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NATIONAL PROCESSES, REFORMS AND PROGRAMMES IMPLEMENTING MKUKUTA II
(BRIDGE DOCUMENT)

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CHAPTER ONE: INTRODUCTION

1.1. Background
The Tanzania government has pursued a number of socio-economic policies, in the recent past, with a view to fostering economic growth and reducing poverty. These include the Vision 2025, the National Poverty Eradication Strategy and the generation of Poverty Reduction Strategy Papers (PRS).

The first PRSP was implemented from 2000/01-2003/4. Thereafter, it was reviewed and the second generation referred to as the National Strategy for Growth and Reduction of Poverty (NSGRP- commonly known by its Kiswahili acronym, MKUKUTA) was developed for implementation over five years (2005/6 – 2009/10). NSGRP was informed by Vision 2025 and linked to Millennium Development Goals (MDGs).

NSGRP was organised into three clusters namely, growth and reduction of income poverty; improvement of quality of life and social well-being; and good governance and accountability. The framework of the strategy identified broad outcomes for each cluster under which a set of goals are defined with an associated set of specific operational targets. For each operational target, specific interventions or cluster strategies were identified. The National Strategy for Growth and Reduction of Poverty phase two, (NSGRP II or MKUKUTA II) is a successor to the first phase MKUKUTA (MKUKUTA I) and covers the period 2010/11-2014/15. MKUKUTA II is also structured into three clusters; namely i) accelerating economic growth to reduce poverty; ii) improving the quality of life and standard of living; and iii) improving governance and accountability. It calls for a shift towards a greater role of the private sector in economic growth. It identifies “growth drivers,” such as agriculture and natural resources, and outlines sectoral strategies to promote productivity and private sector activity in these areas.

MKUKUTA II is implemented within the framework of the Tanzania Five Year Development Plan (2011/12 to 2015/16), whose priority areas are generation of adequate electricity and water supply; boosting agriculture and agro-processing; infrastructure improvement such as railways, roads network, ports, aviation, and marine transportation; tourism and ICT.
1.2. Justification of the document

In the course of implementation of MKUKUTA various national processes, core reforms, and programs have been designed and implemented. These programmes are aimed and linked to MKUKUTA outcomes and goals. However, majority, do not understand the existing links and synergies with MKUKUTA. Thus, in order to communicate well and reach the targeted audience on issues related to implementation of MKUKUTA II, this document explains the key national processes, core reforms, and programs implementing MKUKUTA II and how they inter connect and foster achieving shared results for growth and poverty reduction. Thus, the purpose of this document is to gives it more clarity and enhances understanding of stakeholders and the public in general of the link between these process, reforms, and programs to MKUKUTA II goals. This document is a companion to MKUKUTA II document. thus, it is referred to as the “MKUKUTA Bridging Document”.

1.3. Organization of the Document

This rest of the document is structured around five chapters. Chapter two explores major national processes with a focus on existing links and synergies with MKUKUTA II implementation. Chapter three is on Government major reforms. Chapter four presents major sectoral programs, while chapter five is on multi-sectoral programs. Chapter six is on the MKUKUTA II implementation framework, focussing on the remaining “prerequisites” for achieving MKUKUTA II goals.. The last chapter (seven) is on monitoring and evaluation. Finally there is an annex on Frequently Asked Questions on MKUKUTA.
CHAPTER TWO: NATIONAL PROCESSES AND THEIR LINKAGE TO MKUKUTA

2.1. Overview
This chapter provides an analysis of the Major National Processes, their linkages with, and how they facilitate the implementation of the National Strategy for Growth and Reduction of Poverty (MKUKUTA). The chapter analyses the National Budget process, Public Expenditure Review/Medium Term Expenditure Framework (PER/MTEF), Public Expenditure Tracking Surveys (PETS), Joint Assistant Strategy for Tanzania (JAST)/General Budget Support (GBS) processes, as well as the MKUKUTA-PER Dialogue Structure.

2.2. National Budget, PER (PEFAR)/MTEF Processes
The National Budget Process and MKUKUTA are at the centre of the national development processes in Tanzania. The MKUKUTA coordinates all policies, strategies and initiatives aimed at reduction of poverty. The National Budget (process) is an important instrument for implementation of policy and strategy decisions by the government to achieve social, economic and political objectives, in this case the MKUKUTA objectives. The national budget formulation involves a series of processes involving a number of players and stakeholders. It is a process and formalized cycle of preparation of budget estimates, authorization, implementation, control and accounting.

The PER/MTEF process which was introduced in Tanzania in 1998 is an important tool for strengthening national budget management by providing strategic analytic work and coordination in the context of the implementation of MKUKUTA. The process was later in 2005 expanded to include public financial management (fiduciary) issues. Thus the name Public Expenditure and Financial Management Review (PEFAR) came into being. It is a process that encourages wider dialogue among stakeholders and opens up the Government budget management process to a wide range of stakeholders (domestic and external) by giving them an opportunity to provide their views and inputs to be considered during the planning and budgeting process, and in so doing improving the linkage between policy/ strategy objectives (MKUKUTA) and resources allocation through national budget and financial management.
The PEFAR process provides annual updates on sector performance in the context of MKUKUTA objectives and goals, and fiduciary issues which feed into the formulation of the Planning and Budget Guidelines (PBG). The PBG is an important document that sets the national budget process in motion. The key components of the budget guidelines include economic review, sectoral analysis and performance, sectoral policy priorities and objectives, and annual and medium term resource projections, and sectoral resource allocations for MKUKUTA implementation.

During the PEFAR process, the Government undertakes consultations with all stakeholders including the sector ministries, Development Partners, and NSAs with a view to ascertain progress achieved, challenges encountered and alternative policy options for better implementation of MKUKUTA. Consultations with DPs during the PEFAR process also aim at firming up external resources commitment for the MTEF period and in particular the first year. The PEFAR process and consultations ends up with an Annual Consultative Meeting (as an event) which is thought to deepen understanding of, and participation in, the issues surrounding public expenditure, growth and poverty reduction in the context of MKUKUTA.

2.3 Public Expenditure Tracking Surveys (PETS)

Closely related to Public Expenditure Review (PER) is the so called Public Expenditure Tracking Survey (PETS). Unlike the PER, PETS tracks the flow of public funds and material resources from the central government level, through the administrative hierarchy, and out to the frontline service providers. The aim is to improve the quality of service delivery at the local level, and the key question that a PETS sets out to answer is: **Do public funds and material resources end up where they are supposed to?** If they don’t, the survey may go further and ask: **Why are those funds being diverted?** Such surveys are typically implemented at the sector level, traditionally in health or education because these are sectors that receive large chunk of resources for poverty reduction..

Recently, the surveys have been extended to Local Government Authorities (LGAs). Public Expenditure Tracking Surveys (PETS) are increasingly used at district level to make budget flows transparent from local government to service
delivery agents. A Public Expenditure Tracking Survey at District level typically compares allocated budgets by the District Council, which in Tanzania has the delegated authority to decide on budgets, with actual spending at beneficiary level. It traces the flow of resources through the different bureaucratic layers and demonstrates how much of the intended budget reaches each layer. Traditionally, mainly used by donors to trace the use of their resources, currently is increasingly being used by civil society organizations and government to enhance transparency in the budgetary process. Thus, the ultimate goal of Public Expenditure Tracking Surveys (PETS) is to improve service delivery in a way that it better responds to the needs of citizens. Ultimately, there is a general consensus among Tanzanians, central and local governments, civil society organizations and donors, that improved service delivery is a key issue, to be addressed in the effort to promote growth, reduce poverty and vulnerability during MKUKUTA implementation and PETS is in place to enhance accountability.

2.4. JAST/GBS Process

The Joint Assistance Strategy for Tanzania (JAST) is a national medium-term framework for managing development co-operation between the Government of Tanzania (GoT) and Development Partners (DPs) so as to achieve national development and poverty reduction goals. The JAST which was launched in 2006 aims at consolidating gains and addressing challenges on aid effectiveness experienced during the implementation of the Tanzania Assistance Strategy (TAS)\(^1\), 2002/03–2004/05. It also translates the international commitments and initiatives on aid effectiveness (i.e. the Monterrey Consensus on Financing for Development (2002), the Rome Declaration on Aid Harmonisation (2003), the Marrakech Memorandum on Managing for Results (2004) and the Paris Declaration on Aid Effectiveness (2005)) into the Tanzanian context.

The JAST is neither a project nor a programme but a process for change in the way external resources (development assistance) are delivered, managed, monitored, evaluated and accounted for by doing away with multiple and inconsistent DPs’ processes, requirements, and procedures, as well as aligning and integrating external resources within the national budget process for the

\(^1\) TAS is the national framework to guide the management of external resources so as to contribute toward achieving national growth and poverty reduction goals. It’s thought to ensure external resources are effectively delivered, managed and accounted for. It guided the management of development cooperation and external resources during 2002/03 – 2004/05).
implementation of MKUKUTA. The JAST specifies modalities and arrangements of development support to Tanzania and a framework for their management.

The overall objective of the JAST is to contribute to sustainable development and poverty reduction in line with the National Vision by consolidating and coordinating GoT efforts and DPs’ support (and their processes) under a single Government-led framework to implement and achieve results under the MKUKUTA. The intermediate objective of the JAST is to build an effective development partnership in line with national and international commitments to aid effectiveness by (i) strengthening national ownership and Government leadership of the development process, (ii) aligning DP support to GoT priorities, systems, processes and procedures, (iii) harmonising GoT and DP processes, (iv) managing resources for development results, (v) ensuring mutual accountability of the GoT and DPs, and (vi) strengthening domestic accountability of the GoT.

The JAST is implemented at all levels of the GOT for all aid relations with DPs. Some DPs adopts the Strategy as a basis for guiding the management of their development co-operation with the GOT. It is implemented through an action plan that specifies concrete activities and timeframes for JAST implementation and a monitoring framework with indicators to measure GOT and DPs performance.

