data in Tanzania is hampered by poor labor market statistics. The most recent survey was carried out in 1990/91. According to this data, it is estimated that a labor force growth of between 2.8% and 3% p.a. produces up to 600,000 – 700,000 job seekers on the labor market. As the job creation is growing only at 2.4% p.a., the unemployment ranks is inevitable (Table 2.27). The government’s efforts in employment creation have been focused at: (i) legislative and regulatory areas (the Human Resources Deployment Act and National Employment Policy), (ii) specific projects aimed at direct or indirect creation of jobs, (iii) provision of training through Vocational Education and Training Authority (VETA).

**Table 2.27**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult labor force 18-39</td>
<td>14.5</td>
</tr>
<tr>
<td>New job seekers per annum</td>
<td>600,00</td>
</tr>
<tr>
<td>Wage sector jobs created (1998)</td>
<td>30,00</td>
</tr>
<tr>
<td>Rural/urban labor force</td>
<td>81/</td>
</tr>
</tbody>
</table>

Source: VETA in Human Development Report 1999

**Gender- and Age-biases and Poverty**

Although women reproduce and contribute more to production, especially in rural areas, they are poorer than men. They are under-remunerated, tend to have less assets (land, livestock, houses, and schooling) and participate less in political decision making. Unequal and inadequate access to social services and assets, coupled with unbalanced burden-sharing in production and reproduction can be identified as the main source of poverty among women.

The aged are another group that does not get a good deal. A data showed that the poverty incidence was about 52% among the aged group.

**Health Status and Impact of HIV/AIDS**

Achievements in health standards of the 1960s and 1970s began to slip down subsequently due to the economic crisis. Population and budgetary pressures have contributed to the strain on both health services and health status of the people. Furthermore, in 1990s due to AIDS prevalence, the life expectancy and other health indicators have started to fall. Instead of malaria, AIDS is becoming the number one cause of death among Tanzanians (Table 2.28).
AIDS accounts for as much as 35.5% and 44.5% for male and female deaths respectively in Dar es Salaam. As at December 1997, about 10% of the adult population was estimated to be HIV infected. Since the epidemic strikes people at the height of their production and reproduction capability and does not spare the professionals, it must be exerting a heavy toll on economic development potential. Taking care of the AIDS patients and "the AIDS orphans" must be depriving the economy of substantial manpower. It also adds pressure on health expenditure and services at the family and national levels. Some experts have predicted a 15-25% reduction of Tanzania’s GDP by 2010 if the rate of the infection does not abate.

**Poverty and the Environment**

Although rural areas in Tanzania are environmentally fragile, land hungry poor farmers resort to cultivating unsuitable areas, such as steeply sloped, erosion-prone hillsides, and semi-arid land, where soil degradation is rapid. Destructive fishing and mining have been damaging the environment. Whereas the poor are crowded in urban squatter settlements and frequently enduring inadequately supply of water and sanitation, they often lack the resources to avoid degrading their environment.

Weak enforcement of environment-related laws is problematic on one hand, poverty, thus, is causing over-exploitation or mishandling of natural resources. In general, environmental degradation leads to the weakening of the capacity of the natural resources to produce. Obviously when productivity declines, incomes, food, and welfare decline, implying that people become poorer and poorer.

**The Causes of Poverty**

Poverty may be caused by many factors, which can be summarized as follows including above mentioned factors.
Limited access to productive opportunities, which in turn may be caused by (i) poor infrastructure, especially roads in rural areas, (ii) poor education and knowledge about opportunities and constraints, (iii) poor health services, (iv) lack of capital and access to credit for investment and inputs

- Lack of employment
- Lower capacity of locally owned institutions, especially farmers' cooperatives and local councils
- Gender gaps in productive and reproductive spheres
- Devastating burden of diseases, especially malaria and AIDS
- In rural areas, low productivity of agriculture, poor infrastructure, lack or limited access to land and other assets, marketing and storage problems, lack of inputs and credit facilities, poor social services and poorly run supportive institutions
- Environmental problems (deforestation, soil degradation, desertification, etc.)
- In border areas, the influx of refugees

b. Current Government Policies

**Poverty Reduction Policies and Strategies**

The World Bank once estimated that it might require a rate of at least 6.5% per annum growth to combat poverty effectively. However, a higher figure of up to 8% is probably necessary. Under this circumstance, followings are the main government policies for poverty reduction.

