

UNITED REPUBLIC OF TANZANIA
PRIME MINISTER'S OFFICE



RURAL DEVELOPMENT STRATEGY

MAIN REPORT

FINAL

19th December 2001

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LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
ALAT	Association of Local Authorities in Tanzania
ASDS	Agriculture Sector Development Strategy
CBAHW	Community Based Animal Health Workers
CBM	Community Based Management
CBO	Community Based Organizations
CMR	Child Mortality Rate
CMT	Council Management Team
COBET	Complementary Basic Education in Tanzania
CSD	Civil Service Department
DC	District Commissioner
DEO	District Education Officer
DFZ	Disease Free Zones
EIA	Environmental Impact Assessment
FSD	Food Security Department
FY	Financial Year
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
HBS	Household Budget Survey
HIPC	Highly Indebted Poor Countries
HIV	Human Immuno-deficiency Virus
ICT	Information and Communication Technology
IMR	Infant Mortality Rate
IT	Information Technology
LGAs	Local Government Authorities
LGRP	Local Government Reform Programme
LPG	Liquefied Petroleum Gas
MAFS	Ministry of Agriculture and Food Security
MCDWAC	Ministry of Community Development Women Affairs and Children
MCH	Maternal Child Health
MCM	Ministry of Co-operatives and Marketing
MEM	Ministry of Energy and Minerals
MFIS	Micro Finance Institutions
MIT	Ministry Industry and Trade
MJCA	Ministry of Justice and Constitutional Affairs
MLHSD	Ministry of Lands and Human Settlements Development
MLYS	Ministry of Labour, Youths and Sports
MME	Ministry of Minerals and Energy
MMR	Maternal Mortality Rate
MMS	Mobile Maintenance Systems
MNRT	Ministry of Natural Resources and Tourism
MOEC	Ministry of Education and Culture
MOF	Ministry Of Finance
MOH	Ministry of Health
MOW	Ministry of Works
MSE	Micro and Small-Scale Enterprises
MSTHE	Ministry of Science, Technology and Higher Education

MTC	Ministry of Transport and Communications
MTEF	Medium Term Expenditure Framework
MTP	Multi-Sectoral Medium Term Plan
MWLD	Ministry of Water and Livestock Development
NACP	National Aids Co-ordinating Programme
NARCO	National Ranching Company
NEP	National Employment Policy
NER	Net Enrolment Rate
NGO	Non Governmental Organisation
NMC	National Milling Corporation
NPES	National Poverty Eradication Strategy
NRDC	National Rural Development Council
NTP	National Telecommunication Policy
PER	Public Expenditure Review
PHC	Public Health Care
PMO	Prime Minister's Office
PO	President's Office
PO-RALG	President's Office, Regional Administration and Local Government
PO-PP	President's Office, Planning and Privatisation
PRAS	Protected Areas
PRSP	Poverty Reduction Strategy Paper
R & D	Research and Development
RCC	Regional Consultative Committee
RD	Rural Development
RDP	Rural Development Policy
RDS	Rural Development Strategy
RFB	Road Fund Board
RMI	Road Maintenance Initiative
SADC	Southern Africa Development Community
SGR	Strategic Grain Reserve
SIDP	Sustainable Industrial Development Policy
SME	Small and Medium Enterprises
STDs	Sexually Transmitted Diseases
SWOT	Strengths, Weaknesses, Opportunities and Threats
TACAIDS	Tanzania Commission on AIDS
TANROADS	Tanzania National Roads Agency
TAS	Tanzania Assistance Strategy
TDV	Tanzania Development Vision
TFNC	Tanzania Food and Nutrition Centre
TOT	Terms of Trade
TPC	Tanzania Posts Corporation
TRHS	Tanzania Reproductive and Health Survey
TRP	Telecommunication Restructuring Programme
TTCL	Tanzania Telecommunications Company Limited
VET	Vocational Education Training
VETA	Vocational Education Training Authority
VPO	Vice President's Office
VTCs	Vocational Training Centre
WEC	Ward Education Co-ordinator
WUAs	Water Users Associations

1.0 BACKGROUND

1.1 Definition of Rural Areas

Rural development concerns geographical areas in which primary production takes place and where populations are found in varying densities. These areas are characterised by activities related to primary and secondary processing, marketing and services that serve rural and urban populations. Therefore, rural development concerns a wide range of farm and non-farm activities. In order to achieve rural development the linkage between rural and close by small towns and urban centres is crucial. For Operationalisation of the RDS, therefore rural areas include villages and small towns/nearby urban centres.

1.2 The Need for a Rural Development Strategy

There are seven main reasons for the formulation of the rural development strategy. First, past Government policies and strategies failed to build up the necessary capacity that was needed to bring about a sustainable development in the rural areas. The implementation of the various rural development strategies depended almost wholly on the Government. In the period 1961 to late 1970s the Government was able to expand and strengthen basic social services such as health and education. During that period Tanzania made rapid socio-economic development and the country registered high social development indicators in primary enrolments, literacy rates, health services, safe and clean water. However, by the mid 1980s these achievements could not be sustained. The heavy reliance on Government budgetary resources was untenable, and Government was unable to cope with the shocks that affected the economy.

Second, the formulation of the rural development strategy relates to the fundamental structural reforms that have taken place during the last ten years or so. The broad objective of these reforms has been to ensure macroeconomic stability and improve market efficiency. In addition, the public sector has, by and large, been reformed. As a result of these reforms, Tanzania has progressed significantly in re-establishing macro-economic stability. Inflation has fallen from levels in excess of 30 percent in 1995 to 5.1% in July 2001. Furthermore, the exchange rate has remained reasonably stable, the foreign exchange reserves position has climbed from about six weeks of merchandise imports in 1995 to the current level of 18 weeks, and; the overall fiscal balance, including grants, has had a surplus of between 0.8 percent and 1.2 percent of GDP. However these macro economic achievements have not benefited the majority of Tanzanians, particularly those living in the rural areas. For macro-economic achievements to have significant impact on rural development fundamental strategic changes are needed in the rural economy.

Third, the formulation of the rural development strategy arises from the unsatisfactory performance of the agricultural sector, the economic base of the rural areas. A wide range of policies and institutional reforms at the macro and sectoral levels since the 1980s have contributed to an increase in the growth rate of agricultural production; from 2.1 percent in early 1980s to about 4 percent by the end of 1990s. However this level of growth is too low to have any significant impact on rural development in general and on abject poverty in particular. The minimum growth rate required to reduce poverty is 6 percent.

The performance of most food crops has remained poor, mainly due to extreme rainfall patterns and low technology used. As a result the food security situation has remained one of

the major problems in the rural areas. There is need to increase agricultural productivity by improving markets, private sector investment, physical infrastructure, human capital, and demand-driven research and extension services. Although there have been various efforts to promote appropriate technology, the use of science and technology in agriculture is still very limited. Even in cases where some progress was made in the use of better technology (such as the use fertilizer) such progress is declining rapidly. In effect, rural society has failed to sustain progress previously attained. The contributing factors to this include over dependence on Government and donors; failure to involve rural people on their own development, and an inadequate response to address extreme weather.

Fourth, is the absence of a comprehensive rural development strategy. There are various separate sectoral strategies that address rural development issues. There is a need to strengthen the linkages between these sector strategies, improve coordination, and set implementation priorities.

Fifth, Tanzania has proclaimed her long-term development perspective known as “The Tanzania Development Vision 2025”. Accordingly, improved technological capacity, high productivity, modern and efficient social and economic infrastructure and, above all, highly skilled manpower, with initiatives and creativity, will be the driving forces of Tanzanian society. There is, thus, the need for a rolling rural development strategy, which translates the vision into a medium-term implementable programme.

Sixth, there is a need to emphasize economic diversification in the rural areas. Even though agriculture is the backbone of the rural economy, diversification of opportunities for earning income in the rural areas is crucial for rural development. This is particularly important for addressing the issue of youth unemployment in the rural areas and for reducing household vulnerability to risk-associated with climatic and environmental change and fluctuating market prices on agricultural products. This has not been given sufficient emphasis in past strategy documents.

Lastly, there is a need to recognise the inter-relationship between the rural economy and the urban markets. The RDS, unlike past strategy documents, shows the need for developing stronger linkages with the urban economy. One key area of focus is improved access to urban markets and forging stronger networks to facilitate access to financing and skilled capacity. A second key area is ensuring that the rural economy is linked to the new engines of economic growth, particularly tourism.

1.3 The Policy Context of the Rural Development Strategy (RDS)

Development of the rural areas is a major concern of social and economic development policy in Tanzania. The majority of the people in Tanzania (about 80%) live in the rural areas, where poverty is widespread and deep. According to the reassessment of poverty based on the 1991/92 Household Budget Survey (HBS) data and the preliminary analysis of the 2000 HBS data, basic needs poverty has increased over the last ten years. In mainland Tanzania about 37.6 percent of the population were unable to meet their basic needs in 1991/92. The preliminary analysis of the 2000 HBS data shows that 43.1 percent of all mainlanders are below the basic needs poverty line. Poverty in the rural areas is much higher. 47% of the rural population cannot afford basic needs. In addition, about 23% of all Tanzanians are food poor, up from 16.4% in 1991/92, meaning that more people are now unable to secure their basic food requirements. In the rural areas the proportion of the food

poor has increased from 18.5% (1991/92) to 25.4% in 2000. Thus, poverty in Tanzania remains overwhelming a rural phenomenon.

The rural areas are central to Tanzania's overall development. They account for more than half of the country's income generation; more than 60% of foreign exchange earnings; and support the livelihood of more than 80% of the population. Given this economic significance, a robust rural economy is necessary to support the country and realize the Vision 2025 goal of becoming a middle-income nation by year 2025.

If the rural economy, and the supporting infrastructure and social services, are to be strengthened, an integrated and holistic development approach is needed. Harmonization and integration of sector policies into strategic actions are vital to fight poverty, ignorance and diseases, including HIV/AIDS, unemployment and under-employment, environmental degradation and food insecurity, and rural-urban migration. Key among the sector policies that have significant impact on rural development are agriculture, roads, water, education, health and local Government reforms. It is the need for this integrated and holistic approach that forms the basis for the Rural Development Strategy.

The Rural Development Strategy is the framework for the implementation of the Rural Development Policy, and will enhance the realization of the Poverty Reduction Strategy. The Rural Development Strategy will focus on stimulating socio-economic growth of the rural economy by building on the gains achieved at macro level. The continued strengthening of the links between the micro and macro levels and strengthening the implementation of the Local Government reforms are key instruments for the implementation the Rural Development Strategy.