The JAST implementation is overseen by a Joint GOT-DPs Working Group. The group meets quarterly and undertakes an annual review to ascertain progress, challenges and recommendations for the way forward. The JAST does not have its own review process, but rather uses the existing processes (national budget, PER, MKUKUTA and GBS) at local, sector and national levels as the main avenues for detailed discussion, dialogue and information generation.

The JAST is neither a project nor a programme but a process for change in the way external resources (development assistance) are delivered, managed, monitored, evaluated and accounted for by doing away with multiple and inconsistent DPs’ processes, requirements, and procedures, as well as aligning and integrating external resources within the national budget process for the implementation of MKUKUTA. The JAST specifies modalities and arrangements of development support to Tanzania and a framework for their management.
Under the JAST, GBS is the preferred modality for receiving development assistance. The GBS modality and its process were initiated in FY 2000/01 to support the implementation of the first generation Poverty Reduction Strategy (PRS). It has gained more emphasis during the JAST and MKUKUTA implementation, as an instrument for aligning external resources with national priorities and for improving the effectiveness of development assistance. GBS provides completely fungible resources to the Government consolidated account in support of the implementation of the MKUKUTA.

Under the GBS process the Government and GBS’ Development Partners have agreed to a common Performance Assistance Framework (PAF), which forms the basis of GBS commitments and disbursements. The PAF (which is in matrix form) draws on the MKUKUTA, sets out medium term targets and indicators for macro economic stability, performance improvements in the public sector and financial management, etc. together with specific annual actions to be implemented to achieve the agreed targets. It also consolidates targets and measures related to other on-going public sector reform programmes.

The GBS process constitutes an annual cycle of ongoing consultation and dialogue, culminating in the GBS Annual Review event in October/November in which GBS Partners provide their commitments for the next MTEF. The underlying review processes at reform, sector and cluster level provides the main avenues for detailed discussion, dialogue, and information generation. The Cluster Working Groups (CWGs) are the main vehicles for ongoing GBS consultation and dialogue, performance monitoring and assessment of the PAF and MKUKUTA in general, as well as monitoring and assessment of Government and GBS Partners’ performance in meeting their commitments as agreed in the GBS Partnership Framework Memorandum (PFM). The GBS annual review event brings the analysis together, reporting on findings, progress achieved, challenges and the way forward.

The JAST and GBS process thus serves two main purposes, first as a tool for

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2 PFM sets out the principles and terms between the GOT and GBS-DPs regarding the provision and management of GBS and its process.
external resources mobilization and utilization by streamlining funding and dialogue amongst stakeholders around supporting Government-owned and led growth and poverty reduction strategy, (the MKUKUTA), and second, as a tool for making aid more effective and supportive to national structures, systems, processes and priorities (as outlines in the MKUKUTA).

2.5. MKUKUTA-PER Dialogue Structure/Stakeholder Consultations
The MKUKUTA-PER dialogue structure is the main structure and process for technical dialogue on development management, MKUKUTA implementation, the national budget/PER, JAST and GBS processes, as well as in the implementation of public sector reform programmes. It integrates all major national and sector processes (as described above) so as to reduce (eliminate) overlaps and transaction costs and in order to have single structure and process for consultation and dialogue in management of the national development process. The dialogues culminate into a single annual event—the National Policy Dialogue combining the Poverty Policy Week, the GBS annual review and PER annual consultative meeting. **Figure 1 – National Budget Cycle**
1.6 The Dialogue Structure and Division of Labour

The new dialogue structure integrates, to the greatest extent possible, all existing processes (MKUKUTA, PER, JAST and GBS) thus combining dialogue on policy and budgetary/expenditure issues, in order to reduce overlaps and transaction costs.

(i) Dialogue structure has four levels:

a) Sectors/thematic areas where MDAs (and active DPs) are direct members; and distinction is made between internal Government dialogue and dialogue between the Government, DPs and non-state actors;

b) Four Cluster Working Groups (CWGs), namely 3 CWGs corresponding to the three MKUKUTA clusters: (1) Growth and Income Poverty Reduction; (2) Improvement of Quality of Life and Social Well-Being; and (3) Governance and Accountability, where sectors/thematic areas are represented, as well as a MKUKUTA-PER Macro Group;

c) The MKUKUTA-PER Main Working Group where CWGs and the MKUKUTA-PER Macro Group are represented. The change of name from the previous PER Main Working Group to MKUKUTA-PER Main Working Group reflects the broadening of the dialogue agenda to include MKUKUTA and related policy issues;

d) A Joint Government – DPs Coordination Group (JCG), the highest level coordination structure drawing membership from Permanent Secretaries and Heads of Development Cooperation, and serving as a forum for dialogue in the coordination of development assistance, the harmonisation and alignment of Development Partners’ programmes, projects, and budget support in support of the implementation of MKUKUTA and MKUZA.
Figure 2: New dialogue structure
CHAPTER THREE: CORE REFORM PROGRAMS

3.1. Overview
Reforms are an integral part of the implementation of MKUKUTA. Because successful implementation of core governance reforms is crucial for improving public sector governance, strengthening the rule of law, improving accountability, transparency and value for money on use of public resources, improving business and investment environment and improving service delivery.

This chapter presents the links and synergies between major government reform programs and MKUKUTA implementation. This relationship is presented through highlighting reform objectives and their links with MKUKUTA goals. These reforms include Public Service Reform Program (PSRP); Phase II; Local Government Reform Program (LGRP) Phase II; Public Financial Management Reform Program (PFMRP) phase III; Legal Sector Reform Program (LSRP); The Second Generation Financial Sector Reform Program (SGFSRP); and National Anti-Corruption Strategy and Action Plan (NACSAP II).

3.2. Local Government Reform Programme (LGRP II)
Since the restoration of the Local Governments, and particularly the recent emphasis on decentralization by devolution – D by D, local governments are at the center stage in the public service delivery. In order to enhance efficiency in the public sector service delivery, the Government of Tanzania has been implementing the Local Government Reform Programme (LGRP II) with the emphasis on creating an enabling environment for D by D. The program is jointly financed by the government of the United of Tanzania, on one hand and the Governments of German, the Republic of Ireland, Sweden, and Japan on the other.

The objective of LGRP is to improve the quality of and access to public services provided through or facilitated by Local Government Authorities (LGAs). The LGRP aims to increase the accountability of local authorities to the communities, to bring basic services closer to the users and give them a greater voice in how services are managed and delivered. It also aims to develop more effective service delivery partnerships between public and private sectors (including CSOs). The overall outcomes of the LGRP is to see that LGAs are transformed into competent strategic leaders and coordinators of socio-economic development and that the institutions in their areas of jurisdiction are accountable and
transparent in delivery of services geared toward poverty reduction. LGRP cover various aspects of public service delivery at the local government level whose link to MKUKUTA goals is through MKUKUTA II goals and targets as can be noted through goals in Cluster I and Cluster II.

The intervention packages in the recent past include the following activities and outputs. review of the Local Government Finances Act, the Local Authority Financial Memorandum (LAFM) and the Local Authorities Accounting Manual (LAAM) and other laws to make them compliant to D by D; Financial management training for council functionaries in order to improve financial management, discipline and accountability; Review of Scheme of Service of 2003 for Ward, Street, and Village Executive Officers; facilitating introduction of Open Performance Appraisal System (OPRAS) to Regional Administrative Secretaries and Councils’ Directors, improvement of working conditions for Councils’ Internal Auditors: In a move to strengthen the capacity of the Internal Audit Units of LGAs, 139 computers; and installation of Epicor-based Integrated Financial Management System (IFMS) in LGAs: Preparations for the roll-out of the Epicor-based (IFMS) Version 9.05 in all LGAs is going on.

3.3. Public Service Reform Program (PSRP)
The Government of the United Republic of Tanzania has been undertaking reforms in the public sector, under the banner of Civil Service Reform Programme (CSRP) since the early 1990’s. The reform program was revised in 2000 to address apparent limitation of the first phase. The revised program – the Public Service Reform Programme, also known as Performance Results and Accountability Project (PRAP), was designed to create an efficient, responsive and accountable public service to provide quality service delivery across government institutions. The thrust of the reform is contained in two policy documents, namely, the Public Service Management and Employment Policy of 1999, and the Public Service Medium—Term Pay Policy. The former aims at introducing principles, culture and practices which will guide the transformation of the Public Service of Tanzania from its bureaucratic past, to a highly performing and dynamic meritocracy; while the latter aims at giving adequate incentive packages for staff, which shall be performance based.

The revised program has three phases: (i) installing systems, (ii) changing culture,
and (iii) instituting improvement. The program is in its second phase and aim to institute Accountability and performance for results in the public service. The program period is 2007 to December 2012. The programme is jointly financed by the Government of the United of Tanzania, DFID, World Bank, Canada and Belgium.

In first phase (installing systems), managers would be provided with the tools required to support their performance and service delivery improvements. Next, during the culture phase, Public Servants would adopt a mind-set to serve customers with efficiency, effectiveness and a high standard of accountability, responsibility, courtesy, and integrity. They would use the systems supplied to them during the first phase and the public would need to demand their due rights and services. Finally, in the final “improvement” phase, organizations would learn and innovate. They would adapt systems to their own needs and priorities.

The PSRP phase II (2008-2012) focuses on “Enhancing Performance and Accountability”. It builds on earlier efforts of phase I aimed at improving service delivery in the public service and regulatory functions across all MDAs in an effective and efficiency manner. Basing on the lessons learnt from previous phases and other reforms, PSRP II has adopted a demand driven approach in its implementation. This approach aims at creating ownership and sustainability of the reforms by implementing agencies - (MDAs). Starting from 2008/09 all ministries through PSRP implemented of their priority choice through selection and prioritization done by each MDAs.

The link between PSRP and MKUKUTA interventions can be recalled from the reform agenda that intends to improve service delivery in the Public Services. This is vivid in some of MKUKUTA II goals such as Goal 5 in Cluster II which state clearly that it seeks to put in place Systems for access to quality public services that are affordable and available and Goal 3 in Cluster III which focuses on public service framework for service delivery as well as poverty reduction.