*National Poverty Eradication Strategy (NPES):* The NPES was adopted as a result of the 1995 World Social Summit in Copenhagen and calls for the reduction of abject poverty by 50% by the year 2010 and the total eradication of poverty by 2025.

*The Poverty Reduction Strategy Paper (PRSP):* PRSP led the decision for Tanzania's status as one being qualified for the debt relief under the enhanced HIPC initiative. It is also an economic and social development plan focusing on poverty reduction and aims at revealing the country's deep rooted and pervasive poverty problems and their causes and reducing poverty through policies and measures that enhance participation of the poor in the development process.

The introduction *the Medium Term Expenditure Framework (MTEF) and the Public Expenditure Review (PER)* has enhanced government’s ability to prioritize PRSP’s pro-poor. The MTEF/PER mechanism also provides a suitable means of evaluating the financial implications of implementing the PRSP. This mechanism realized to review the timing and possibility of achieving *the Vision 2025* objectives.

*The 1999 Tanzania Development Vision or Vision 2025:* It was adopted in 1999. Among other objectives, the Vision embodies the timeframe goals of the NPES. The target year is 2025, and the activities for achieving the development goals will be conducted in the frameworks of PER and PRSP.

*Tanzania Assistance Strategy (TAS):* TAS is being prepared for realizing optimal utilization of all bilateral and multilateral assistance the country receives from donors.
Proper evaluation of the different measures for poverty reduction is impossible, due to lack of a systematic poverty monitoring system, and aggravated by poor data. This void will hopefully be filled with the strengthening of the Vice President’s Office, including *inter alia*, the appointment of a minister solely in charge of poverty eradication matters in November 2000.

Implementation of poverty programs was, however, affected when tightening of government budgets became necessary and expenditure cuts became inevitable. For instance in the Ministry of Water, only 40% of the budget was actually spent in FY97, with the figure declining to 38% and 27% in FY98 and FY99 respectively. The non-performance of the budget was attributed to many factors, most importantly the introduction of the cash budget aiming at controlling unfunded-expenditures. Slow donor funds disbursement and physical project implementation on the ground were the other factors.

Following five main areas have been identified recently as strategic interventions.

- creating a favorable environment for poverty reduction
- empowerment of the poor
- decentralization of the civil service
- effective coordination of anti-poverty programs
- monitoring of anti-poverty programs

**Mobilization of Resources for Poverty Reduction**

On the basis of the PRSP, the Government was able to agreed with the World Bank, IFM, ADB and bilateral development partners on how to deploy resources to be freed from debt relief and new inflows. The Government has committed itself to use its resources and those saved by debt relief to sustain macro-economic stability and give first preference in its budgetary allocations to pro-poor social services and infrastructure. These areas include primary education, primary health care and the fight against HIV/AIDS, agriculture (especially research and extension services), water and sanitation, rural roads, and the judiciary.

Additional donor funding will be mobilized under the normal process in the context of the TAS and MTEF to ensure that resources are channeled to areas identified as priority by the government, which conforms to the Poverty Reduction Strategy. The IMF is converting its assistance to a new facility: *The Poverty Reduction Budget Support (PRBS)*.

The Government, donors, and NGOs introduced several funding mechanisms to support people’s initiatives to fight poverty at the local level. These instruments provide either grants, soft loans or in-kind (heifer, goats, etc) loans to the beneficiaries. Followings are examples of these.