The Rural Development Strategy has linkages with other major policy initiatives, all of which are complementary to one another. These policy initiatives are:

- The Tanzania Development Vision 2025 - TDV (1999).
- The National Poverty Eradication Strategy-NPES (1998).
- Tanzania Assistance Strategy -TAS (2001).
- The Poverty Reduction Strategy Paper-PSRP (2000)
- The Agriculture Sector Development Strategy- ASDS (2001)
- Rural Development Policy (Draft 2001)
- Community Development Policy (1996)
- National Employment Policy (1997)
- Sustainable Industrial Development Policy (1996)
- National Micro finance Policy (2000)
- Agriculture and Livestock Policy (1997)
- Mineral Policy of Tanzania (1997)
- Tanzania Women in Development Policy (1998)
- National Environmental Policy (1997)
- SME Development Policy (2001)
- The Wildlife Policy of Tanzania (1998)
- National Forestry Policy (1998)
- National Fisheries Sector Policy and Strategy Statement (1997)
- Health Sector Reform (1994)
- Education Sector Reform and Development Programme (1999)
- Cooperative Development Policy (1997)
- Rural Water Policy (1997)

- Women Development and Gender Policy (2000)
- Road Sector Development Programme (1997)
- National Land Policy (1995)

The RDS is, therefore, not only meant to operationalise RDP but is also a framework for integrating and co-ordinating all rural based initiatives.

The TDV 2025 outlines the long term social and economic development goals and aspirations. It was the framework for the formulation of the NPES. The latter sets out long-term poverty eradication objectives. Since the preparation of the NPES the focus has been on translating the long-term objectives into short and medium-term policies and targets. To this end, the Government has identified priority areas for public expenditure through a systematic medium-term expenditure framework (MTEF) and an annual public expenditure review (PER) modality. This process has guided the fiscal policy framework for the past three years.

The Government of Tanzania has also formulated a draft framework, known as Tanzania Assistance Strategy (TAS), for guiding development co-operation with the international community. The centrepiece of TAS is improving the effectiveness of aid through the promotion of local ownership, donor co-ordination, and other elements of best practice partnership.

The Poverty Reduction Strategy Paper (PRSP) was prepared in response to the enhanced Highly Indebted Poor Countries (HIPC) initiative. Through the HIPC Tanzania was, in April 2000, declared eligible for debt relief. The resources expected to be freed up from debt relief will be channeled towards poverty reduction. The PRSP is the framework to implementing the processes described above into more prioritized actions and for the development of impact assessment indicators. It also creates a process for a more systematic involvement of the private sector and civil society in the fight against poverty.

The Government will implement the Poverty Reduction Strategy in the rural areas through two complementary initiatives. These are the ASDS and the RDS. Whereas the ASDS covers the agricultural sector, the RDS will cover all dimensions of poverty reduction, including agriculture, non-farm economic activities, social services and economic infrastructure.

In addition to these major policy initiatives, the RDS has been prepared in the context of various structural reforms that are taking place in key sectors, such as agriculture, education, health and civil service reform, transport, water and local Government. The Government will continue to review the RDS in the light of ongoing reforms and new information from the 2000 HBS, labour force survey and 2002 population and housing census.

1.4 The Overall Objective of the Rural Development Strategy

The overall objective of the Rural Development Strategy is to provide a strategic framework that will facilitate the co-coordinated implementation of sector policies and strategies concerned with the development of rural communities. In particular, the RDS will support the implementation of the Poverty Reduction Strategy and create a development environment that will contribute to enabling rural communities and households achieving sustainable livelihoods. In this respect the Rural Development Strategy will identify short and medium

term priorities that will support the goal of sustainable livelihoods, and contribute to the long-term goal, outlined in Vision 2025, of sustained economic growth.

The Rural Development Strategy defines:

- An institutional framework for coordinating and linking sector specific strategies and programmes.
- The roles of central Government, local authorities, the private sector and civil society in the implementation and monitoring of rural development programmes.
- The key linkages between sector specific strategies and programmes, and describe how those linkages will be strengthened.
- The gaps in current policies and strategies, including implementation constraints, and outline strategic actions for responding to those gaps.
- The criteria for addressing geographical inequalities.
- The coordination mechanisms.
- The criteria for monitoring and evaluating the implementation of the Rural Development Strategy.

1.5 The Dimensions of Rural Development Strategy

The realization of rural development in the context of the country's development vision largely depends on the pace of growth in the agricultural sector, the adoption of a positive mindset by the rural society, and a re-focusing of the institutional framework on the rural areas. In this context, attention should be towards attaining the following:

(i) *High Quality Livelihood*

For rural dwellers, high quality livelihood will mean having access to affordable basic needs. This includes having access to sufficient and adequate food, preventive and curative health care; shelter and clothing; education and training; and safe water. They also need access to irrigation, energy, information, transportation and communication.

(ii) *An Enabling and Peoples Empowering Environment*

Any initiative towards realizing human development and reducing poverty in a more consistent and sustainable manner should involve the people concerned. This implies that the stakeholders: communities; individuals; households; firms; organization and associations, are best positioned to know their social, political and economic problems and needs, as well as their environmental, cultural and spiritual aspirations. The Rural Development Strategy provides an enabling environment and effective institutional framework that puts people at the center of their development. People should be empowered to guide the development process and influence it towards the direction and speed they perceive it to be in tandem with their future development aspirations.

(iii) *Self-Reliance and Self-Sustainability*

The role of community and individual initiatives is of paramount importance and is given due recognition in the strategy. This goes beyond providing and supporting enabling and facilitating institutional structures and processes necessary to facilitate implementation. It

also requires deliberate efforts towards changing the people's mindset. The Rural Development Strategy provides a framework for stimulating private sector growth and development by streamlining procedures and rationalizing taxes and fees connected with doing business in rural areas.

(iv) Trade and International Competitiveness

Globalization has profoundly altered the direction and patterns of world production and trade. The introduction of new technology especially in the fields of information, biotechnology, material sciences and renewable energies has played an important role in shifting competitive advantages across nations and regions. This in turn, has restructured international trade and investment patterns sometimes in contrary with the traditional determining factors such as availability of raw materials, proximity to markets, sources of cheap labour and climate.

The impact of these changes have taken various forms. Two are of much relevance to the Rural Development Strategy. Firstly, technological innovations in developed countries have eroded Tanzania's competitive advantage of commodities in international trade. Secondly, the new technologies have increased technological options available for production, widening the alternatives available to meet consumer needs and reduce the costs of moving goods and services across countries. In some cases, this has been associated either with reduction in use of materials or allowed use of alternative materials, therefore, reducing world demand for primary commodities.

For Tanzania these global changes mean that there is a need to transform and to diversify rural production towards the prevailing patterns of demand in the world trade. The Rural Development Strategy focuses on strengthening capacities to investigate and identify investment potentials in a more liberalized and competitive economic environment. The RDS outlines legal, regulatory and administrative measures necessary to stimulate growth and safeguard property rights.

2.0 CONSULTATION PROCESS

2.1 Organization

Preparation of the Rural Development Strategy is organized under three main bodies namely, the Inter-ministerial Steering Committee, Inter-ministerial Technical Committee and a Joint Government-Donor Working Group. The Inter-ministerial Steering Committee was assigned the responsibility of steering the preparation of the RDS. A Joint Government-Donor Working Group was formed to coordinate consultation between the two development partners. The Prime Minister's Office was responsible for the overall coordination and monitoring of the study.

2.2 Preparation of the RDS

This process of formulating the RDS began with the preparation of the Inception Report. The Inception Report was presented to the Joint Government-Donor Working Group for review before the final draft was submitted to the Government. The Inception Report was followed by the preparation of the draft RDS Prospectus. This, again, was presented to the Joint Government-Donor Working Group for discussion, before the final document was submitted to the Government.

Three types of consultative workshops on the RDS were organized. The first type was zonal workshops that brought together stakeholders from the grassroots. This was, followed by a workshop for parliamentarians to review the findings of the zonal workshops. Finally, a National Workshop was organised to review the final draft of the RDS.

Guided interviews, informal discussions and consultations with various individuals and/or stakeholders at all levels and in both rural and urban areas were conducted.

2.3 Perspectives of Various Stakeholders

A. Views of the “Grassroots” at the Zonal Workshops

In the zonal consultation workshops stakeholders raised a number of issues. The major issues can be categorized under four themes:

- Inducing Shared Growth and Competitiveness.
- Making Government Work Better for the Rural Poor (Good Governance).
- Different Ways to increase opportunity and Access to Basic Services.
- Reducing Risks and Vulnerability

(i) *Summary of the Findings on Shared Growth and Competitiveness*

It was clearly noted that poverty in the rural areas can only be reduced through increased income growth, and that the rural incomes can only grow by improving productivity of the smallholders, pastoralists and non-farm enterprises. Findings from all the zonal workshops show that success to this mission cannot be realised without targeting rural based productive activities and other related policy variables. These activities and policy variables include:

- Agricultural Productivity

- Livestock Productivity
- Input Procurement
- Extension Services
- Rural Financial Institutions
- Fisheries
- Agricultural Taxation
- Roads and Communication
- Agro Processing Industries and Marketing

(ii) *Summary of the Findings on Good Governance*

Poor leadership and administration was mentioned as a hindrance to rural development. Various problems related to good governance were raised. They included absence of the rule of law, incompetent and irresponsible leaders, including lack of accountability and transparency. For example, inadequate participation by community members in the decision making process and the deterioration of peace and security in the rural areas were attributed to the problem of poor governance.

(iii) *Summary of the Findings on Different Ways to Increase Opportunity and Access to Basic Services*

To be able to achieve the objectives of shared growth stakeholders stressed that there is an urgent need to improve the rural population's access to basic services. For example, it was repeatedly emphasized that improvements in basic services, such as education, health, safe and clean water, rural electrification and transport, are necessary if development in the rural areas is the primary objective of this country.

(iv) *Summary of the findings on reducing Risks and Vulnerability*

Among the vulnerable groups are the very poor and people with disabilities. The rural poor are particularly vulnerable to adverse shocks caused by climatic changes and changes in agricultural technologies. During the workshops' SWOT Analysis sessions, drought, floods, and diseases, particularly, were listed under 'threats' as their occurrence is completely outside the control of the rural communities.

B. *Views of Parliamentarians*

On July 14th 2001, a seminar was organised on the RDS for Members of Parliament. The aim was to provide an opportunity for MPs to discuss and validate views and/or the findings from the zonal workshops on Rural Development Strategy.

Several issues were emphasized during the seminar. First, the question of evaluation of the past policies and strategies to establish their strengths and weaknesses. One of the factors for the failure of the previous initiatives has been the ineffective monitoring and co-ordination mechanism. Thus, for the effective RDS there is a need to clearly clarify on the framework for RDS monitoring, co-ordination and evaluation mechanism. Second, the RDS needs to take into consideration the geographical differences and/or inequalities of the country rather than proposing blanket solutions for all regions and/or areas. Third, the need to strengthen the capacity of local governments from communities to the district level. Lastly, since most

of the past strategies (projects) have collapsed prematurely, participants recommended against implementation of unsustainable strategies.