To achieve the MKUKUTA goals, the PSRP intervention package has so far included development of Policy Making Processes and Action Plan, and the Ethics Operational Manual; establishment of several Executive Agencies;
processing and validation of human resources (HR) and payroll information systems; establishment of e-government portal and upgrading of Human Capital Management Information Systems (HCMIS); capacity building initiative of MDAs in the areas of Monitoring and Evaluation Systems following the Formulation of Planning, Budgeting and Reporting Manual in 2007; installation of new filing systems in various MDAs with a view to enhance records management; completion and adopted of Medium Term Pay Policy; establishment of Leadership School; development of leaders accountability frameworks; and establishment of Centrally Recruitment Secretariat. Other development include the Wage and Productivity Board; awareness campaigns on ethics

3.4 The Legal Sector Reform Program (LSRP)
The Government launched the Legal Sector Reform to address weaknesses apparent in the legal system in the country. The Vision of the reform is: “Timely Justice for All.” And the mission is: “The development of social justice, equality and rule of law through quality and accessible legal services” under the following principles/values: fairness, basic human rights, equality and social justice; rule of law and integrity of legal professionals. It is apparent that the program aim to ensure equal and timely justice to all through increased efficiency in the administration of justice, equal access to justice and improved services. The LSRP aims at ensuring “Timely Justice for All” through speedy dispensation of justice; affordability and access to justice for all social groups; integrity and professionalism of legal officers; independence of the judiciary; and a legal framework and jurisprudence of high standards that is responsive to social, political, economic and technological developments at both national and international levels. The current phase of the program spans 2007 - 2012 and is financed by the government of the United of Tanzania, Canada, UNICEF, World Bank, and Denmark.

The main objective of this reform is to foster good governance and rule of law. The focus has been to improve service delivery by promoting access to justices, human rights and administrative justice and knowledge and skills of legal professionals. In due course of implementation, the LSRP was expected to bring about access to justices for all social groups, integrity and professionalism of legal officers. In addition, it also aimed at making legal framework and judiciary being of high standards that is responsible to social, political, economic and technological development in both national and international arena.
In line with the reform focus agenda, MKUKUTA II sets out goals that intends to ensure that, the system is in place that are effective in accessing quality public services in an affordable and available manner (Cluster II Goal 5), rights of the poor and vulnerable groups are adhered (Cluster III Goal 4) and existence of Political and Social Exclusion and Intolerance (Cluster III Goal 5).

The LSRP implementation package has so far focused to the following results: strengthening and harmonizing the national legal framework; enhancing justice for the poor and the disadvantaged social groups; improving the observance of human rights and administrative justice; enhancing knowledge and skills of legal professionals; improving service delivery capacity in key legal sector institutions; program management, coordination, monitoring and evaluation. As a result, Tanzania is now characterized by, among others, (i) a streamlined and strengthened prosecution and investigation system by separating prosecution and investigation; (ii) improved access to justice for persons in remand homes and prisons by ensuring availability of transport facilities for prisons and remande homes; and (iii) support to the establishment of a legal aid network, comprising of key non-state actors in the legal sector for justices dispensation; increased equal access to justice for the poor; improved investigation; improved provision of legal aid services; independency of Judiciary (enhance provision of justice); deepening the legal sector reform and law reform; and revising laws which contain back claw clauses.

3.5. Public Financial Management Reform Program (PFMRP)

The government of Tanzania has been implementing Public Finance Management reforms programme in order to achieve high economic growth, macro-economic stability and sustainable efficient delivery of public services. The reform intends to achieve these goals by establishing effective financial management arrangements which minimise resource leakages and strengthen accountability. The PFMRP builds on the structural reforms of the mid-nineties which aimed to address the country’s severe economic and financial crisis by restoring macro-economic stability, fiscal control and discipline, and implementing a core budget and accounting system across all ministries.

Implementation of PFMRP III started in 2008 with the main objective of ensuring greater predictability and availability of medium term resources to executing agencies. The thrust has been getting the tools, techniques, methodologies
and systems that were introduced in the previous phases to work effectively and efficiently in an integrated manner to bring about the required changes and management of public finances. In its current phase, the programme is jointly financed by the government of the United of Tanzania, World Bank, Germany and Denmark. It is important to note that the implementation of Public Financial Management Reform Programme (PFMRP) Phase III (2008/09 – 2009/10) was extended for one more year to June 2011 to provide adequate time for the implementation of the six Public Financial Management (PFM) key issues including preparation of the next phase of PFMRP IV which is a comprehensive medium term strategy.

The Government initiated the PFMRP with the objective of achieving “high economic growth, macro-economic stability and sustainable efficient delivery of public services” by establishing effective financial management arrangements which minimize resource leakages and strengthen accountability. Apparently, this is one of the core objectives of the MKUKUTA. The PFMRP also focuses on strengthening financial control and enhancing accountability, by reforming budget process and introduction of a computerized Integrated Financial Management system (IFMS).

Interventions carried under the PFMRP contribute to the achievement of MKUKUTA goals directly and indirectly. These interventions have targeted the following results: improvement on the budget process and management; improvement on the accounting system and tools; improvement on the audit function; strengthening of public procurement process and management; strengthening capacity of parliamentary oversight committees; improvement on non-tax domestic revenue collections; the institutional support to PFM training institutes; and improvement on program coordination, monitoring and communication.

As a result, we have noted progress in following areas: improvement of the budget process and management by working on macroeconomic modeling (MACMOD) and linking it with Financial Programming (FP) as well as Classification by Function of Government (CoFoG); improvement on the accounting system and tools through enactment of miscellaneous amendments to the Public Finance Act (PFA) for the establishment of an independent Internal Audit Department and give the Accountant General (ACGEN) authority over finances (IFMS) in
LGAs; strengthening public procurement, through PPRA capacity building. Other areas include improving staff capacity in handling PFM reform issues; increased actual revenue collection due to some fiscal policy initiatives taken; improving credibility of MTEF; improvement in the implementation of budget in line with approved budget; increased compliance to the Public Procurement Act (PPA, 2004) by Procuring Entities (PEs):

3.6. Second Generation Financial Sector Reform
In 2003, an IMF/World Bank Financial Sector Assessment Programme (FSAP) was conducted in Tanzania in order to identify the strength, vulnerabilities, and general soundness of the country’s financial system. The assessment recognized that there are clear indications that the foundations of a sustainable financial system had been laid as a result of the existing macroeconomic stability. However, the FSAP mission report also observed that the Tanzania financial system still plays a limited role in the economy, and its current depth and efficiency falls short of what is needed to support economic growth. Access to financial services is still inadequate, and interest rates on loans are very high. As well, there are macroeconomic risks for the economy due to dependency on low technology agriculture and volatile aid flows, and to constraining regulations on lending by banks. The financial markets are also largely underdeveloped.

In response, the government started to implement the Second Generation Financial Sector Reforms (SGFSR) in 2006/07. The SGFSR seeks to consolidate achievements made during the first generation reforms, and are attempting to address remaining structural constraints to the sector’s development. The implementation of SGFSR are intended to deepen financial intermediation and further help develop the financial system, enhance access to financial services; undertaking further legal and judicial reforms; addressing the framework for long-term investment; managing systemic liquidity, market intervention, and infrastructure; further improving bank regulation and supervision; and strengthening crisis preparedness.

Emphasis includes: establishment of a framework for lease and mortgage financing; a credit information data bank; and a legal and regulatory basis for a credit information bureau. Another objective of the SGFSR is to put in place a unified legal and regulatory framework and investment guidelines for pension funds.
MKUKUTA II interventions under the reform agenda aims to ensure that the economy is Sustainable growth and broad-based (Cluster I Goal 1 & 2 & 3), put in place systems for effective access to quality public services (Cluster II Goal 5 & 6).

To achieve these goals, intervention packages have focused on improving the Monetary Policy Framework and the Legal and Regulatory Infrastructure; improving the supervisory function to ensure an efficient and sound financial system; developing financial markets with vibrant primary and secondary markets; promoting an efficient and competitive pension sector responsive to market demand and supported by appropriate legal and regulatory structures; promoting an efficient, sound and competitive insurance industry with different products, a wider outreach, and market based investment policies; and introducing and promoting an efficient, harmonious legal and judicial infrastructure for collaterization of land and settlement of land disputes. As a result, we have noted improvement in lending environment and financial infrastructure; facilitation in SME and long-term lending; and direct support to providers of financial services for micro and small enterprises.

3.7. National Anti-Corruption Strategy and Action Plan (NACSAP)

An overview: The National Anti-Corruption Strategy and Action Plan, Phase II (NACSAP II) is the government blue print for carrying out the intent of the fight against corruption. The National Anti-Corruption Strategy and Action Plan, Phase 2 (NACSAP II) is the main vehicle for carrying out the intent of the National Anti-corruption Policy which is zero tolerance. NACSAP II is therefore a preventive tool that seeks to foster transparency, integrity and accountability in the conduct of public affairs. The current implementation strategy covers a period of 2008-2011. NACSAP II comes to an end in Dec 2011. Evaluation of NACSAP II implementation and results will be undertaken. The lessons and findings will contribute to the development and design of next strategy and plan for the fight against corruption.

The strategy provides an opportunity for all stakeholders to translate the government’s resolve against corruption into practical and actionable programmes through a number of key strategic goals. The strategy and Action plan is implemented through MDAs MTEFs and through the Strategic Plan and annual plans of the PCCB. Measures on fighting corruption in Tanzania are
being realized through the NACSAP II. The methodology of the strategy is to involve all stakeholders to understand their respective role and own the process towards reduction of corruption at all levels (private sector, public sector, civil society, media and development partners (DPs). The programme is solely financed through the Government budget, with the exception of the some PCCB projects supported by funds from the UNDP.