- Tanzania Social Action Fund (TASAF)
- Small Entrepreneurs Loan Facility (SELF)
- Community Health Fund
Women Development Fund
ADB’s Small Entrepreneurs Loan Facility (SELF) by Africa Development Bank
ADB Micro-finance Initiatives for Africa (AMINA)
Crew Scheme for Productive Activities for Women in Tanzania

Outstanding Issues
- general: creation of a conducive environment for fast economic growth (through acceleration of the process of decentralization of the civil service to enhance efficiency in the decision making and work implementation)
- agriculture: promotion for an integrated rural development with high agricultural growth, problems relating to credit mechanisms for marketing, production, and capacity of farmers’ cooperatives are outstanding
- health: huge influence exerted by HIV/AIDS epidemic on health status of the people, the introduced cost-sharing mechanism has not been functioning properly.
- education: increases in education budget, incremental efforts to achieving the goal of the promotion of basic education, stopping declines of literacy rates and raising them
- water supply: 60% of the plan of water supply improvement was achieved, but only limited population have enjoyed the achievement. (urgent improvement of existing water supply facilities is necessary)
- infrastructure development: Most rural roads are not passable throughout the year (at every level of government there is need to give priory to rehabilitation and maintenance of road and high priority should be given to using labor intensive techniques and local natural resources in district and feeder roads so as to create employment for the poor in their localities)
- crosscutting sectors: acquisition of land titles and rationalization of the property and land taxes, job creation including the informal sector, capacity building of employees by training
Gender

a. General situations of gender issues

The Tanzanian government has been taking deliberate measures to accomplish the process of integrating women in the society. Accordingly, Tanzanians are progressively accepting the equality of genders, although they are traditionally conservative. However, Tanzanian society is highly patriarchal, and women still live in a system of structured inequality. Women are likely to be doing most of the work and playing a decisive role in material production as well as in reproduction and care of children, with little or no ownership and control of the production assets and processes.

The table below shows selected gender-related development data, derived from the Tanzania UNDP HDR for 1999 and the Ministry of Education and Culture. It shows that, overall, women are worse off economically and educationally than men. This gap is however significantly narrower than in many African countries, especially in the area of per capita income (Table 2.29).

Table 2.29 Gender-related Development Index (1999)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life expectancy at birth</td>
<td>49.1</td>
<td>46.1</td>
</tr>
<tr>
<td>Adult literacy rate</td>
<td>62.0</td>
<td>81.0</td>
</tr>
<tr>
<td>Gross enrollment rate</td>
<td>50</td>
<td>51</td>
</tr>
</tbody>
</table>

(Primary Education 1998)

Source: UNDP Human Development Report 1999

Divorces and widows, who were always supported in the traditional setting through customary separation and wife inheritance. This traditional protection is being eroded by population pressure, land privatization and commercialization and disintegrating social fabric. As a result, those women are now under constant threats usually from relatives and even from own children.

Tanzania’s population is estimated at 33 million. Women are about 52%. About 90% of the women are engaged in productive activities in agriculture, livestock, fisheries, mining and small-scale industries. Over 44% of the women in urban areas deal with petty trade and services, mainly as self-employees. Formal employment of women in government and the private sector covers about 20% (1998) of the total employees.

Women and Poverty

In Tanzania, income inequality as a measure of poverty are a function of several factors such as differences in land and cattle ownership patterns, access to financial resources and exposure to different income-generating opportunities. It has been noted above that from the gender situational framework, women occupy a disadvantaged position when all these factors are considered. They together with children and the old form a really vulnerable group to the effect of poverty.

It is estimated that about 6.6 million Tanzanians face chronic food insecurity largely
because of over-dependence on unpredictable rainfall, out-of-date farming technology and inefficient storage and marketing of food produce. Even when food imports could cover the shortage, rural people may miss access due to lack of purchasing power or channels of supplies. Those most affected are the elderly poor, children and mothers, especially pregnant and lactating mothers.

Access to land in the rural areas is through the largely patriarchal inheritance system where only male and male clan members inherit land.

Access to Credit
Women's access to formal credit facilities is negligible. The contributing factors are attributed to women's illiteracy, lack of collateral, smallness of envisaged undertakings and their preoccupation in predominantly subsistence level activities. In rural areas the information about credit opportunities is virtually not there.