C. Views of Various Stakeholders at the National Workshop.

The National Workshop was held to review the draft of the RDS. The workshop was attended by Regional Commissioners, Regional Administrative Secretaries, Government officials from sectoral ministries, and international development partners. In general the workshop participants concurred that the RDS constituted a broad-based response to the concerns and expectations of the rural people as emanated from the Zonal Workshops. The participants at this workshop also re-iterated the urgent need to build capacity and empower the village councils, as well as rural communities in general, for the successful implementation of the strategy.

3.0 THE RURAL DEVELOPMENT STATUS

In the past four decades since Independence the rural areas have been at the centre of the nation's development strategies. Through various approaches – ranging from the ujamaa villagisation approach to the more recent emphasis on encouraging a free market economy – considerable energy and resources have been invested in developing the rural areas. These efforts and approaches have met with varying success. Whilst, for example, local Government structures are in place and functioning, their ability to provide basic services has in many instances been eroded. Basic infrastructure, such as water supply systems, roads, and health facilities, has often fallen into disrepair. This has impacted negatively on productive activities. The combination of poor infrastructure, inadequate support services, an over-centralisation of services and production activities, and over-regulation of private sector initiatives have led to over-dependence on the state. This has acted as a disincentive to individual initiative. In many instances the rural areas have been in decline.

The success of the Rural Development Strategy is, in part, dependent on a realistic assessment of the current status of development in the rural areas. This section provides an analysis of the current situation in order to provide a background to the specific strategies outlined in Section 5.

3.1 Income Generating Activities

3.1.1 Agriculture

The importance of agriculture cannot be overstated. It accounts for about half the national income, three quarters of merchandise exports, and is a source of livelihood for about 80% of Tanzanians. Agriculture has strong linkages with the non-farm sector through agro-processing, urban markets, and export trade. Trends in poverty reduction are highly dependent on the growth of agriculture and related rural non-agricultural activities.

The Agricultural Sector Development Strategy has discussed extensively the performance of the agricultural sector. The agricultural sector has generally maintained a steady growth rate of over 3 percent per annum over the last decade. This is greater than both the rate of total population growth and the growth rate of the agricultural labor force. Nevertheless, this growth is considered inadequate for poverty reduction in rural areas particularly. There have been some fluctuations in the sector's growth rate. Between 1990 and 1993 the annual growth rate of the sector declined drastically from 6.7% to a mere 0.4%, before rising to 6.6% by 1995. In 1996 the annual growth rate was down to 4.6% and it declined further in 1998 to 2.3%. The sector's growth rate made a modest improvement to 4.1% in 1999.

In 1999, the agricultural sector's share of the GDP was Tshs 31.7 billion, equivalent to only 44.3% of the overall GDP of Tshs 71.5 billion. Agricultural GDP declined in real terms between 1985 and 1998 as its dominant components, namely crops and livestock, grew at 2.2%, lower than the population growth rate of 2.8%.

While production of the six main food crops has grown by 3.5% and export crops by 5.4%, other components like livestock and forestry have recorded lower growth rates (TAS, 2000). Considering the overall GDP growth target for halving abject poverty by 2010 is in the range of 6-7%, this performance falls short of the needed growth.

A main focus of the agriculture sector has been on producing more food to enhance food security and reduce poverty, with the ultimate goal of becoming self-sufficient in basic food requirements. However, despite all previous efforts the aggregate national food availability in Tanzania is still inadequate. Food production has failed to meet demand and the country has been importing food and receiving food aid to meet its production shortfalls.

Thus, generally the performance of the agricultural sector has not been impressive in recent years. The constraints and obstacles hindering the development of the sector include:

- Inadequate access to and/or delayed delivery of inputs and lack of timely advice;
- Poor transfer of knowledge from researchers to farmers, inadequate access to extension services and over-centralisation of the management of extension services;
- Decline in the use of improved farm input packages, particularly improved seed, fertilizers and agro-chemicals;
- Very poor infrastructure and lack of comprehensive market information;
- Inadequate credit for agricultural production and marketing;
- Unpredictable restrictions on crop movements and multiple taxes and levies;
- Weak management of co-operatives and members' loss of confidence;
- Slow implementation of the new Land Acts;
- Dominance of low technology, with the majority of smallholder farmers relying on the hand hoe; and
- Dependence on rain, thus subjecting agriculture to the whims of nature.

To tackle these constraints and to strengthen efforts at improving food security the Government has deregulated markets and prices. It has also made various administrative structural changes. With the enactment of the Food Security Act of 1991, functions related to food crops were transferred to the Food Security Department (FSD) in the Ministry of Agriculture and Food Security (MAFS). In addition, the private sector is being supported to undertake production, input supply and crop market functions. To support its overall approach the Government has adopted the following strategies:

- Improved agricultural production incentives through the liberalization regulations aimed at encouraging the production of non-traditional export crops.
- Support to research and extension to improve its effectiveness, and to promote private sector participation in production, processing, storage, input supply and marketing.
- Improving rural infrastructure.
- Promotion of cross – boarder trade with neighbouring countries.
- Reduction of post harvest losses.
- Introduction of an Early Warning and Crop Monitoring System to more regularly and systematically assess the national food situation.
- Review of legislation that affects private sector participation in the agriculture sector in farming and marketing.

- Removal of restrictions on trade at national, regional and district levels, and a review of tax regulations on food movement across districts, regions or national borders.
- Restructuring Strategic Grain Reserve (SGR) to be able to operate efficiently and effectively.

3.1.2 Small and Medium Enterprises (SMEs)

The economic reforms being implemented by the Government of Tanzania gives the private sector a leading role in driving economic growth. Thus, the promotion of income generating activities, development of a diverse and strong micro and small-scale enterprise (MSE) sector, and diversifying the skill base through vocational training is integral parts of the private sector development strategy. The issues of rural poverty, high unemployment and migration to rural areas have direct relevance to this economic strategy. Similarly, diversifying the structure of the economy to reduce dependency on the agriculture sector is a major goal of the RDS.

There is a close link between economic growth, employment and poverty reduction. Under normal circumstances, economic growth should raise savings and increase investment that in turn creates opportunities for employment. Improved opportunities for employment should enable the unemployed and the underemployed to earn more incomes and pull them out of poverty. However, despite substantial achievements from the macro economic reforms the magnitude of the employment problem is still large. It is estimated that there are about 700,000 new entrants in to the labour market each year. Approximately 500,000 of these are school leavers. Youth, aged between 15 and 24, account for 60% of the unemployed. Approximately 400,000 youth complete primary education each year, but only 10 - 15% get the opportunity to continue to the secondary education level. Only 10,000 youth secure places in higher institutions (NEP). Thus, 85 - 90% of primary school leavers constitute a very valuable productive age group.

Women are also acutely affected by their limited access to non-farm employment opportunities. Female headed households are generally poorer and in the lowest income categories. The Poverty Reduction Strategy Paper (2000) emphasises the need to ensure the full participation of women in poverty eradication initiatives. .

Employment opportunities in the formal sector are restricted. Rationalisation of the public service, and privatisation of the parastatal sector has further reduced job opportunities. The informal sector, however, provides substantial opportunities for employment and self-employment. Informal sector employees are estimated to be not less than two million. This is more than twice the number of people employed in the formal sector (Government, Parastatal and Private firms). Furthermore, the informal sector has the capacity to employ 62.5% of the yearly increase of labour force in urban areas. The capacity of the formal sector is 8.5%. (NEP)

Skill development is an integral part of developing a diversified rural economy. The availability of skilled human resources has not kept pace with industrial growth. The Sustainable Industrial Development Policy (SIDP) notes that human resource development has not been given due emphasis at the level of national strategies and that more emphasis will be put on technical training. The Education and Training Policy sets out a framework for the development of vocational education and training facilities. The Policy emphasises the

link between education and work and the need to facilitate the growth of the culture of education for job-creation and self-employment. Through the Policy more emphasis will be given to expanding vocational education and training institutions. The Vocational Education and Training Authority has been established as a co-coordinating body.

However, the Technical Assistance Strategy (May 2000) states that there is a need to re-orient vocational education and training, by relating it more closely to the market conditions. In this respect steps will be taken to:

- Widen the apprenticeship modular training scheme.
- Link vocational guidance and counseling more closely with VET and clients.
- Carry out community training-needs surveys and develop appropriate training packages for community development.
- Promote in-service and on-the-job training in the public and private sectors.

Policy Environment for SMEs: There is a supportive policy environment for the promotion of income generating activities and the development of the SME sector. The need to support the informal and SME sectors, and strengthen and diversify vocational training opportunities is noted in various policies and strategies. The Tanzania Development Vision 2025, for example, emphasises the need to transform the economy from a predominantly agricultural one with low productivity to a diversified and semi-industrial economy with a modern rural sector. Through the Poverty Reduction Strategy Paper the Government has made a commitment to sustained macroeconomic stability and rural sector development. It emphasises strategies that will support the private sector and rural communities in taking the lead in developing a market-oriented economy.

Other policies also emphasise the role of the private sector, and in particular the informal and SME sector, in stimulating economic growth and developing the rural areas. They include:

- *Sustainable Industrial Development Policy (SIDP):* The Policy places emphasis on the promotion of small and medium industries, encouraging informal sector businesses to grow and formalise, and on encouraging indigenous entrepreneurs, women, youth and people with disabilities to take a more active part in economic development. In order to achieve this, the Policy states that steps need to be taken to create a more positive business environment, improve access to credit, and develop appropriate business and technical skills.
- *National Micro Finance Policy (2000):* The aim of the Policy is to establish a basis for the development of a micro-finance system that will serve low-income households, smallholder farmers, and small and micro enterprises. Government's role is defined as creating a supportive and regulatory environment that will encourage the emergence of sound financial institutions offering micro-finance. The expectation is that the NGOs and private sector operators will be the driving force and implement lending schemes that are based on best practices.
- *The Agricultural and Livestock Policy (1997), Mineral Policy of Tanzania (1997), Tanzania Women in Development Policy (1998), and the National Environmental Policy (1997)* all recognise the role of the private sector, including the micro and small scale sector in, in achieving the national goals of social and economic development.

3.1.3 Sustainable Utilization of Natural Resources

Since 1990, Tanzania has made progress in developing a strategy for sustainable environmental development. A National Environmental Action Plan was produced in 1994. A National Environmental Policy was adopted in 1997. In 2000, work on a National Strategy for Sustainable Development was initiated and is now nearing completion. Implementation of the action plan and the principles laid down in the policy is ongoing. However, despite this strong policy framework, the challenge of reversing the loss of environmental resources remains. Significant progress will not be made on the effective utilisation of natural resources until their potential for assisting with the reduction of poverty is fully recognised.