The National Anti-Corruption Strategy and Action Plan II (NACSAP II) was designed to be more focused, robust, relevant and inclusive in combating corruption in a more scientific way and by addressing its root causes; strengthening anti-corruption mechanism at all Ministries, Departments and Agencies of government; introducing systems of integrity, accountability and transparency in Local Government Administration (LGA); mainstreaming and empowering Private Sector into anti corruption; mainstreaming and empowering Civil Society Organisation and Non State Actors into anti corruption processes; and raising public awareness of anticorruption. All these aspects are highly linked to MKUKUTA goals.

As you may note, NACSAP II intervention packages essentially address the goals of Cluster III in MKUKUTA II. The results of these interventions are now evident in several forms including establishment and strengthening of Integrity Committee in all MDAs, Regions and LGAs; development and implementation of the MDAs, Regions and LGAs Service Client Charters and Complaint Handling Desk in all MDAs, Regions, and LGAs; capacity building initiatives to integrity committee (ICs); increased awareness and enhanced involvement of civil society, private sectors, religious based organizations, media, and parliamentarians, and in strengthening capacities of the key institutions (watchdogs and oversight).

3.8. Conclusion
A crucial policy aspect of the reform process is the redefinition of the core functions of Government. In this case, core reforms are necessary conditions for other MKUKUTA II interventions to have impact. Thus, in overseeing MKUKUTA II implementation the government continues core functions, essentially to support the private sector and other actors in promoting growth and reducing poverty. MKUKUTA II shows that key to the success reforms that will ensure levelled ground for all players, including those reforms that strengthen the capacity of watchdogs, oversight institutions and NSAs.
4.1. Introduction
This chapter presents selected sectoral programmes implementing MKUKUTA II. The chapter shows the link between important program aspects such as the sectors which the programme serves, objectives, as well as goals and targets.

4.2. Agriculture Sector Development Program (ASDP)
The agricultural sector plays an important role in the Tanzanian economy and possesses the potential to advance the country’s objectives of growth and poverty reduction. The performance of the overall Tanzanian economy has been driven by the performance of the agricultural sector, mainly due to its significance to the majority of the rural population. In order to bring about sustainable agricultural development, the Government in close collaboration with agriculture stakeholders has developed the Agricultural Sector Development Programme (ASDP). The ASDP is an implementation tool for the Agricultural Sector Development Strategy (ASDS) and the broader National, and Global Policies including the National Strategy for Growth and Reduction of Poverty most commonly known as MKUKUTA, Tanzania Development Vision 2025, the Millennium Development Goals (MDGs), Comprehensive Africa Agriculture Development Programme (CAADP) and KILIMO KWANZA Resolve. The ASDP has two main objectives:

1. To enable farmers to have better access to and use of agricultural knowledge, technologies, marketing systems and infrastructure, all of which contribute to higher productivity, profitability and farm incomes;
2. To promote private investment based on an improved regulatory and policy environment

The above objectives are attained through the use of different interventions planned at:

i. Improving the capacity of farmers, including food insecure and vulnerable groups, to more clearly articulate demand for agricultural services and built partnerships with service providers;

ii. Reforming and improving capacity of both public and private agricultural
service providers to respond to demand and provide appropriate advice, services and technologies;

iii. Improving the quality and quantity of public investment in physical infrastructure through technically-sound planning and appraisal;

iv. Improving market institutions including strengthening the policy framework and coordination capacity at national level.

The above results are delivered through three phases:

**Phase I:** Focus on empowering farmers/clients to make better informed decisions on technology choice; introducing a more contestable and decentralized system of agricultural services and extension to improve its relevance and encourage pluralism in service provision with a greater role for the private sector; clarifying the strategy for technical services and training; strengthening capacity for implementation of the district agricultural development plans, including irrigation; and identification of models for local, regional and international market development.

**Phase II:** Continued roll-out of the competitive grant schemes for research and extension together with empowerment activities; support for technical services and training; implementation of the district agricultural development plans through investment and capacity building; and implementation of market development models.

**Phase III:** Continued expansion of the competitive grant scheme for research and extension and support for the implementation of the district agricultural development plans; implementation of market development.

Agriculture sector development is at a critical stage as new initiatives, such as Kilimo Kwanza, Southern Agricultural Growth Corridor of Tanzania (SAGCOT), Comprehensive Africa Agriculture Development Programme (CAADP) and others are or have been developed. Kilimo Kwanza, launched in June 2009 by the President and coordinated by the Tanzania National Business Council, aims to stimulate a private sector-led Tanzanian Green Revolution. Its ten pillars aim to reinvigorate market led growth and stimulate agro-industrial investment.³

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³ Agricultural Council of Tanzania, Kilimo Kwanza Resolution 2009.
The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) initiative was launched in May 2010 and aims to mobilise public and private sector partnerships to deliver agricultural growth around a high potential southern corridor. It will achieve this by incentivising linkages between smallholder farmers and agribusiness. SAGCOT links Dar es Salaam with Malawi, Zambia and the Democratic Republic of Congo and passes through some of the richest farm land in Africa.4

The Comprehensive Africa Agriculture Development Programme (CAADP) is an initiative of the African Union. CAADP provides the framework for African countries to achieve economic growth and food security through the transformation of the agricultural sector. The specific goal of CAADP is to attain an average annual sectoral growth rate of 6% in agriculture for the continent. To achieve these goals CAADP focuses on four pillars: I: Extending the area under sustainable land management and reliable water management systems; II: Improving rural infrastructure and trade-related capacities for improved market access; III: Increasing food supply, reducing hunger and improving responses to food emergency crises; and IV: Improving agricultural research, technology dissemination and adoption. On the Tanzania mainland CAADP is being implemented through the Agricultural Sector Development Programme, while more recently the Tanzania Agriculture and Food Security Investment Plan (TAFSIP) is under preparation to provide the overarching investment plan for the sector.5 TAFSIP is expected to provide the overall framework for prioritized investments in the country’s agricultural sector, in line with strategic priorities identified in the CAADP-Compact (signed by sector stakeholders in July 2010).

These initiatives have emerged since ASDP took off in 2006, and have added both new opportunities as well as complexities in the coordination of efforts to develop agriculture. This review though first concentrates on its principal task, which is to assess ASDP’s own performance and future direction.

4.2.2. Links with MKUKUTA Goals

There are many aspects in which ASDP links with MKUKUTA II goals – ranging from economic growth to food security and rural poverty. Below is a summary of selected areas of such linkages.

4 SAGCOT (Southern Agricultural Growth Corridor of Tanzania) Investment Blueprint.
Table 4.1 Link between ASDP and MKUKUTA Goals

<table>
<thead>
<tr>
<th>Program Objectives</th>
<th>Main Components of the Program</th>
<th>Targeted Beneficiaries</th>
<th>Link with MKUKUTA Goals</th>
</tr>
</thead>
</table>
| To enable farmers to have better access to and use of agricultural knowledge, technologies, marketing systems and infrastructure. | The policy, regulatory and institutional arrangements  
Agricultural services (research, advisory and technical services, and training)  
Investment through District Agricultural Development Plans (DADPs) implementation  
Private sector development, market development, and agricultural finance  
Cross-cutting and cross sectoral issues | Farmers  
Private Sector  
Vulnerable Groups | Cluster I  
Goal 2: Reduce income poverty.  
Goal 3: Ensure creation and sustenance of productive and decent employment.  
Goal 4: Ensuring food and nutrition security, environmental sustainability and climate change adaptation and mitigation |
| To promote private investment based on an improved regulatory and policy environment. |                                                                                               |                                        |                                                                                                             |

4.2.3. Main Actors

The main actors under this programme includes: Government of the United Republic of Tanzania responsible for coordination, implementation, and monitoring and evaluation; Development Partners responsible for providing both financial and technical support; Local Government Authorities responsible for implementation of the project at regional level, district level and wards level; Private Sector responsible for providing agricultural services such appropriate advice, market services and appropriate technologies.

4.3. The Micro Small and Medium Enterprise Programme (MUVI);

The programme helps improve rural employment opportunities in 6 of the 21 regions in mainland Tanzania: Iringa, Manyara, Mwanza, Pwani, Ruvuma and Tanga. These regions have been selected because they show a potential for
entrepreneurial activity, with a higher than average percentage of the rural population already engaged in some form of self-employed activity.

The programme – also known by its Swahili acronym MUVI – provides selected medium and small-scale rural entrepreneurs with improved skills training, knowledge and access to markets to help increase productivity, profitability and off-farm incomes. The target group includes smallholder farmers and fishers who could profitably link up with processors and sell their produce to them. Women, young people and other disadvantaged groups, including people living in remote areas, people living with HIV/AIDS and the elderly, are particularly encouraged to participate in programme activities.

The programme has three goals:

- to improve the awareness of rural entrepreneurs of market opportunities and how these can be exploited through the development and implementation of a communication strategy (including radio linkages to poor and remote areas) and the training of the entrepreneurs to improve their businesses

- to improve the coordination and cohesion of selected value chains, through the creation and strengthening of backward and forward linkages for the selected chains

- to strengthen public and private sector institutions to provide efficient and effective support to rural enterprises.

4.3.1 Links with MKUKUTA goals

There are many aspects in which MUVI links with MKUKUTA II goals – ranging from economic growth to food security and rural poverty. Below is a summary of selected areas of such linkages.
Table 4.2: Link between MUVI and MKUKUTA Goals

<table>
<thead>
<tr>
<th>Program Objectives</th>
<th>Main Components of the Program</th>
<th>Targeted Beneficiaries</th>
<th>Links with MKUKUTA Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve the awareness of rural entrepreneurs of market opportunities and how these can be exploited through the development and implementation of a communication strategy (including radio linkages to poor and remote areas) and the training of the entrepreneurs to improve their businesses.</td>
<td>Awareness of rural entrepreneurs of market opportunities</td>
<td>Rural entrepreneurs</td>
<td>Cluster I Goal 2: Reducing income poverty through promoting inclusive, sustainable and employment enhancing growth and development.</td>
</tr>
<tr>
<td></td>
<td>Coordination and cohesion of value chains</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strengthening public and private sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To improve the coordination and cohesion of selected value chains, through the creation and strengthening of backward and forward linkages for the selected chains.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To strengthen public and private sector institutions to provide efficient and effective support to rural enterprises.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3.3. Main Actors
The main actors of this project include: Central Government of the United Republic of Tanzania; Local Government and Authorities; Development Partners; Private Sector, and Non Government Organizations (NGOs).