Water Supply
In rural areas, the majority of women still carry water containers on their heads or backs, often at great distances. In urban areas, due to frequent breakdown of water systems as a result of poor maintenance, water has to be collected in small buckets, often by women, and carried to their homes.

Employment
Equal access to employment by both women and men has not been achieved. Countrywide about 59% of the unemployed were women. Small-scale industries and the informal sector that tend to provide opportunities for employment are generally male dominated.

Women comprise about 32% of the work force of the government, but only 19% of middle and senior-level posts. Women rarely get appointed to senior levels dealing with policies, planning and finance. Women made up only 10% of regional commissioners in 1991 and a similar percentage of district commissioners. In the informal sector, women comprise 30.6% in rural areas and 39.5% in Dar es Salaam.

Women’s enterprises are smaller, more labor intensive, and face difficulties to grow due to a low level of education and management know-hows of women.

Education
In education, there is already gender parity at primary school enrolment. More efforts are needed at secondary school level and above, where there is a noticeable gender gap. The dropout from school for both sexes is alarming. Reasons include hostile school environment, apparent irrelevance of the curriculum, adolescent pregnancies, poor academic performance, early marriages, and negative attitude towards education for girls and the economic hardships (Table 2.30).
Table 2.30 Participation in Education and Training by Gender

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>50.6</td>
<td>49.4</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Secondary: &quot;O&quot; Level</td>
<td>54.4</td>
<td>45.6</td>
<td>52.4</td>
<td>47.4</td>
</tr>
<tr>
<td>Secondary: &quot;A&quot; Level</td>
<td>72</td>
<td>28</td>
<td>67</td>
<td>33</td>
</tr>
<tr>
<td>University</td>
<td>82.4</td>
<td>17.6</td>
<td>77.4</td>
<td>22.6</td>
</tr>
<tr>
<td>Teacher Training</td>
<td>54.4</td>
<td>45.6</td>
<td>55</td>
<td>47</td>
</tr>
<tr>
<td>Technical</td>
<td>94</td>
<td>6</td>
<td>92</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Ministry of Education and Culture

Health and Reproductive Health
As more women are employed in low-paid jobs, in poorly located and ventilated informal enterprise workshops and houses, they are exposed to toxic chemicals and stressful environments than most workers are. These factors can result in illnesses and deaths.

Women's health is largely influenced by reproduction. Excessive number of pregnancies and deliveries damage woman's health. The total fertility rate during the term from 1989 to 1991 was 6.3, but the rate during the term from 1994 to 1996 decreased to 5.8. Even though knowledge of contraceptive methods is high, their use is rather limited. Currently, the use of contraceptives among childbearing women averages only 11%.

Women and Environment
Rapid environmental degradation affects women more than men in rural as well as urban areas. It affects water and traditional energy resources needed for domestic cooking and water supply.

Female-headed household
In the rural areas, about 24% of rural households are headed by women with an average size of 5.1 household members compared to 6.8 for male-headed households. This ratio of women heads has increased rapidly in recent years due to market liberalization attracting males to moving out of the family residence to search for paid employment elsewhere.

On average, female-headed households are poorer, less able to save (50% of women versus 60% of men are reported to have saved) and have less access to formal and informal savings. Female heads of households also tend to have lower educational levels (2.8 years compared to an average of 4.5 years for men¹). Female farmers on their own would have less access to farm inputs since the latter are tied to credit and to formal organizations for delivery. Therefore, rural women who head households and their household members are significantly worse off than male-headed households.

The Impact of the Economic Crisis and Reforms
The economic reforms of the 1980s and afterwards, which were used to redress the

economic crisis and their impact, produced a double-edged sword. On one hand they curbed the crisis. On the other hand, however, they generally imposed a heavy burden on the society. The increased costs of such essentials as medicine and food affect women and children the most because of the imbalance in resource and money income allocation effected at the household level. In the formal sector, generally women have been the first to be retrenched, as most are less skilled, few are in decision-making positions and more are in the so-called non-productive service sector.

Reduction of government expenditure on social services has affected both men and women; but more so with the women whose house-based unpaid labor has increased to fill the family income gap.