Rural poverty also has a major impact on the sustainable utilisation of natural resources. Widespread poverty in rural areas compels people to over-exploit their surrounding natural resources in order to survive. Activities such as deforestation and extensive agricultural practices are reducing the vegetal capital stock and the water retention capacity of land, and increasing erosion. Protected areas have been encroached upon for farming and settlement. Overgrazing, ground fires and felling of trees for various uses (some 91% of the population relies on traditional fuels for energy use) are reducing the regeneration of plants and animals. Some 60% of the land total is classified as dry lands, threatened by desertification. The result is a negative spiral: while poverty contributes to environmental degradation, so environmental degradation contributes to the intensification and perpetuation of poverty.

Nonetheless, Tanzania has a rich natural endowment, with some 28% of its territory established as protected areas to conserve its biodiversity. As noted above, however, these natural resources have come under increasing pressure, and the effective implementation of the sustainable development strategy is compromised by such factors as:

- *A Weak Institutional Framework for Coordination:* The many institutions and mandates involved in implementing the strategy necessitate clear coordination and collaboration structures. Efforts to streamline the institutional framework have not yet yielded results.
- *Limited Governmental Capacity for Environmental Management:* There is only minimal involvement of local authorities and communities in environmental management and conservation. Whilst community-based conservation is encouraged, rural communities currently manage very few activities.

Policy Environment for Sustainable Utilization of Natural Resources: Political and civil society commitment to sustainable utilisation of natural resources is considerable. As previously noted, a National Strategy for Sustainable Development is being prepared. There is also increasing awareness at the grassroots level about the importance of environmental management and conservation are bearing fruit. There are, for example, some 160 CBOs and NGOs, which are now devoted to environmental issues. These organizations are often important partners for implementing various programmes related to environmental conservation, management and sanitation in both urban and rural areas. Public education programmes on the environment, which are broadcast on radio and television and reported in the print media, have complimented these community-based efforts. Together these efforts are helping to raise the public's awareness about, interest in, and commitment to, environmental conservation and management in Tanzania.

3.2 Increasing Opportunities and Access to Services

Inadequate opportunities and limited access to education, health and other social services have negatively affected rural people's ability to effectively engage in economic activities, particularly non-farm activities. As a result, rural-urban migration has increased, particularly during the last decade. For those who continue to stay in rural areas, improved social well-being will depend on increasing opportunities in both productive activities and improving access to services such as education, health, water, infrastructure, particularly roads and telecommunications.

3.2.1 Education

Several factors contribute to slow economic performance in the rural sector despite improvement in macroeconomic indicators. One of the factors is limited education both in quantitative and qualitative terms. According to the preliminary results of the 2000 HBS, the country's Gross and Net Enrolment Rates (GER and NER) are 83.2% and 56.9% respectively. The GER for males is 85.5% while that for females is 80.9%. The NER for females is higher (60.2%) compared to 53.7% for males. Drop out rate is estimated at 6.6% (Basic Education Statistics, MOEC: 2000). This high rate is because children from rural households split their time between working for money and schooling. The transition rate from rural primary to secondary schools is less than the 15% national average rate. Thus the quality of education is poorer in the rural areas than in most urban schools. Indeed rural schoolteachers are inadequate in terms of quality and number. School Mapping data show that rural school Teacher Pupil Ratios average 1:50 while urban school ones average 1:30. The situation is further complicated by the remoteness of rural schools and the difficulties of undertaking regular inspections and evaluations. In terms of the provision of educational materials, rural areas are usually not given priority because of difficulties with transportation and other logistical constraints. Consequently, at the end of the primary cycle, while urban school children join public secondary schools with over 50% score, most rural school children by comparison, do so with far less than 40%.

Policy Environment for Education: The Tanzanian Assistance Strategy (TAS), the National Poverty Eradication Strategy (NPES), the PRSP and the Primary Education Development Plan (PEDP) for 2002-2006 period, all identify education as a national priority. Under the Multilateral Debt Fund, public spending on education increased significantly in 2000. This trend will continue under the PRSP, although careful monitoring will be required to determine whether increased spending is having a positive impact. Furthermore, the Education Sector Development Programme is pursuing reforms primarily aimed at creating an enabling environment for intensified rural schooling. The recent abolition of school fees for primary education, encouraging parents to contribute more towards education through matching fund arrangements, reviewing teachers' deployment criteria etc are some of the purposeful interventions designed to increase rural enrolment and improved education quality.

3.2.2 Health

Most of the health problems in Tanzania are attributable to infectious/communicable diseases or preventable causes. Over 70% of life years lost in Tanzania are due to 10 major diseases, with malaria and prenatal/maternal conditions alone accounting for more than 40% of the deaths. Survival rates are also very low. Infant mortality rate was estimated to be 99 per

1,000 live births in 1999 and under-five mortality rate to be 150 per 1,000 live births (TRHS). The leading killer diseases for infants and under-five are malaria, anaemia, pneumonia and immunisable diseases. In addition maternal mortality is still high, estimated to be 529 per 100, 000 live births. The average life expectancy at birth has declined from 52 in 1990 to 48 years in 1999, mainly due to HIV/AIDS.

There is also a considerable degree of chronic malnutrition in Tanzania. In 1996, 44% of the under five children were found to be stunted (low height for age) and 18% were severely stunted. Acute malnutrition is measured in terms of weight for height. In 1996, 7% of the under fives were classified as wasted and 1% was severely wasted. A combined measure of chronic and acute malnutrition is weight for age. More than 30% of the under fives are underweight for their age. Data on children's nutritional status show that there has been little improvement over the past decade.

Policy Environment for Health: Both the PRSP and the National Poverty Eradication Strategy highlight the issue of high disease burden, mortality and malnutrition. Through the PRSP, District Health Infrastructure Rehabilitation Programme, Health Basket Fund Programme etc, the Government has signaled its intention to pursue policies and programmes to reduce mortality. The overall goal is to improve the country's health indicators by improving the quality and availability of health services; promoting the coordination of private sector and civil society activities within the sector; increasing public health awareness through peer education in schools with a special focus on HIV/AIDS; promoting nutritional knowledge especially of mothers and encouraging community-level participation in self-help schemes related to health.

3.2.3 Water Supply and Sanitation

Water supply coverage is only 50% in rural areas and about 70% (as per PRSP Progress Report 2001) in urban centres. Out of the 48.5% rural water supply coverage, 30 percent is partially regular. Data on the incidence of water-borne, water-related and water-washed diseases indicate that these are prevalent where people use contaminated water or have little water for daily use. Such diseases account for over half of the diseases affecting the population. Thus, the rural poor have limited access to clean water for sanitation and domestic consumption.

Improving rural water supplies faces a number of significant challenges. They include:

- *Sector Reform:* Currently, the role of the Ministry of Water and Livestock is being re-defined to be that of a coordinator and facilitator, rather than the provider of water. At the same time Local Government is expected to develop the capacity to coordinate access to safe water. Both the Ministry and Local Government support partnership kind of framework in the provision of water and sanitation services, among other strategies. For example they recognize a need to pursue a wide range of partnerships with both NGOs and the private sector.
- *Community Management:* There is increasing emphasis on community management of water supply. However, the burden of cost sharing may prove difficult especially for the poorest communities and users. Furthermore, extensive training and support will be needed to ensure communities are capable of planning, managing and maintaining village water infrastructure

Policy Environment for Water and Sanitation: The Tanzania Assistance Strategy (TAS), the National Poverty Eradication Strategy (NPES) and the PRSP, all identify safe and adequate water provision, especially in rural areas, as a key development concern. The government has adopted different strategies for facilitating safe water provision in urban and rural areas. In urban areas, the strategy focuses on private sector participation while in rural areas the focus is on cost-sharing and community participation. The Rural Water Supply and Sanitation Project in the Ministry of Water and Livestock Development, is piloting a community-based management approach. Various NGOs are also active in implementing community-based water and sanitation projects.

The success of the rural water strategy will depend on the capacity of communities to plan and manage the village water infrastructure. Communities must also be capable of making decisions about water usage in order to strike a workable balance between domestic and agricultural needs. The Government Reform Programme has entrusted local Government with responsibility for managing and coordinating access to safe water. As such, improvements in rural access to water will strongly depend on the capacities of local Government to carry out this new mandate.

3.2.4 Infrastructure, Information and Telecommunication

Poorly maintained infrastructure, particularly roads, is a key constraint to realising the potential of Tanzania's rural areas. To achieve the national growth and modernisation targets, close attention needs to be paid to developing the country's infrastructure to enable improved accessibility to productive locations.

(i) Road Network Infrastructure

Policy Framework - Context

The overall objective of the rural roads sector is to have a road network that is well maintained, providing safe and affordable services to all parts of the country. The potential impact of an improved road network infrastructure on rural development cannot be overemphasised. The poor condition of rural roads is a critical constraint to the development of the agriculture sector. Experiences say, with India and Latin America have shown that investment in rural roads has a bigger impact on production than investment in research/extension.

Tanzania has a road network consisting of only 85,000 km of which 10,300 km. (12 percent) are trunk, 24,700 km (29 percent) are regional and 50,000 km (59 percent) are district roads. District roads include 27,550 km of feeder roads, 20,000 km of district-to-district roads and 2,450 km of urban roads. Out of the total road network only about 5 percent are paved roads and 95 percent (10 percent gravel and 85 percent earth) are unpaved. Only 14% of the unpaved roads are in good condition, 25% in fair condition and the remaining 61% is in poor condition. The challenge is therefore to upgrade, rehabilitate and maintain the road network.

Reforms in the Road Sub-sector

➤ Institutional Reforms

Institutional reforms in the road sector dates back to the early 1970's. In an effort to improve and maintain the road network the Government adopted the Mobile Maintenance System (MMS).

In 1988, a study to review the impact of the reforms in the Ministry found out that:

- Upward reporting channels are confused, particularly at the regions
- Plans were not realistic and not based on likely budget levels.
- Technical issues were tackled at the expense of human resources.

The performance of the road sector at that time had deteriorated to the extent that transport became a constraint to economic recovery.

➤ *Financial Reforms*

The first step in trying to improve financing of the road sector was taken in 1985 when Parliament approved the Road Tolls Act. Subsequently, in August 1991 the Government established a Road Fund. The Fund was created to “cover the costs of rehabilitation and maintenance of the major and core roads”, with finance being raised from:

- Road Tolls imposed on fuels, diesel and petrol sales.
- Various levies and duties on motor vehicles, such as licenses, registrations and transfer of vehicles.