4.4. Education Sector Development Program (ESPD)
The Education Sector Development Programme (ESDP) was launched in 1997 and revised in 2001 in order to improve educational provision to achieve
poverty alleviation. This edition of ESDP covers the period 2008 through 2017. It reflects enduring national priorities and a determined response to existing educational conditions and requirements. It is a key part of the systemic public sector reform that is supporting MKUKUTA implementation. In the Education Sector Development Program several tools are developed with the view to achieving the general objective of ESDP. Such tools among others include; Primary Education Development Programme (PEDP II 2007-2011), Secondary Education Development Programme(SEDP II), Teacher Development and Management Strategy (TDMS) and Technical and Higher Education Sub Master Plan (2003-2018).

4.4.1. Objectives, Targets and Goals of the Program

The Programme has nine main objectives:

i. Expand access to primary and secondary education;

ii. Improving the micro and macro management of educational institutions so as to have functioning schools and other relevant institutions in the districts, regions and communities;

iii. Upgrading learning and teaching processes thus ensuring access to quality learning programmes with minimal wastage;

iv. Reviewing the key areas of educational investment by considering alternative ways of achieving the desired outcomes hence determining arrangements that maximise benefits over costs, thus achieving optimized value of money;

v. Ensuring equitable access to quality education at all levels, ensuring skills development and universal literacy for all men and women;

vi. Ensuring strategic enrolment expansion in areas relevant to the promotion of sound social economic growth and reduction of poverty; good governance and accountability, generally improved quality of life and social well being;

vii. Instituting and strengthening performance and outcomes-oriented monitoring and evaluation of education provision;

viii. Improving the quality and effectiveness of consultative and dialogue structures; and

ix. Improving linkage between strategic priorities and “quick wins” so as to make available financial resources through strengthened and streamlined
planning and budgeting systems and process, thus benefiting from improved financing processes, reporting and transparency as well as strategic resources allocation and budget execution.

4.4.2. Links with MKUKUTA Goals

The strategic decisions underlying the programme objectives include: increasing the proportion of national resources in education; increasing the percentage of annual budgets in education sector; improve affordability for education by:

(i) Increasing the provision level of scholarships to children from poor families;

(ii) Reducing school costs due from the student; and

(iii) Providing capitation grants for teaching/learning materials and other charges.

It is apparent that all these aspects have significant contribution to achieving MKUKUTA goals, especially those in cluster II.

Table 4.3: Link between ESDP and MKUKUTA Goals

<table>
<thead>
<tr>
<th>Program Objectives</th>
<th>Main Components of the Program</th>
<th>Targeted Beneficiaries</th>
<th>Link with MKUKUTA Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand access to primary and secondary education and ensure equitable access to quality education at all levels</td>
<td>Capabilities and Values Improvements Improving Provision and Equity Conducive Teaching and Learning Environment Macro – Micro Management and Governance</td>
<td>-Tanzania’s Citizens (Boys, Girls, Men and Women) -Vulnerable Groups -Disabled people</td>
<td>Cluster II Goal 1: Ensuring equitable access to quality early childhood development programs, primary and secondary education for all girls and boys Goal 2: Ensuring expansion of quality technical and vocational education and training, higher education and adult, non-formal and continuing education. Cluster III Goal 2: Improving public service delivery to all, especially to the poor and vulnerable</td>
</tr>
</tbody>
</table>
4.4.3. Main Actors
The main actors of this project involves The Central Government of the United Republic of Tanzania, Regional Administration and Local Authorities; School Boards; School Management Team; Development Partners in Education and Non-Governmental Organizations (NGOs).

4.5. Water Sector Development Program (WSDP)
Water Sector Development Programme (WSDP), which started in July 2007 is a 20 years programme for improving the provision of water supply and sanitation services, and ensuring water for productive activities through integrated water resource management for socio economic development. For efficiency and effectiveness of interventions, the WSDP strives to strengthen the overall sector institutional and personnel capacity. Water Sector Development Program resulted from the National Water Sector Development Strategy (NWSDS, 2006) which was conceived as “a blueprint for prioritized, timely and appropriate interventions to address the water sector challenges and attaining targets as stipulated in national blueprints such as MKUKUTA and Vision 2025.

4.5.1. Objectives and Targets of the Program
Component 1: Water Resources Management
Focuses on strengthening basin institutions to plan and manage water resources as well as intervening in stress-reduction, priority water resources management and development investments, by supporting:
- Basin level water resources management
- Integrated river and lake basin management and development plans
- Priority investments in infrastructure development and studies

Component 2: Rural Water Supply and Sanitation
This component provides support to Local Government Authorities (LGAs) in the provision of rural water supply and sanitation services through the implementation of District Water Plans.

Component 3: Urban Water Supply and Sewerage
Provides support to the execution of business plans to improve water supply schemes and sanitation services (sewerage, latrine promotion and hand washing).
Component 4: Institutional Strengthening and Capacity Building
Provides support to planning and operational capacities, sector coordination and performance Monitoring, the implementation of a communication strategy and capacity development.

Table 4.4: Link between WSDP with MKUKUTA Goals

<table>
<thead>
<tr>
<th>Program Objectives</th>
<th>Main Components of the Program</th>
<th>Targeted Beneficiaries</th>
<th>Link with MKUKUTA Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving the provision of water supply and sanitation services, and ensuring water for productive activities through integrated water resource management for socio economic development.</td>
<td>Water Resources Management Rural Water Supply and Sanitation Urban Water Supply and Sewerage Institutional Strengthening and Capacity Building</td>
<td>Tanzania Mainland</td>
<td>Cluster I Goal 4: Ensuring food and nutrition security, environmental sustainability and climate change adaptation and mitigation Cluster II Goal 4: Increasing access to affordable clean and safe water; sanitation and hygiene.</td>
</tr>
</tbody>
</table>

Main Actors: The main actors in this programme involves: Development partners in water sector, Government of the United Republic of Tanzania, Private Sector, District Councils and Civil Society Organizations.

4.5. Primary Health Services Development Programme (PHSDP)
Since independence, the Government has consistently focused its development strategies on combating ignorance, disease, and poverty. Thus, investment in primary health services is recognized as a potential tool in fighting diseases at the same time improving the quality of lives of the majority of people.

4.5.1. Objectives, Targets and Goals:
The overall development objective of the programme is to accelerate provision of quality primary health care services to all by 2017. The programme specific objectives are to:

i. Rehabilitate, upgrade and establish facilities at primary level to ensure equity and access of quality health care to all Tanzanians;
ii. Upgrade and establish more training institutions to ensure quality and adequate availability of skilled human resources for health;

iii. Fast track capacity building, upgrading and on job skills development for allied health workers to meet the needs of the primary health facilities;

iv. Strengthen and maintain human resource database;

v. Provide standardized medical equipment, instruments, pharmaceuticals and sundries to all primary health facilities to ensure optimal performance;

vi. Ensure that referral system is operational, and where necessary to establish teams of consultants to conduct mobile clinics and outreach services to support health facilities, quality health care and minimize unnecessary referrals; and

vii. Increase financial allocation to the sector with a view to attain the Abuja Call of 15 percent of the annual budget.

The programme components in Priority Order include the following areas:-

- Human Resource
- Health Systems
- Maternal Health
- Malaria
- HIV and AIDS
- TB and Leprosy

Under the Health Sector Strategic Plan III, implementation of the comprehensive PHSDP is associated with execution of various min-programs such as Health Sector Program Support, National Tuberculosis and Leprosy Program, Community Health Fund Program, Expanded Program of Immunization, Community Based Healthcare Program, Family Planning Program, HIV and AIDS programs etc.

4.5.2. Links with MKUKUTA Goals

There are many aspects in which PHSDP links with MKUKUTA goals – ranging from improved survival, health care to provision of basic needs and services for the vulnerable and the needy. Below is a summary of selected areas of such linkages.
4.5.3. Main Actors

The main actors of this programme include: Central Government of the United Republic of Tanzania; Development Partners; Local Government and Authorities; Private Sector, and Non State Actors (NSAs).

<table>
<thead>
<tr>
<th>Program Objectives</th>
<th>Main Components of the Program</th>
<th>Targeted Beneficiaries</th>
<th>Links with MKUKUTA Goals</th>
</tr>
</thead>
</table>
| To accelerate provision of quality primary health care services to all by 2017 | • Human Resources for Health  
• District Health Services  
• Maternal, Newborn and child Health  
• Malaria  
• HIV/AIDS  
• Tuberculosis and Leprosy  
• Non Communicable  
• Environmental Health Services  
• Health Promotion and Education  
• Nutrition  
• Traditional Medicines  
• Neglected Tropical Diseases  
• Public Private Partnership  
• Advocacy  
• Institutional Arrangements  
• Health Care Financing  
• Monitoring and Evaluation | All children, women, men and vulnerable groups | Cluster II  
**Goal 3**: Improving survival, health, nutrition and well-being, especially for children, women and vulnerable groups  
**Goal 6**: Proving adequate social protection and rights to the vulnerable and needy groups  
Cluster III  
**Goal 2**: Improving public service delivery to all, especially to the poor and vulnerable  
**Goal 3**: Promoting and protecting human rights for all, particularly for poor women, children, men and the vulnerable including people living with HIV and AIDS |
CHAPTER FIVE: MULTI-SECTORAL PROGRAMS

5.1. Overview
This chapter provides an overview of selected national multi-sectoral programmes and strategies and their synergies with MKUKUTA II. The programs covered include Tanzania Social Action Fund (TASAF); Business Environment Strengthening for Tanzania – MKUMBITA; Property and Business Formalization Programme – MKURABITA; The Tanzania Mini-Tiger Plan 2020; Small Entrepreneurs Loan Facility Project – SELF; National Multi-sectoral Strategic Framework on AIDS (NMSF); Environment & Gender Programs.