Even when men get retrenched, it is women who absorb the greater part of depression as the family income diminishes. They also tend to the family backyard business that becomes crucial after retrenchment of any family members.

b. Current Government Policies

**Main Policies**
The current government policies for the development of genders started in 1992, with main emphasis on mainstreaming gender efforts into the normal national development process. On the other hand, special institutions such a ministry and other focal points have been created to coordinate and monitor gender issues so as to ensure that they are not submerged in national development problems which by themselves are overwhelming. The policies and supplementing programs address the five key gender concerns in the form of (a) decision-making; (b) resource control; (c) food security; (d) violence against women; and (d) inheritance.

In this regard, the issues that are given prominence are:

- Reducing and finally eradicating biases, ideas, conduct, norms, values, customs and traditions which hinder women from participating fully in economic, social, cultural and political development;
- Promoting cultural values which encourage social justice and equality for every person regardless of gender;
- Providing women with services which ensure safe motherhood and better child care;
- Promoting women’s potential to work efficiently and lead and use their talents.
- Ensuring adequate cooperation between men and the women in the development of the society.
- Ensuring that policies, laws, plans and budgets incorporate objectives of special needs to women to lead to true gender equality.
- Providing a suitable institutional mechanism to monitor the progress being made toward the objective, and use progress evaluation to design new programs to complete the process to gender equality.

The Civil Service Department through its Gender Section takes a lead in reviewing civil service regulations and practices to ensure that the language and substance of
conducting public affairs adheres to genuine gender equity norms. Specifically, the government made a pledge at the 1995 Fourth World Conference on Women in Beijing to address four priority areas of concern to the advancement of women.

The policy on WID includes land (1995) and agricultural (1983) policies. The land policy guides the allocation, inheritance, ownership and use of land. It incorporates a special statement on women’s enhancement of, and guarantees for, women’s access to land and security of land tenure. The government is recognizing the special role that can be played by improvement of the women’s access to education and employment. Three important sector-wide policies have also been elaborated, which signify the role and importance of women. These policies are on Education, Health and Agriculture. In addition, the Equal Employment Policy is also under preparation.

**Main Programs**
A number of relevant programs have been initiated so as to implement the specified policies. These include the establishment of the fund for women's income generation.

- The Women’s Development Fund (WDF) of the Ministry of Community Development, Women’s Affairs and Children (MCDWAC)
- The Women Entrepreneurship Development Trust Fund in Zanzibar
- The Women's Economic Activities Project (WEA) managed by UNICEF.
- The Credit for Rural Enterprise for Women (CREW) managed by the government
- The National Income Generation Program (NIGP)

Donors and NGOs have initiated and are running other small funding facilities. The facilities to women help in training, equipment supply and general support for changing the gender relations at the local and national levels. To alleviate women’s workload, so as to enhance women’s participation in income generating activities, individuals and private institutions are encouraged to develop and promote appropriate and affordable technologies that will ease the women’s work especially in domestic and agricultural activities. Other efforts include increased provision of social services near homesteads and establishment of day care centers all over the country.

**Political Participation**
The 25% quota has been achieved in representation of women in the Union Parliament, the Zanzibar House of Representatives and local government councils. The government of Tanzania has made significant steps to promote women to decision-making positions so as to reach the 30% target by year 2005. The government has set up and encouraged donors, NGOs, and private institutions as well, to establish initiatives and programs for assistance to women groups to raise their political awareness and enhanced participation in political decisions and discussions.

**Enhanced Women’s Access to Education and Training**
The government has taken measures to enhance girls schooling by increasing the number of female teachers, offering financial and institutional support to improve academic performance and adolescent reproductive health education as well as by providing boarding facilities for girls.
**Outstanding Issues**

- government sector: mainstreaming gender issues and targets in the normal operating and planning activities of government institutions
- education: raising the educational level of women
- employment: raising the ratio of women employees by ensuring that women have equal access to employment
- monitoring: establishing a good monitoring system on implementing/ensuring gender equality