The Road Maintenance Initiative (RMI)

The current road sector reform in Tanzania is based on four building blocks:

- Stakeholder involvement (Ownership)
- Adequate and stable funding (Financing)
- Clearly defined responsibility (Responsibility)
- Sound business practice (Management)

The Road Fund was established to address the financing block under the RMI concept. The legal framework also provides a window to create Central and Regional Road Boards. The Roads Fund Board is responsible for collection of funds for proper maintenance of the entire classified road network and to oversee that TANROADS and local government authorities spend the funds in the most cost-effective and sustainable manner.

The Government has established TANROADS as a semi-autonomous body entrusted with the responsibility of developing and maintaining part of the road network.

The new role of the Ministry of Works will be to concentrate on policy formulation, strategy planning and regulation in the road sub-sector. The Ministry will provide strategic management for TANROADS by way of a policy framework under which all roads maintenance and construction works will be executed.

The local authorities are responsible for the district, urban and feeder roads. Currently the rural road network (feeder and rural) is allocated about 30 percent of the road fund. The remaining 70 percent is distributed to the Ministry of Works through TANROADS for maintenance of trunk and regional roads.

During the financial year 2000/01, the Government reviewed the contents of the roads component in the PRSP, and developed a detailed cost estimate of interventions that would be a need to in order to meet the targets set with regard to district roads, trunk and regional

roads. This review was also aimed at responding to specific issues raised by stakeholders concerning the content and the feasibility of the road programmed. As a result, the government has planned a series of interventions, through 2010, for the district road sub-sector, including a coasted programmed for the three-year period ending FY 2003/04.

(ii) *Telecommunication and Information Services*

National Telecommunication Policy

The objectives and strategies of the National Telecommunication Policy (NTP) for the period of 1997 through 2020 aim at ensuring the accelerated development of an efficient telecommunication network. The aim is to provide an info-communication infrastructure and ensure universal access to telecommunications services. To achieve the long-term objectives of the NTP, strategies geared towards encouraging investments in the sector, enhancement of quality and reliability of telecommunication services and networks will be pursued.

The Current State of Telecommunications Sector

Currently, the country's telephone density stands at 0.6 telephones per 100 inhabitants, well below the average for neighbouring Kenya (0.92), and far below the average for the Southern Africa Development Community (SADC) - (3.4), Asia (3.86), Europe (35.36) and the world (10.49).

The very low telephone density in Tanzania means that most urban and rural areas do not have adequate telecommunication services.

(iii) *Postal Services*

Postal Services Policy

The postal service is part of the information-communication sector. In the RDS "postal services" basically refers to the system of collection, dispatch, conveyance, handling and delivery of postal articles through licensed postal service providers. With technological advance, the activities embrace a big variety of postal services, agency services etc.

The aim of the postal service is:

- To provide a sustainable quality postal service.
- To meet the demand of a growing population and rising expectation of the various segments of the population in both rural and urban areas.
- To have effective integration and performance of the postal sector in the development of the country's information infrastructure.

(iv) *Energy*

Access to energy supplies is a strong element of this RDS. Energy supply is critical to the development, for example, of health and education services, and micro-enterprise and other production activities. At present demands for energy supplies is treated in isolation from other development needs. As a result impacts tend to be piecemeal and not meet the real requirements of the community.

Thus, there is need to undertake community level energy planning, which is capable of assessing the total underlying demand, and then planning appropriate interventions to produce the maximum impact on the community.

The supply of domestic energy is dominated by wood-fuel (charcoal and firewood), which are the main sources of energy to both urban and rural areas. 85% of the total energy in the country is consumed in the rural areas. Biomass, particularly, wood-fuel, constitutes 90% of the total energy consumed in rural areas. Commercial energy sources i.e. petroleum and electricity account for about 8% and 1.2% respectively, of the primary energy used. Coal, solar and wind account for 0.8% of energy used.

The reliance of households with very low purchasing power on wood-fuel for cooking and kerosene for lighting has negative consequences to the environment and the quality of life. There is a need to improve energy supply to the rural population, especially reducing the burden to women, and the reversal on deforestation, if energy efficiency is promoted in cooking and lighting.

Hydropower is large scale and remote and is less likely to bring benefits to rural communities. Therefore, emphasis will be put on encouraging the use of alternative source of energy such as solar power. Other potential energy sources, such as power from spillways currently used for irrigation and drinking water services, will be investigated.

Other abundant, but so far not fully tapped, indigenous energy sources, which could be harnessed to meet the growing energy requirements, include hydropower, coal, natural gas solar, wind, and geothermal energy. Electricity generation is mainly hydro-based, while thermal plants provide electricity for peak loads.

The vision of the energy sector is to effectively contribute to the growth of the national economy and thereby improve the standard of living for the entire nation in a sustainable and environmentally sound manner.

The mission for the energy sector is to create conditions for the provision of safe, reliable, efficient, cost-effective and environmentally appropriate energy services to all sectors on a sustainable basis.

(v) *Information and Communication Technology*

The RDS will promote the introduction of information and communication technology in the rural areas through the creation of telecentres. The concept of telecentres is associated with a location that facilitates and encourages the provision of a wide variety of public and private information-based goods and services, and which supports local economic or social development.

Such services might include basic communication such as voice, fax, e-mail, internet access, etc; public and semi-public sector services such as tele-medicine, distance education, municipal governance services, etc; and private sector services like news distribution, tele-commuting services, training, access to information on markets, crops and whether condition, and much more.

The telecentres has a key role in bringing ICT services to the rural areas, where people rarely have the resources or available infrastructure to make use of modern technological. Community technology centres can bring together the different functions of telecommunications and computer technologies in locations where there are barriers to the successful adoption of these technologies by any single user or group of users. The role of such centres might include lowering barriers of technology cost, knowledge and availability and promoting education and consultations.

Telecentres can also provide a transitional phase for local businesses moving to adopt new technologies. This can stimulate demand within rural areas for the provision of superior telecommunication services or for the diffusion of better quality information technology equipment and services. Telecentres may also help rural areas compete for skilled service activities by strengthening the local IT structure and skills. Generally speaking telecentres have the capacity to increase local knowledge on development opportunities.

The roles that rural telecentres can play:

- Act as a local network, a place to meet.
- Wide range of services provided for the local community.
- Ensure that a wide range of people understand IT and other new technologies and are able to use them to harness the potential around them for development.
- Can provide local employment, training and business services.
- Provide a local and more accessible base for training and education.

3.3 Cross Cutting Issues

3.3.1 HIV/AIDS Situation in Tanzania

HIV/AIDS is one of the major causes of death in Tanzania. In the period January to December 1999, it was estimated that there are 1.75 million people in mainland Tanzania were infected by HIV. A total of 8,850 cases were reported to the National AIDS Coordinating Programme (NACP) in 1999, bringing that cumulative total of cases from 1983 to 118,713. NACP, however, estimates that only 1 in 5 cases are reported and the actual cumulative total is the region of 600,000.

The HIV/AIDS Multi-Sectoral Medium Term Plan (MTP) states that the prevalence of HIV is higher among young adults in the 20 – 34 age ranges. The infection rate is higher among females, the latter being infected at an earlier age. Vertical transmission of HIV from mother to child is also considerable. It is estimated about 7% of new babies are infected. (Source). The infection rate ranges from 20 – 24% in some urban areas and about 7 – 10% in many rural areas.

Its social and economic impact of HIV/AIDS is felt widely. Not only is it having a major impact on the management, operation and cost of the health services, but it is also impacting on service provision and productivity in the education, industrial, agricultural, transport and human resources development sectors.

Economically HIV/AIDS has affected the most productive group of the population. This leads to both lowering production levels, and deterioration of service delivery in the health care system. Agriculture, and therefore the rural economy, will be significantly affected.

Most agricultural workers are in the 15 – 45 age group, the most affected by the epidemic. The impact of HIV/AIDS on rural communities is increasing. It is estimated that by 2015, there will be more people in rural than in urban areas that are infected with HIV/AIDS. This will seriously reduce the agricultural labour force and thus production of food and cash crops.

Whilst the prevalence of HIV/AIDS is on the increase, public response to the epidemic in terms of attitude and behaviour change has been slow. HIV/AIDS preventive activities need to be an integral part of any development policy of this country. Education on HIV/AIDS needs to be in the mainstream of the policy-making determinants of the country along side other cross-sectoral issues such as poverty, reduction, gender, youth, population, and other issues.

In response to the AIDS pandemic, the Government has established the Tanzania Commission on AIDS (TACAIDS) as a quasi-autonomous agency to co-ordinate all interventions related to AIDS, including resource mobilisation, policy formulation, strategic planning, advocacy, monitoring and evaluation and the public dissemination of information on HIV/AIDS.

3.3.2 Gender Bias

Fifty-one per cent of the nation's population is female. 14% of rural households are female headed, and an estimated 45% of these households live in poverty (Household Budget Survey, 1991/92). However, data suggests that female-headed households are not necessarily significantly poorer than male-headed households. The World Bank Human Resource Development Survey (1993), which established an absolute poverty line based on income and consumption, found that 10% of female-headed households in rural areas were poorer than male-headed households. Nonetheless, women in general, and rural women in particular, are disadvantaged in terms of access to social services and gaining entry into non-agricultural activities.

Females have less access to education, compared to males. At the primary school level the enrolment rate for girls is lower and the drop out rate higher. A much lower percentage of females enter tertiary education institutions. Only 6% of students in technical and vocational training institutions are female. At the University of Dar es Salaam the enrolment is 15%. Adult literacy rates for women are 57%, compared to 80% for males.

Women are generally disadvantaged both in terms of finding employment and in terms of the type of employment opportunities open to them. The majority of women in the rural areas are actively engaged in agriculture. Women form up to 56% of the agricultural labour force and produce about 60% of the food consumed at home. The other major source of employment for rural women is in the informal sector. However, studies on the informal sector show that women who are running a small or micro enterprise, or trying to start a business activity, face a wide range of problems, including the lack of start-up and operating capital, competing demands on times, and a lack of basic business skills. In the rural areas access to markets is an additional problem. The involvement of rural women in other economic sectors is minimal.

3.4 Strengths, Weaknesses, Opportunities, Risks and Vulnerability

At the Zonal Consultative Workshops a SWOT (Strength, Weaknesses, Opportunities and Threats) Analysis was done of the rural environment. The analysis focused on establishing causal relationships between problems and the rural environment by examining the **weaknesses** and **threats**. The SWOT analysis was also used to formulate appropriate strategies by assessing the **strengths** and **opportunities** of the rural environment. The findings of the SWOT analysis from the workshops are presented below.

(i) *Existing Strength*

Surplus labour is the major existing strength in the rural sector. All the seven zonal workshops repeatedly indicated surplus labour as an important strength the rural people could utilize in development activities.