5.2. TASAF- Tanzania Social Action Fund
Tanzania Social Action Fund (TASAF) is a government program which assists local and village governments to respond to their community development need. It was established in 2000 to respond to the challenge facing the Government on how to put in place the right mechanism to deliver long-term economic and social services to communities. Tanzania is currently implementing the third phase of the Tanzania Social Action Fund, known as TASAF III.

5.2.1. Objective, target and goal of the program
As an instrument of implementing MKUKUTA II, TASAF aims to empower communities to access opportunities through requesting, implementing and monitoring subprojects that contribute to their livelihoods. TASAF operates under the ‘community demand driven’ principle in which the community identifies its development need and then submit proposal to TASAF. In order to ensure a bottom up planning and decision making process through community empowerment, TASAF projects are likely to have strong foundation for sustainability.

The development needs of Tanzanian communities are diverse and TASAF has responded to this by operating two different but related components:

(i) National Village Fund (NVF), and
(ii) Capacity Enhancement (CE).
The NVF responds to community requests for investments targeting service poor, food insecure households, and vulnerable individuals in order to enable them take advantage of opportunities leading to improved livelihoods. Specifically, it finances subprojects aimed at improving service access to health, roads, education, water and sanitation, banking and markets; transferring cash through labour intensive public works programs, and supporting income generating subprojects for households with vulnerable individual. It is apparent that TASAF is an instrument to achieving MKUKUTA II goals in Cluster I and Cluster II.

TASAF second window - Capacity enhancement component, focuses on supporting institutional development, at community level, ward, Local Government Authority, and national level, so as to ensure effective implementation of TASAF projects. Apparently, such capacity development is essential – though indirectly – in developing structures for good governance.

5.2.2. Link with MKUKUTA II goals
As noted in the introduction, TASAF interventions cover many sectors of the community life – ranging from income generation activities to the provision of cash transfer and support to access basic social services. In a way, increased participation in community development project planning, implementation, and monitoring, TASAF also plays a significant role of strengthening good governance – the main theme of MKUKUTA II Cluster III. The link between TASAF and MKUKUTA interventions can be better presented in a following matrix (Table 5.1).
### Table 5.1: Link between TASAF and MKUKUTA Goals

<table>
<thead>
<tr>
<th>Program objectives</th>
<th>Main components</th>
<th>Intervention Package/ Targeted beneficiaries</th>
<th>Selected MKUKUTA Goals addressed</th>
</tr>
</thead>
</table>
| Empowerment of communities to access opportunities | - National Village Fund (NVF)  
- Capacity Enhancement (CE). | Targets beneficiaries are those communities who:  
(i) lack access to basic social and market services;  
(ii) have able-bodied but food insecure households; and  
(iii) have household with vulnerable individuals (i.e. orphaned, disabled, elderly, affected/infected by HIV/AIDS, etc). | Cluster I:  
Goal 2: reducing income poverty through promoting inclusive, sustainable and broad-based growth with enhancement of employment.  
Cluster II:  
Goal 1: ensuring equitable access to quality of early childhood development, primary and secondary education for all boys and girls.  
Goal 3: survival, health and well-being for children, women and vulnerable groups  
Goal 4: increasing access to affordable clean and safe water, including sanitation and hygiene.  
Goal 6: Social protection and rights of the vulnerable and needy groups with basic needs and services  
Cluster III:  
Goal 2: improving public service delivery to all, especially to the poor through mechanisms for targeting the poor and vulnerable groups.  
Goal 5: promoting and preserving culture of hard work, patriotism, and self-confidence. |
5.3. Business Environment Strengthening Programme for Tanzania (BEST)

Business Environment Strengthening for Tanzania (BEST Programme – MKUMBITA in its Kiswahili acronym), started in February, 2005. The program looks at the legal and regulatory framework needed to reduce the cost of doing business and thereby improve the environment for doing business in Tanzania. This is achieved by streamlining and rationalizing legal and regulatory frameworks in order to cut unnecessary administrative hurdles inherent in the taxation and business licensing systems. It also achieves this by addressing institutional constraints that inhibit a growing and competitive private sector. In a way, the reviews of the legal and regulatory framework falls under cluster III of MKUKUTA II. The outcomes of such reviews are mainly under cluster I of MKUKUTA II.

5.3.1. Objective, target and goal of the program

(i) Reducing the burden of doing business in Tanzania especially to SME by reforming and eliminating regularly, procedural, and administrative barriers;

(ii) Enhancing efficiency in service delivery by the Government to the private sector, including timely resolution of commercial disputes;

(iii) Promoting and maintaining better partnerships between public and private sector.

5.3.2. Link with MKUKUTA goals

The program is multi-sectoral in the sense that it serves several sectors. Areas that have already received significant attention under this program are those related to laws that govern conduct of business in different sectors. MKUMBITA address several goals under cluster I, II and III of MKUKUTA II as summarized in Table 5.2.
<table>
<thead>
<tr>
<th>Program objectives</th>
<th>Main components</th>
<th>Intervention Package/Targeted beneficiaries</th>
<th>Selected MKUKUTA Goals addressed</th>
</tr>
</thead>
</table>
| Reduce the burden of doing business in Tanzania especially SME | Cost of doing business | Review of various laws and regulation affecting the business environment in Tanzania | **Cluster I**  
**Goal 1:** Pursuing sound macroeconomic management through PPP in trade / export sector with participation of the informal sector and SMEs.  
**Goal 2:** Reducing income poverty through inclusive, sustainable and employment-enhancing growth with a focus on improving productivity and profitability of agriculture. |
| Service delivery by the Government to the private sector | Public-Private Partnership | Enhance conducive business and investment environment to promote private sector led growth. | **Cluster II**  
**Goal 2:** Ensuring expansion of Quality Technical and Vocational Education and continuing education.  
**Goal 5:** Developing decent Human Settlements while sustaining environment quality in partnerships with CSOs and the private. |
| Partnerships between public and private sector. | | | **Cluster III**  
**Goal 1:** Regulations and mechanisms on petty and grand corruption strengthen legal, policy and institutional framework for good governance. And Administrative systems of public institutions are effective, predictable and transparent. |
5. 4. Property and Business Formalization Programme (MKURABITA)

MKURABITA is framed under the hypothesis that poor people remain poor because their assets (capital) in the form of land, housing or small business activities remain informal and marginalised from the benefits of the formal modern economy. Thus, the solution partly lies on reviewing and adapting laws, procedures and economic institutions to integrate (formalize) the informal sector into the formal economy – most of which fall in interventions of Cluster III of MKUKUTA II.

By its nature, MKURABITA interventions cut across several sectors – from land and human settlement issues to copyrights aspects. But the unifying idea is that of identifying, legalizing and recognizing the property rights of the informal sector. The program will be able to empower the poor and reduce poverty, for example, by formally registering a title to a small farm plot, it becomes easier to use it as security for a loan to expand farmer’s livelihood.

5.4.1. Objective, target and goal of the program

MKURABITA objective is to empower the marginalised majority in the informal sector so that they can make better use of their property and business assets and take advantage of other opportunities in the modern market economy. Specific objectives include:

(i) To establish a national system/arrangement for business and property ownership;
(ii) To link informal sector and formal sector in the economy so as to make it easier for the Government to control national economy;
(iii) To resurrect the dead capital held in the extra legal assets of the beneficiaries so that the owners can use them to create liquidity;
(iv) To build a national wide consensus for change from fragmented and variable property rights systems to a unified system that can facilitate the realization of a modern market economy;
(v) To enhance the performance of the physical and monetary policies through the inclusion of the majority of the citizens in the shadow economy into legal market economy.
5.4.2. Link with MKUKUTA II goals

The kind of empowerment supported by MKURABITA is expected to expand businesses of those initially operated in the informal sector, increase their income, thus contributing to the reduction of poverty. The interventions under MKURABITA have profound effects on growth and income poverty as well as governance and accountability.

Table 5.3: MKURABITA links with MKUKUTA II.

<table>
<thead>
<tr>
<th>Program objectives</th>
<th>Main components</th>
<th>Intervention Package/ Targeted beneficiaries</th>
<th>Selected MKUKUTA Goals addressed</th>
</tr>
</thead>
</table>
| transformation of property and business entities in the informal sector into legally held and formally operated entities in the formal sector of the economy | - Diagnosis of the informal sector and their operating environment  
- Reforms design  
- Implementation and capital formation | Review of legal instruments and policies | Cluster I  
Goal 2: Participation of the informal sector and SMEs focusing on improving productivity and profitability of agriculture and non-farm activities.  
Cluster II  
Goal 5: Land planning, land tenure, and property rights promoted in collaboration with CSOs and the private.  
Cluster III  
Goal 1: Regulations and mechanisms on petty and grand corruption  
Goal 3: Governance including administrative systems of public institutions upholds Human Rights, Rule of Law, and corruption free. |
5.5. The Tanzania Mini-Tiger Plan 2020

The Tanzania Mini-Tiger Plan 2020 is a government strategy for building special economic zones, including export processing zones, needed to fast-track implementation of NSGRP and realization of Vision 2025 goals. In the special economic zones, issues of inadequate infrastructure and non-conducive policy, legal and institutional frameworks will be addressed in order to enhance competitiveness of Tanzanian products on the global markets, thus increased role of export sector in the economy.

The Tanzania Mini-Tiger is essentially geared to solving many bottlenecks through additional borrowing and foreign currency earning and FDI; expanding investment activities further into more high value-added sectors and moving into larger investment projects not only in the export-oriented industries but also import-substitution industries and processing industries as more domestic and foreign capital become available.

5.5.1. Objective, target and goal of the program

The Mini-Tiger Plan 2020 aims at making Tanzania a fast growing economy in Africa, using Special Economic Zones (SEZs) as its main policy instrument. It has identified areas of focus as; Primary Commodity Special Economic Zone, Industry Special Economic Zone, Tourism Special Economic Zone, as well as SME Special Economic Zone. The outcomes of Min Tiger Plan are enhanced competitiveness of Tanzanian products on the global markets, thus increased role of export sector in the economy.

5.5.2. Link with MKUKUTA II goals

A summary of the links with MKUKUTA is provided in Table 5.4. It is also worth noting that in line with MKUKUTA Cluster II targets, the Tanzania Mini-Tiger Plan 2020 is setting the following targets for 2020:

(i) GDP to be growing at an average of 8-10% and reach $40 billion.
(ii) Exports to be expanded from $1.1 billion to $20 billion
(iii) Per-Capita Income (PCI) to be increased from $280 to at least $1,000
(iv) Creating 2-3 million new jobs by 2020
(v) Develop at least 25-30 SEZs in the country and attracting FDI aggressively
Table 5.4: Mini-Tiger links with MKUKUTA II

<table>
<thead>
<tr>
<th>Program objectives</th>
<th>Main components</th>
<th>Intervention Package/ Targeted beneficiaries</th>
<th>Selected MKUKUTA Goals addressed</th>
</tr>
</thead>
</table>
| Making Tanzania a fast growing economy in Africa (to be a Mini Tiger economy by 2020) | Primary commodity special economic zone, Industry special economic zone, Tourism special economic zone, SME special economic zone. | Massive infrastructural development, Legal reviews | Cluster I  
Goal 1: Sound macro-economic management through export drive measures, supply side management with a view of reduced unemployment and underemployment.  
Goal 2: Accelerated GDP growth rate, including manufacturing and agricultural production through PPP in EPZ and Development Corridors.  
Participation of the informal sector and SMEs with focus on technological innovation and use of technologies.  
Develop road, energy and other infrastructure to support growth and employment and promote Regional equity in development. |

5.6. National Multi-sectoral Strategic Framework on AIDS (NMSF)

Given its considerable adverse effects on households and communities as well as enterprises in the country, HIV/AIDS epidemic has been one of the major policy issues in Tanzania. There are several interventions in fighting this epidemic and the Government formulated National Multi-sectoral Strategic Framework (NMSF) is the vehicle that coordinates these efforts in order to maximize their impacts and outcome.
5.6.1. Objective, target and goal of the program

NMSF is formulated into four thematic areas to guide stakeholders in their planning and implementation of programmes, projects, and interventions against HIV/AIDS. The four thematic areas are: cross cutting issues, prevention, care and support and social and impact mitigation. As such, these areas aligned to MKUKUTA II goals in all Clusters. The goals of NMSF include:

(i) Reducing the spread of HIV in the country including the HIV transmission to infants;
(ii) Ensuring that political and government leaders consistently give high visibility to HIV/AIDS in their proceedings & public appearances;
(iii) Ensuring that public and private programmes, projects and interventions address stigma and discrimination and promote the respect for human rights of People Living with HIV/AIDS (PLWHAs);
(iv) Fully integrating and prioritising HIV/AIDS concerns in key national development strategies such as the national poverty reduction strategies and Tanzania Assistance Strategy;
(v) Increasing the number of People Living with HIV/AIDS (PLWHAs) who have access to a continuum of care and support from home/community to hospital level; and
(vi) Reducing the adverse effects of HIV/AIDS on orphans and widows.

5.6.2. Link with MKUKUTA II goals

Apparently, NMSF goals cut across several sectors – ranging from health sector and education to legal and political realm. The link with MKUKUTA is summarized in Table 5.5.
<table>
<thead>
<tr>
<th>Program objectives</th>
<th>Main components</th>
<th>Intervention Package/ Targeted beneficiaries</th>
<th>Selected MKUKUTA Goals addressed</th>
</tr>
</thead>
</table>
| Guide and coordinate efforts fighting HIV/AIDS in order to maximize their impacts and outcome | Cross cutting issues, Prevention, Care and support Social and impact mitigation | People Living with HIV/AIDS (PLWHAs) Orphans General public | **Cluster I**

Goal 2: Mainstreaming of HIV/AIDS in productive sectors to sustain poverty-reducing growth, employment and ensuring food and nutrition security especially for vulnerable women, youth and people living with disabilities, people living with HIV/AIDS.

**Cluster II**

Goal 1: HIV and AIDS education integrated in life skills programs in all primary, secondary schools and teachers colleges. And reduced HIV prevalence through knowledge of HIV/AIDS transmission and address HIV/AIDS stigmatisation and discrimination.

**Cluster III**

Goal 2: Improving public service delivery to all, especially to the poor and vulnerable groups (e.g. those living with HIV/AIDS).

Goal 3: Protecting Human Rights for all, particularly vulnerable and poor women, children, men including people living with HIV/AIDS.
5.7. Other Programmes in Environment / climate change & Gender Development

In addition to HIV/AIDS, other cross-cutting issues that are linked to MKUKUTA II are environment and climate change. UN REDD++ programme on environment and climate change is well linked and integrated in MKUKUTA II as follows: for **Cluster I**, goal 2 the focus is on harmonizing and coordinating environmental sustainable growth, including climate change adaptation and mitigation. Undertake SEIA for all major projects; scaling up environment management in productive sectors namely: agriculture, manufacturing, mining, energy, tourisms, water, transport, roads, etc. Need to ensure food and nutrition security through climate change adaptation and mitigation (goal 3). Strengthening capacity to monitor use of national resources, including governance of forestry sector (goal 5), to leveraging returns on natural resources to benefit communities and nation at large.

Under **cluster II**, environment services in education, health and water sectors are critical to improve equitable access to quality education at early childhood, primary and secondary for all boys and girls (goal 1). In addition, environmental services including hygiene and clean water promote survival, better health, nutrition and well-being for children, women and vulnerable groups (goal 3). Furthermore, increasing access to affordable clean and safe water, sanitation and hygiene to a great extent depend on environment and its related services (goal 4), for example, water facilities, waste management, WASH, etc. Goal 5: the development of human settlements require consideration on sustaining environmental quality i.e. environmentally sound land use and conservation.

**Cluster III**, Goal 3: promoting and protecting Human rights for all, particularly social, political, economic and cultural rights has implication on how environment is managed for development; resolving conflicts, managing risks and disaster preparedness responses are critical capabilities required by national and local governance institutions to mitigate the adverse impact of climate change and natural disasters.

**Gender programs and link to MKUKUTA II goals**

Gender programs are formulated in various sectors as means to mainstream gender in national and local development frameworks and plans. **Cluster I**,
Goal 2: promote inclusive (pro-poor) growth in key productive sectors with a focus on women empowerment, including in KILIMO KWANZA, energy sector – alternative energy, interventions in water sector with knowledge in role of women, for example, mainstreaming gender in water resource management. Need to ensuring creation and sustainable productive and decent employment, especially for women, youth and people with disabilities (goal 3). And ensuring food and nutrition security with gender focus and considerations (goal 4).

Cluster II, goal 1: ensuring equitable access to quality education at all levels for all boys and girls, and improving survival, health, nutrition and well being for women, children and vulnerable groups (goal 2 & 3). Gender balanced recruitments in social sectors and beyond, maternal health, nutrition programmes for pregnant women, fertility and reproductive health programmes all of them promote the women’s rights and consider gender roles. Increasing access to affordable clean and safe water, sanitation and hygiene has multiple gender implications and dimensions. Social Protection (goal 6) through provision of adequate social protection, cash transfer and services to the most vulnerable groups including women, aged-women, help to enhance the livelihood of the poor women.

Cluster III, goal 1: systems and structures of good governance to enforce rule of law, democratically, accountability mechanisms, inclusive and corruption free environment with recognition of gender equity. Goal 2: promoting and protecting rights of women against sexual abuse, property rights, gender based violence, low access to public services (goal 3).
CHAPTER SIX: IMPLEMENTATION FRAMEWORK FOR MKUKUTA

1.0. Overview:
This chapter is about division of labour in light of spelt interventions and specified outcomes. It elaborates who does what and by which means and mechanism in advancing MKUKUTA specified results. The chapter elaborates appropriate means to ensure alignment, collaboration and linkages in sectoral programmes and projects. Major thrust of this chapter therefore is to ensure things are happening in ways and manners specified and thus results are achieved as expected. Specifically, the chapter covers the follows areas: it explains how processes and core reforms should be coordinated; ways through which economic agents should collaborate in advancing goals and results; the macro-micro linkages; criteria for setting priorities; capacity development; ensuring knowledge economy.

2.0. How Processes, Core Reforms and Programmes are coordinated:
Development processes, reforms and programmes are aimed at improving effectiveness of service delivery operations at various levels. These are coordinated through various channels highlighted as follows:
   a) The Public Expenditure Review (PER) process remains a fulcrum for dialogue on prioritization, sequencing and execution of government budget. MDAs should undertake PER analysis and discussions at least once after every two years. The analysis and discussion should aid MDAs to identify priorities for resource allocation and the associated;
   b) The Manual for Medium Term Strategic Planning, Budgeting and Monitoring and Evaluation and Reporting provides guidance to MDAs,, Regions and Local Government Authorities on preparing Strategic Plans, MTEF as well as monitoring and reporting;
   c) Core reforms are aligned to MKUKUTA through- a review of all reform programmes in light of MKUKUTA and Vision 2025, strengthening the capacity of the reform coordination Unit, strengthening national ownership of reform agenda and engage community through communication campaign.