Rural areas have abundant land and traditional fertilizers which can also be utilized and improve productivity as well as incomes of the rural operators. Other examples cited as strengths include, a rich natural resource base that could be exploited for production purposes, traditional defence groups, indigenous knowledge and wise village elders.

(ii) *Weaknesses in the Rural Areas*

In almost all workshops participants listed: loitering, drunkenness and indolence as weaknesses. They also listed irresponsible leadership at all levels, including the primary societies.

Other weaknesses include, misleading and destructive traditional beliefs such as circumcision of women and killings of old people accused of witchcrafts, lack of modern skills and knowledge, low incomes, and geographical isolation.

(iii) *Available Opportunities*

Examples of opportunities in the rural areas include local markets, abundant forest resources (in some areas), and livestock that can be utilized as animal traction and production of compost manure. Other opportunities include; wild animals, mineral deposits, water resources (bodies) in some areas, Non-Governmental Organizations (NGOs), democratic election system and traditional security system.

(iv) *Threats*

Workshop participants listed the following threats: villages lacking certificates of right of occupancy, existence of drought, limited skills and experience in undertaking rural activities, poor supervision, floods, illegal practices of fishing, salty water after wells have been dug, incurable/chronic diseases make health unpredictable, soil/land degradation caused by overgrazing. Others threats included, fluctuating markets, poor and/or ineffective leadership, limited means of communication, unreliable transport facilities, unreliable road network and bridges and unpredictable weather. Participants also mentioned epidemic diseases, unfavourable market prices, regional conflicts (war), refugee influx, Sexually Transmitted Diseases (STDs), formation of desert, vermin, taxes, unemployment rate, ignorance, robbery, and increasing costs of imports.

4.0 OVERVIEW OF THE RDS

The focus of the RDS is on stimulating economic growth and reducing poverty in the rural areas. It is complementary to the *Poverty Reduction Strategy Paper* (2000) and the ASDS. Thus, the provision of basic services is not only recognized as an essential need and right of rural communities, but is also perceived as a contributor to and pre-condition for rural economic growth. Economic growth is essential if rural households are to be less vulnerable to climatic and economic fluctuations. Good governance and social justice are an integral part of creating a positive environment for the development of the rural areas. District councils and village governments, in partnership with civil society and the private sector, will be major stakeholders in the strategy that is focused on social and economic development of the rural areas. In this respect, the RDS outlines a holistic approach to developing the rural areas.

The RDS outlines specific strategies related to economic growth, reduced vulnerability, good governance and social justice, and the provision of basic services. However, the effective implementation of these specific strategies is dependent on there being a clear recognition of the linkages between the above four major areas of intervention. There is a strong relationship between these four areas. For example, the successful implementation of actions aimed at increasing production in the agricultural sector and stimulating the development of micro and small enterprises are dependent on actions related to improving roads and telecommunications in order that there be better access to markets.

The RDS is based on the understanding that its implementation will take full cognisance of the linkages between specific strategic interventions.

There are several issues that cut across and affect the implementation of sector activities. As noted above the RDS emphasises an integrated approach to the rural areas. The crosscutting issues of gender and HIV/AIDS are treated in a similar manner. Strategies and actions related to these two areas are integrated within the four key areas of strategic intervention.

Recognition of the interaction between rural communities and urban centres is a fundamental component of the strategy.

The RDS also takes into account the linkages between rural communities and small towns urban centres. Urban centres within the districts, the regions and the country as a whole are the focal points for economic growth, and the delivery of services. Urban centres serve as both the market places and service centres for rural areas.

The implementation of the RDS will also take into consideration geographic differentials in terms of economic growth. With regard to the distribution of resources, improving access to assets and services, and reducing poverty priority will be given to the most deprived regions. Data on the GDP per capita shows that the most deprived regions are Dodoma, Kagera, Kigoma and Kilimanjaro. In terms of food security (cereal equivalent levels) Dodoma, Coast, Morogoro and Tanga regions are the most deprived. By and large, these are also the most deprived in terms of primary school gross enrolment rate, infant and under five mortality rates, accessibility to safe water, nutritional status, life expectancy and employment.

Identification of the most deprived regions will be firmed up after the analysis of the 2000 HBS and the integrated labour force survey. It will further be enriched by the results of the population and housing census to be undertaken in August 2002.

The RDS is also based on three assumptions:

- That the implementation of Local Government Reform will continue, and that there will be effective decentralization of decision-making and resources to the districts.
- That private sector participation will be a core component in the delivery and maintenance of services and infrastructure. Private sector, civil society, and community participation in the implementation of the rural development strategies is a necessary. The main role of local Governments will be to plan and mobilise resources, facilitate the participation of development partners, and monitor implementation.
- That communities will be willing partners and, where necessary, assisted to develop the capacity to take an active role in provision and maintenance of services. Community involvement in the identification of social and economic development opportunities, and the management and maintenance of services underlies many of the proposed rural development strategies.

The role of the district and lower level Government structures is crucial in the implementation of the RDS. Representatives from districts, wards, villages (farmers, livestock keepers fishermen etc) took an active part, through the Zonal Workshops, in the formulation of the strategy, and will be required to take an even more active role during its implementation. It is proposed, as part of the overall implementation approach, that the finalised strategy be discussed with the Zonal representatives, and that they be engaged in periodic reviews.

The rural area is an integrated sector which incorporates different other sectors and therefore their respective policies and strategies. These initiatives includes; Tanzania Development Vision, Rural Development Policy, Poverty Reduction Strategy, Agricultural Sector Development Strategy and National Environmental Policy. Others are the SME Development Policy, National Wildlife Policy, National Forest Policy, Tanzania Assistance Strategy, National Poverty Eradication Strategy and National Fisheries Sector Policy.

RDS is therefore not only meant to operationalize the Rural Development Policy (RDP) but it is also a framework for integrating other all rural based initiatives. For the rural development to happen, various sectoral policies and strategies must be coordinated to ensure harmonious implementation of the same by the various stakeholders. It will be impossible to promote widely shared growth in the absence of weak governance, social and economic services, reduced risks and vulnerability and markets. There must be deliberate efforts to expand and strengthen linkages among the key players in rural development to avoid duplication and conflicts. The holistic nature of RDS is summarised by the diagram in Appendix I.

5.0 THE STRATEGY

The income of the poor can improve substantially if growth becomes more broadly based both sectoral and geographical. Thus, since there are significant geographical and sectoral differences in terms of agricultural potential, economic activities must be determined by the prevailing comparative advantage. Diversification of the income earning activities is an important pre-requisite for broad-based growth in particular and rural development in general. Apart from breaking the persistent dependence of the rural population on farm activities, diversification will increase opportunities for the currently unproductive segment of the rural population, thus improving the comparative advantage of those who will continue farming. Furthermore, one of the effective strategies for mitigating risk has been to diversify sources of income. This strategy is particularly important for vulnerable groups as well as the growing number of unemployed youth. In the context of the small and medium scale enterprises, the pace making sectors, particularly tourism and mining are obvious targets.

Improving the living standard of the rural people will depend on improvements on several initiatives. These include intensifying and commercialising small-holder agriculture, providing infrastructure and services, improving access to assets such as education, health, land, financial services and markets and ensuring the sustainable management of the natural resource base. The effective management of resources, ensuring social well being, and developing the capacity to cope with climatic, economic and social threats are also important.

A cohesive strategy for rural development in Tanzania involves four categories of strategic intervention. They are: promoting widely shared growth; increasing opportunities and access to services; reducing risks and vulnerability; and good governance

A core issue for the RDS is what are the appropriate institutional arrangements and/or instruments for pulling these together in a cohesive strategy. The MTEF will serve as a coordinating resource allocation instrument. The framework for implementing and monitoring this strategy, however, will require some institutional reorganization that takes into account the increased involvement of Local Governments, community organizations and NGOs and the private sector. It is necessary to introduce decentralised institutional arrangements that can ensure effective intersectoral coordination without at the same time being intrusive on private sector involvement in the sector.

5.1 Promoting Widely Shared Growth

Poverty in Tanzania will not decline without growth in rural incomes, and rural incomes will not grow without improving productivity of the agriculture sector, and growth of rural non-farm businesses. Agriculture and non-farm rural enterprises are primarily private sector activities, but focusing on them does not mean supporting large-scale agriculture programmes. Nor does it mean channelling resources exclusively to rural areas. Rather successful rural development will require actions on many fronts. Rural development requires an integrated approach, and encompasses many other line sectors and initiatives. It draws on and involves other policies and strategies as previously outlined.

The required actions for a successful rural development include creation of the policies and institutions that encourage private investment in rural enterprises and complementary business. It is also important to strengthen linkages between rural producers and urban

centres. The urban centres are the focal points for information services, markets and industrial processing.

Increasing and promoting the equitable distribution of economic growth involves:

- Reform of relevant policies and institutions in order to promote investment in rural areas;
- Supporting development of sustainable rural financial services;
- Mainstreaming new institutional arrangements in extension;
- Improving water management system to raise yields and reduce risks of crop failure;
- Increasing crop and livestock productivity and quality of products for domestic and export markets;
- Promoting sustainable utilization of natural resources; and
- Improving access to marketing, infrastructure and information.

♦ ***Reforming Policies and Institutions to Encourage Investment***

Achieving macroeconomic stability and transparency is essential. Macroeconomic policies strongly influence agricultural and rural non-farm investment and growth. An overvalued exchange rate in particular harms agricultural exports and discourages investment in farms and non-farm rural enterprises. With globalisation, sound macroeconomic management will be an important tool for Governments to raise rural incomes.

Weak administrative institutions are one major reason why the private sector response has been slow to follow reforms. Unpredictable changes in rules and policies seriously affect their business. Institutional arrangements that foster responsiveness, transparency, accountability and the rule of law need to be developed so as to improve incentives for private investment. Areas of special attention include rules that allocate and define property rights (property and bankruptcy laws, intellectual property rights, zoning regulations), and rules which define permissible and non-permissible forms of cooperation and competition (licensing laws), laws of contract and liability, company and cooperative laws and anti-trust laws.

Among the important strategies and approaches for strengthening market linkages and promoting the participation of private sector in rural development are:

- (i) The creation of a conducive environment for private sector to enter into commercial agriculture and commodities market.
- (ii) The removal of unnecessary regulations and taxes on agricultural commodities.
- (iii) The facilitation of private sector investment in market infrastructure, such as processing and storage facilities.

In addition to strengthening market linkages and private sector participation, these measures are pre-requisites for forging stronger networking among the key stakeholders of Tanzanian rural growth. The implementation of these measures will forge an important partnership as well as developing a strong linkage between the rural based peasant farmers (villages) and the private sector commercial centres.