3.0. Strengthening Collaboration and Linkages:
MKUKUTA results are mutually inclusive. Achieving such results requires that actors work together in many aspects. They should draw their plan, and budgets together, review implementation results together and so on and so
forth. Ensuring actors collaboration suitable measures have been are identified as follows:

a) strengthening capacities of institutions responsible for policy coordination across government levels
b) information sharing and dialogue between actors at all levels
c) Undertake analysis of the synergies and linkages,
d) Provide information on spatial and geographical location of programmes and activities.

4.0. **Macro-micro linkage**

Strengthening links between Macro and Micro is important in ensuring effective delivery of MKUKUTA results. Gains at higher levels in terms of for instance improved infrastructures for services delivery should results into improved living standards at individual levels. High GDP numbers should also result into high individual incomes levels, and social services.

5.0. **Planning and Prioritization:**

MKUKUTA emphasizes setting annual priorities and joint planning among actors-the MDAs, LGAs and NSAs. Since results are interrelated and reinforcing plans should explicitly indicate who the primary and secondary actors are. Actors, when setting priorities consider the following criteria:-

a) New or ongoing primary activities with significant result achievement;
b) New or ongoing secondary interventions with complimentary effect on primary interventions;
c) Activities which are line with the National Development Vision 2025 and MDGs;
d) It is an enabler to drivers of growth and reduction of poverty;
e) A quick wins with sustainable results.

6.0. **“Public – Private partnership”**

Government has broadened the participation of stakeholders in public investments and social services delivery through the Public- Private Partnership (PPP) framework. PPP sets the mechanism and incentives for stakeholders’ participation in delivering MKUKUTA results.
7.0. Capacity Development

Human resource base is important production factors. MKUKUTA considers critical to improve technical capacities of organizations and institutions in order to improve service delivery. Areas of focus would include leadership, policy analysis, planning, supervision and monitoring. Several measures would be employed to build a capable state. These are:

a) Formulate a capacity development policy / strategy;
b) Strengthening Public-Private Partnerships (PPP) for human capacity development;
c) Allocating adequate financial, material and human resources to LGAs’ capacity development efforts;
d) Develop capacity in areas of procurement, contracting, program and projects management;
e) employ several learning modalities:-exchange programs through South-South cooperation, coaching, mentoring, long-term training,
f) Increasing support to small entrepreneurs including access to finance, marketing and appropriate business premises;

8.0. Strengthening Knowledge driven Economy

Investment in R&D is important in advancing MKUKUTA results. It should therefore be driven by a practical need in terms of technology, commerce, economy, social, as well as environmental application. Develop strong national systems of innovation is emphasized, and therefore links and integration among research, policy and productivity, particularly in manufacturing, agriculture and trade logistics sectors are critical.

The National Systems of Innovation (NSI) involves the policy regime (state), the research regime and Production (private sector). Strengthening links within the NSI provides the foundation for promoting knowledge based economy.

9.0. Roles and Responsibilities:

MKUKUTA Implementing Actors include Government (central Ministries, MDAs and LGAs), Non Government Actors (Private sector, Communities, Civil Society Organisations, and Development Partners). Each actor has its specific roles and responsibilities set to ensure coherence and effective implementation. Generally
speaking, responsibilities are as follows:

a) Government as a whole is responsible for making policies, setting standards and enforcing them and provisioning of public goods.

b) Non Government Actors should actively engage in productive activities including scanning and taping on investment opportunities; and engage in monitoring results.
CHAPTER SEVEN: MONITORING AND EVALUATION

The institutional arrangement for implementation of MKUKUTA II monitoring and evaluation is embedded in the MKUKUTA Monitoring System (MMS-II) documented in MKUKUTA Monitoring Master Plan-II. MMS-II is in its final stages of development. The institutional framework for MMS-II retains the integrated approach of the original Poverty Monitoring System established in 2001. The original institutional framework brought together producers and users of data and information through multi stakeholders committees including technical working groups.

The current institutional set up is structured differently. Specific institutions, with mandates, coordinate and execute functions previously carried out by technical working groups. These functions include data and information generation, research and analysis and stakeholders’ engagement through communications. The specific institutions which include both producers and users of data and information are coordinated by the multi-stakeholder Technical Committee (TC) serviced by the Secretariat. The technical committee ensures interface of different institutions, producers and users of data and information. TC also provides visioning as well as over all coordination of the implementation of MMS-II. At the apex, is the Steering Committee solely to strengthen the executive functions, link with Inter Ministerial Technical Committee (IMTC), ensure coherence and reinforce evidence based decision making and implementation.

The Secretariat provides services and technical support to TC and Steering Committee and links MMS-II with Cluster Working Groups of the dialogue structure.

Key features of MKUKUTA-II monitoring and evaluation are:

i. An indicator framework that track MKUKUTA-II Implementation and results, specifying data sources, frequency of reporting and institutional responsibility;

ii. A Survey calendar implemented by the National Bureau of Statistics (NBS) to provide estimates for key MKUKUTA-II indicators;

iii. A calendar of planning, budgeting and reporting;

iv. A well defined outputs including analytical reports and;

v. Cost estimates and financing framework for implementation of MMS-II.
Monitoring System
The MMS-II has retained and strengthened generation of quality data and harmonization, including collection and use of qualitative data to supplement quantitative data that was previously emphasized. The research and analysis component of MMS has been retained and will be supported to expand its analytical capacities for growth and poverty diagnostics. The Communication component has been strengthened and sub divided into three sub components based on the target audiences: These components are: First, one involves stakeholders at high level, in particular, central ministries, the parliament, development partners and national level CSOs. Second, the community organizations such as CBO, FBOs, CSOs, local government and the private sector organizations at local or grassroots level. Third are the research and academic institutions. Therefore, three institutions coordinate this agenda. PED coordinates the first component. Two other independent institutions will be engaged soon through a procurement process to manage the rest of subcomponents.

Evaluation
Evaluation had been done and continues to be done at three levels. First, internal evaluation is done through production of Poverty and Human Development Reports (PHDR) and Views of the People Reports. These reports are expected to inform the PER Process based on enhanced linkages between MMS-II and the PER Process through the dialogue structure. Secondly, comprehensive sector reviews and Regional Consultative Meetings/District Consultative Meetings (RCC/DCC), as part of internal evaluation, are conducted annually and are very useful in informing other national processes. Thirdly, external evaluation conducted outside the MMS such as Impact assessment, Outcome evaluation and cost – benefit analysis are considered useful in shaping the thinking of institutions responsible for research and analysis and contribute to more informed MMS outputs.
CHAPTER EIGHT: FREQUENTLY ASKED QUESTIONS

What is MKUKUTA?

The MKUKUTA is Tanzania’s development framework for economic growth, poverty reduction and human development. It represents the framework the Government of Tanzania adopted after a national consultative process to foster economic growth and fight poverty. Building on its predecessor, the second phase MKUKUTA provides an operational framework for achieving the Millennium Development Goals (MDGs) and Tanzania’s Development Vision 2025, which aims to transform Tanzania into a middle income country. It adopts a result-based approach focusing on three clusters: cluster one: raising economic growth for reducing income poverty; cluster two: improving the quality of life and social well-being; and cluster three: improving governance and accountability.

How was the MKUKUTA developed?

MKUKUTA II was developed through a broad-based consultation process led by the Government and involving many stakeholders. The process began with in-depth sectoral reviews of the first phase MKUKUTA, the results of which informed the design of the second phase MKUKUTA. Consultations on the draft were conducted with Ministries, Departments and Agencies (MDAs); Local Government Authorities (LGAs); the Parliament; civil society; academic institutions; and the private sector. MKUKUTA II was formally endorsed by the Government in 2010.

What is the link between the MKUKUTA and the Budget?

The process of preparation and implementation of the MKUKUTA relates to two key financial instruments at national level: the Budget; and the Medium Term Expenditure Framework (MTEF). The MTEF is a planning tool, typically over 3 years, in which an estimate is made of the resource ‘envelope’ available for public expenditure, together with indicative plans for allocating those resources between competing priorities. The intended role of the MTEF is that of a “linking framework to ensure expenditure driven by policy priorities and disciplined by budget reality”. The priorities stated in the MKUKUTA are reflected in expenditure of funds and since the national budget is the key instrument for allocating public funds, successful implementation of the strategy entails designation of resources in the national budget for poverty reduction objectives. Each sector which is concerned with poverty reduction
needs to make its case in the budget process with clear enunciation of why the investments it proposes are appropriate.

Given that the MKUKUTA is the central coordinating framework, more Development Partners also continue to offer their development co-operation assistance as budget support and basket funding linked with it. Some of the budgeted outcomes are multisectoral; therefore the entire budgeting process encourages cross-sectoral linkages.

**How is the strategy implemented?**

The MKUKUTA is a holistic plan that touches all aspects of the economic and political life of our country. To ensure a high level of coordination, the Poverty Eradication Division (PED) now under the Ministry of Finance was established to oversee the implementation of the strategy and to promote greater dialogue across departments and agencies and with the broader community. The focus is to ensure that poverty is given full consideration in policy and program development throughout Government. A significant aspect is linking up and working together with other strategic initiatives. Ongoing public and stakeholder dialogue remains a key strength and important part of the process used to implement the MKUKUTA.

**What is the role of Non-State Actors?**

Non-state actors such civil society, media, labour unions and private sectors have emerged as a viable institutional framework to serve as catalyst for development change. It is widely believed that Non Governmental Organisations (NGOs) perform better than governments in reaching the marginalised, and identifying and responding to their needs while promoting people’s participation and evolving micro-level, cost-effective alternatives. Civil society including community-based organisations self-help groups are instrumental in organising the poor to enable them to pursue self-development and to fight for their rights.

**How is the strategy financed?**

Finances for implementation of MKUKUTA II come from two major sources, domestic and external. Domestic sources which include both tax and non tax revenues. It includes also the in-kind contribution, in particular in implementing development projects like those in building classrooms, dispensaries, rural roads, irrigation infrastructures and water points etc. External sources include external support in terms of grants and debt relief, and borrowings borrowing from concessional sources such as ADB, IMF and World Bank. However, the adequacy of resources depend on the mobilized resources.