♦ ***Supporting Development of Sustainable Rural Financial Services***

Efficient and cost-effective financial services are essential for stimulating private investment needed to induce growth and reduce poverty. The absence of well-functioning rural financial markets continues to constrain rural development. Despite liberalization of the financial markets, farm and non-farm rural entrepreneurs still have unequal access to appropriate credit, savings, insurance and payment services. Constraints to the development of efficient rural financial markets include:

- ⇒ Adverse macroeconomic environments and agricultural and financial sector policies unfavourable to potential rural clients and financiers;
- ⇒ Weak institutional capacity of rural and micro-finance institutions to expand their services due to poor governance and operating systems, low skills, and inadequate physical infrastructure;
- ⇒ Weak legal and regulatory framework that contribute to unclear property rights and inhibit secured transactions.

The promotion of financial services in the rural areas is dependent on a number of factors. First, the creation of a supportive policy, infrastructure and information environment for rural and micro finance intermediaries and their clients to lower transaction costs and risks. This includes enacting policies allowing rural and micro finance institutions to charge interest rates high enough to cover operating expenses and costs of expansion. Second, building the capacity of rural and micro finance institutions through training and technical assistance, formal and informal financial sector linkages, and associations and networks of rural and micro finance institutions that can monitor industry performance and standards. Third, strengthening the capabilities of rural micro entrepreneurs and small and medium enterprises and of the service providers that support them.

♦ ***Promoting Sustainable Utilization of Natural Resources***

The natural environment is linked to rural development and/or poverty reduction initiatives through four focus areas namely: *Environment and Economic Opportunity*; *Environment and Vulnerability*; *Environment and Empowerment*; *Environment and Health*. The natural resources play an important role in rural life, because they are the source of livelihoods for most rural poor. A number of initiatives, which are in place, recognise that communities, along with NGOs and the private sector, are important stakeholders in natural resource management. These initiatives include The National Wildlife Policy, National Forest Policy and National Fisheries Sector Policy. Thus, the challenge is to develop an approach of ensuring benefit sharing among key stakeholders while achieving sustainable natural resource management.

5.1.1 Strategic Priority Areas

There are four strategic priority areas covered under promoting widely shared growth. These are *Agriculture and Livestock Development*; *Small and Medium Scale Enterprises (SMEs)*; *Skills Development together with sustainable utilization and management of Natural Resources*.

A broad based growth of the agriculture and livestock sectors have a strong linkage with SMEs in areas such as processing and transportation. On the other hand, skills development has a great bearing on, agriculture and livestock development, and SMEs. Unless there is sustainable utilization of the natural resources economic growth cannot be sustained.

(a) Agricultural and Livestock Development

Agriculture is the backbone of the Tanzanian economy, and yet it is under-developed. Food production is lower than what might be expected, earnings from cash crops and livestock products are not maximised, and the agro-industry sector has not reached its full potential. The broad strategic interventions that will address these issues are outlined below. These interventions are complementary to the proposed strategies set out in the Agriculture Sector Development Strategy (ASDS). The ASDS has outlined an incentive package to attract investors in the sector.

♦ *Investing in Agricultural Research and Technology to Increase Productivity, Raise Farm Incomes and Protect the Environment*

Science, technology and innovation are crucial to raising the productivity of agriculture in Tanzania and Africa in general as well as protection of the environment. Investments in agricultural research generate high payoffs. Funding for research and technological development is currently inadequate and needs to be increased, through supports from both public and private sectors supports.

The management of agricultural research has in the past been centrally controlled. To improve effectiveness more needs to be done to decentralize resources; involve farmers, livestock keepers and agribusiness in formulating research priorities, develop a competitive system for outsourcing research activities, improve coordination among research institutions; and systematically monitor and evaluate research results. More effort, in particular, is needed to focus the research agenda on the needs of women farmers. It is also important to attract the private sector investments not only in agricultural extension and/or research but also in agricultural technological revolution such as large and small-scale agricultural mechanization. Research into economically important livestock disease (such as Ormilo, ECF and MCF) could bring in substantial long term financial benefits to producers, pharmaceutical companies and veterinary service providers.

♦ *Mainstreaming New Institutional Arrangements in Extension*

In recent years, while commitment to public investments in agricultural production has remained strong, commitment to the traditional extension programmes has waned. Currently the Government is developing the agricultural extension system based on the principles of:

- ⇒ Decentralizing resources and responsibilities for extension to Local Government and communities. This will give farmers and livestock producers a much bigger role in designing, funding, governing, executing and evaluating extension programmes.
- ⇒ Outsourcing extension service to non-governmental organizations, private groups or others, with the aim of improving efficiency and accountability of extension agents.
- ⇒ Sharing costs of extension service among national and local Governments, farmers' associations, non-governmental organizations, donor, pastoralists and farmers, with the aim of making financing of extension services more sustainable and less dependent on donor and central Government.
- ⇒ Providing support to the privatisation of veterinary service provision, especially in pastoralist areas. Once established, private veterinary services provided through Community Based Animal Health Workers (CBAHW) and paid for by pastoralist livestock keepers will considerably improve pastoralist livestock production and income.

In order to create a result-oriented extension service systematic monitoring and evaluation of extension programmes must be undertaken.

♦ ***Improving Water Management Systems to Raise Crop and Livestock Yields and Reduce Risks of Crop Failure and Livestock deaths***

In Tanzania close to 99 percent of cultivated land is watered with rainfall. As a result crop failures are common, particularly in arid or semiarid areas. Increasing yields on rain-fed agriculture lands by 10% will have a greater impact on total agricultural output than doubling the area under irrigation. Moreover, such improvements would benefit mainly poor farmers living on marginal lands. Increasing availability of water in rain-fed agriculture lands could make an important contribution to reducing poverty and increasing food security of the rural poor.

Expanding irrigated agriculture would offer considerable potential in Tanzania. However, many large irrigation schemes built in the past have neither generated adequate economic rates of return nor benefited poor small holders because of poor management. Poor management of such schemes has often resulted in environmental damage through water logging, contaminated runoff, erosion and land degradation, and rise of water-related diseases such as bilharzias and malaria.

Thus, emphasis will be given to designing low cost and technologically appropriate irrigation and water control systems that can be managed by local communities and that take into account the many competing demands for water. This will involve creating legal and institutional framework for sustainable water management. Water boards comprised of stakeholders from the various groups will be given responsibility for mediating claims for water, setting an agenda for future allocations, and advising on key policy issues that affect water distribution among users.

♦ ***Increasing Livestock Productivity and Quality for Domestic and Export Markets through Appropriate Veterinary Services.***

Tanzania has not been able to utilize the existing potentials of livestock sector. Most of the problems in the pastoralist community have been left to pastoralists to address. Put it differently, very little in terms of support services can be accessed by pastoralists given the present national policies and strategies.

Thus, judging from the environment they operate, pastoralists have obviously demonstrated great skills and political sophistication over the centuries by mastering a complex and contrary environment, harnessing marginal and constantly moving resources to support human life.

It is also important to point out that, due to spatial and temporal distribution of vegetation, pastoralists have to continuously move in search of good grazing grounds and water. Mobility is therefore a cardinal strategy for the pastoralist to mitigate against fluctuations of climate, periodic droughts and erratic rainfall. . However, although there are valid driving forces towards their movements, pastoralists do more harm to overall economy than better due to continuous mobility. For example, quality of the natural environment and the animals does not improve, haphazard mobility fuels conflicts with agro pastoralists (particularly farmers) and makes diseases control difficult. One way of minimizing such problems and which also need to be reflected in the RDS is to ensure the availability of all the important infrastructure which constitutes the driving factors such as water and pasture within the pastoralists permanent locations.

Generally, livestock sector development is hindered by several major problems, which are: land, water and pasture; types of livestock and production systems; production capacity; livestock diseases; processing industries and marketing; management and low private investment and skills of the pastoralists. Animal healthcare is critical to increased productivity and reduction of loss in livestock production. In order to improve and strengthen the delivery of animal health services the following steps are necessary:

- Reviewing and implementation of the law on the delivery of animal health services. The revised law will permit MWLD and LGAs to contract private practitioners to control epidemic diseases and pests.
- Developing and execution of national disease control programme for scheduled diseases, including; establishment of Diseases Free Zones (DFZs) in strategic areas of the country for export purpose. NARCO ranches that are already earmarked for privatisation will be considered as starting points for establishing DFZs. The DFZs will also be used for pastoralists/feedlot operator/exporter partnerships to promote commercialisation of the pastoral systems by strengthening links to export and domestic beef markets. Sources of technical advisory services, inputs and new technology that can be offered by the feedlot operators.
- Improving management of the rangelands by demarcating and allocating permanent grazing lands by agro-pastoralists and pastoralists.
- Researching into economically significant livestock diseases, their causes and management, so that livestock owners can improve their livestock management and production.
- Providing support to privatisation of veterinary services and the professional delivery of veterinary drugs and vaccination in rural areas.

◆ *Improving Marketing*

Access to market perhaps is a single factor, which, if dealt with properly, can significantly contribute to rural development programme. Producers and service providers from all sectors; be it agriculture, manufacturing, fishing, livestock, mining, forestry, or tourism always need markets for selling their products or services on a competitive basis. Without markets, production and service rendering will be only made for subsistence. In this regard, economic ventures will cease to operate and the involved people will be disempowered. In order to enable different producers to benefit economically from their production and service rendering their products must fetch markets.

Currently, many producers and service providers in the country are facing the problem of accessing markets for their products or services due to a number factors such as:

- (i) Poor infrastructural services such as; roads and, communication services especially in rural areas.
- (ii) Unfair competition of local products against imported cheap and dumped products.
- (iii) Lack of capital and skills including failure to meet quality standards to penetrate foreign markets.
- (iv) Absence of organized markets for small producers including miners, horticultural, agricultural, livestock and fishing products.
- (v) Poor processing and packaging technology for the above.
- (vi) Absence of efficient and effective marketing boards that adequately represent the interest of producers.

Tanzania still relies on traditional export which contributes to over 50% of export earnings. However the export market is faced with problems of price fluctuations in the world market and general deterioration in the Terms of Trade (TOT) in the agricultural sector. An export strategy has been adopted with the aim of diversifying and increasing the volume of exports while ensuring quality and value added through processing. The marketing of both agricultural and livestock commodities and inputs have been liberalized. Private companies participate alongside with cooperatives unions.

By 1993, a significant decline in union activities was becoming evident, initially, in areas where food crops were an important part of the union's business, but gradually also in export crop growing areas. The shrinking union activities were a result of the new wave of inescapable agricultural marketing reforms, which was prompted by inefficiency of the cooperatives and particularly the burden these institutions created to the innocent farmers as well as the banking institution.

Following these problems and external pressure the Government passed a new Cooperative Act (1991) whose main aim was to bring the cooperatives into conformity with international cooperative alliance principles. The new Cooperative Act has three broad aims.

- To ensure the institutionalization and implementation of the basic cooperative principles and structural development of a genuine cooperative institutions.

- To ensure capacity building, the cooperative societies and unions aiming at achieving member based cooperatives, member empowerment and higher degree of efficiency and efficacy.
- To ensure that the Government creates an enabling environment through which the cooperative enterprises can operate their activities with efficiency and effectiveness under the true spirit of democratic and autonomous cooperative organisation along the Rochdale Cooperative Principles.

Subsequently, the current agricultural marketing framework allows cooperatives to be autonomous and operate alongside other marketing agents under the principle of free market.

In order to accomplish this important task by March 2000 the Government formed a task force to look into the problems of cooperatives in Tanzania and propose strategies and action plan to revive, strengthen and develop them. Based on task force recommendations the new Ministry of Cooperative and Marketing was formed to regulate cooperatives and markets. Since the public and particularly the rural population have lost confidence in the performance of cooperative institutions a mobilization and sensitization campaign aimed at regaining the public confidence is necessary. The RDS must therefore aim at formation of farmer's groups and organization in order to strengthen their capacity in production and marketing.

Response from the private sector to opportunities offered by the liberalization and privatization has been significant. The share of the private sector in the various crop markets has grown. Trade in food crop is entirely private, except the trading operations of the Strategic Grain Reserve (SGR). More than 95 percent of the milling of grain is done by individuals and private firms, and the market share of the National Milling Corporation (NMC) has dropped to less than 5 percent.

Government role is confined to provision of market information and monitoring performance, that is facilitation and regulation of the market. The private sector is taking the leading role in input delivery and purchasing the agricultural produce. Crop Boards are being restructured to resume regulatory functions leaving commercial activities to the Cooperative Unions and the private sector.

The Government is taking the following measures to improve the market access and performance, nationally, regionally and internationally, by:

- ⇒ Improving the collection and dissemination of market information so as to reach farmers, pastoralists and traders timely.
- ⇒ Removing of artificial restrictions to trade such as movement control as well as multiple and excessive levies.
- ⇒ Rehabilitating or establishing of physical marketing facilities and proper storage for farmers, livestock producers and traders to exchange and increase competitiveness
- ⇒ Researching appropriate on and off – farm storage technologies to increase returns to both farmers and traders.
- ⇒ Improving processing technologies both on and off-farm to increase value added and overall food availability.

- ⇒ Promoting the formation and strengthening of cooperative societies for them to be able to compete in the market.
- ⇒ Improving transport infrastructure, particularly feeder roads.

(i) Problems and Constraints

In addition to the specific issues outlined above, there are a number of constraints and problems affecting development in the agricultural sector. They are:

- *Little Information on Markets for Agricultural and Livestock Products*

Farmers and livestock producers have very little information on both markets and prices. The free marketing system in Tanzania has tended to marginalize the majority of remote smallholder peasant farmers and pastoralists, as private traders tend to favour easily accessible producers most of which are situated along the major trunk roads.

- *Lack of and Inappropriate Storage Technologies*

Related to the problem of marketing and particularly lack of processing industries are the post harvest losses which are aggravated by absence of storage infrastructure.

- *Restrictive Regulations*

Unpredictable restrictions act as barriers to serious commodity dealers and investors.

- *Inadequate Quality Control*

In many cases domestic products have failed to penetrate external or international markets due to poor quality control. Farmers' organisations are weak and do not have the skills to effectively market members produce.

- *Poor Infrastructure*

Rural roads are not passable throughout the year thus complicating even further the problem of marketing. The absence of infrastructure namely roads, railways, stock routes, ocean crafts has affected the successful performance of the industries and markets.

(ii) Development Objective

Increased productivity in the agricultural sector, achieved household and national food security, and raised the standard of living in the rural areas.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To create a conducive environment to promote the marketing of agricultural and livestock produce for domestic and export markets.

Action 1.1: Review current legislation and regulations/bylaws that affect the marketing of agricultural products.

- Action 1.2:* Assist farmers' associations and other relevant bodies dealing with trade regulations to inform and ensure that farmers and pastoralists are aware of the revised legislation and regulations.
- Action 1.3:* Strengthen the Regional and Districts Trade Departments and other relevant institutions to monitor and ensure enforcement of the trade regulations.
- Action 1.4:* Strengthen a unit dealing with marketing information and intelligence in the MCM.
- Action 1.5:* Assist and encourage more investments in the area of livestock products processing industries.

Specific Objective 2: To rationalise farmers' and pastoralists' support services.

- Action 2.1:* Re-orient the functions of existing research institutions in order to create a more demand driven services with greater emphasis on analysing farmer and pastoralists needs and on farm research.
- Action 2.2:* Focus research on the development of affordable and gender appropriate agriculture technology that is suitable to given agricultural zones.
- Action 2.3:* Facilitate private sector and community participation in input procurement, provision of animal health services, storage facilities, and research and extension services.
- Action 2.4:* Design and conduct training programmes aimed at improving knowledge of the farmers and pastoralists.

Medium Term Wins

Specific Objective 3: To encourage and facilitate private sector investment and establishment of large scale commercial farmers in agricultural and livestock activities.

- Action 3.1:* Ensure that new legislation relating to title deeds for land and water rights is effectively implemented.
- Action 3.2:* Introduce, through micro-finance institutions and other relevant organisations, a voucher system related to the purchase and utilisation of agricultural inputs.
- Action 3.3:* Facilitate the registration of agro-businesses/outourcing partnerships with farmers.

Specific Objective 4: To promote farmers' and pastoralists' groups and/or organisations in order to improve their capacity to meet the growing demand e.g. access markets, credit facilities and acquire irrigation services.

Action 4.1: Design training modules on related activities e.g. group formation, business skills, financial services and technical skills.

Action 4.2: Involve farmers' and pastoralists organizations in the planning and budgeting of grassroots agricultural and livestock activities.

Long Term Wins

Specific Objective 5: **To rationalise the institutional framework for the provision of agricultural and livestock support services.**

Action 5.1: Harmonize the working relationship among ministries and institutions related to rural development.

Specific Objective 6: **To create an environment and/or incentives which will encourage nomadic pastoralists to raise their livestock in the demarcated areas.**

Action 6.1: Identify and demarcate pastoral land and/or grazing land.

Action 6.2: Issue land title deeds to livestock keepers.

Action 6.3: Improve water infrastructure in all livestock keeping areas.

Action 6.4: Launch livestock disease control campaigns.

Specific Objective 7: **To promote profitable irrigation infrastructure.**

Action 7.1: Encourage farmers to form Water Users Associations (WUAs).

Action 7.2: Assist WUAs to Access Credit.

Action 7.3: Organize relevant training modules for members of WUAs.

♦ *Enhancing Women's Employment Opportunities in Agriculture*

A major focus of attention by Government and various advocacy groups in recent years has been on policy and legal issues to address gender imbalances. There are an increasing number of institutions that are active in this area. While policy initiatives by the Government and NGOs to reduce gender imbalances must continue, a major challenge is to design programmes to enhance women's employment opportunities and thereby reduce poverty. The thrust here should be to promote access and ownership of means of production by women, enhancing their income generating opportunities.

Several women's employment promotion initiatives have been taken in recent years and have received substantial Government, donor and NGO support. Most of these initiatives have been concentrated in urban and peri-urban areas and have focused on traditional women's activities such as garment making *mama lishe*, hair dressing and sweeping roads. However, very few of such projects have been implemented in rural areas where the majority of the poor women live.

(i) Development Objective

Provided a range of training technical assistance services to groups of women in the organization of their groups and in the technical aspects of production, processing and the marketing of products.

(ii) Specific Objectives

- To provide a range of training and technical assistance services to groups of women pastoralists and farmers in production, processing and marketing in order to improve their working conditions and thereby expand their income generation capacity and create employment.
- To increase yields and production on project farming areas by relatively inexpensive improvement and rehabilitation.
- To encourage horticultural crops with greater market value than those already grown to achieve a higher economic and financial return per unit of land, labour or irrigation.
- To strengthen the organizational capacity of the target women groups

Quick Wins

Specific Objective 8: To expand horticultural production among women groups in all potential areas.

- Action 8.1:* Identification and selection of horticulture farming areas.
- Action 8.2:* Assess the market potential of the proposed crops.
- Action 8.3:* Develop data on availability of water resources.
- Action 8.4:* Prepare horticultural crop calendar, inputs and cash profile.
- Action 8.5:* Assess the groups' needs for horticulture production technology.

Specific Objective 9: To train women groups in each region on improved production, processing and marketing techniques.

- Action 9.1:* Hold a seminar in vegetable production, fruit growing, vegetable plant production and preservation and utilization of horticultural crops.
- Action 9.2:* Conduct courses for extension staff and farmers in particular in the following areas:
- Water management techniques
 - Seeds selection
 - Land preparation

- Planting
- Organization of horticultural crops collection centers

(b) Small and Medium Scale Enterprises

Economic diversification and the promotion of non-farm economic activities is a key aspect of rural development. The informal sector is a major source of income generation, particularly for youth and women. Facilitating the promotion of SME activities, including agro-industrial activities, will require actions in various areas, including creating the policies and institutions that encourage private investment in rural enterprises and complementary businesses, strengthening linkages between rural producers and small towns and urban centres, where most processing and marketing takes places.

Strategies for promotion of SMEs are also dependent on sustained macroeconomic stability, opening up of the trade regimes and a competitive financial sector. Also important is to streamline and simplify the regulatory, business and administrative procedures including tax reviews in favour of the SMEs and to prevent distortions of incentives.

The strategic interventions outlined below are complementary to those proposed in the draft SME Development Policy and Strategy documents.

(i) Problems and Constraints

The growth of income generating activities and SMEs in the rural areas is hindered by:

- *The regulatory environment:* There are numerous national and district regulations related to licensing, business fees, and taxation that adversely affect business development.
- *The mind-set of Government and local authorities, including elected leaders:* To a large extent they continue to view Government having a regulatory role, rather than seeking to create an environment that will help to encourage private initiative.
- *Limited motivation by the private sector to invest in the rural areas:* Higher operational costs, poor infrastructure, and distances from the major markets all act as a disincentive.
- *Limited access to credit:* Regulations relating to credit worthiness and the use of moveable assets as collateral hinders access to credit. There is a range of micro-finance institutions and Government schemes that are concerned with providing financial assistance. However, the assistance is mainly focused on non-agricultural economic activities, and has a very limited outreach into the rural areas.
- *Lack of information and poor business support services:* New income generating projects and SME initiatives are frequently in need of guidance, advice, and support. Beyond the main urban centres this support is rarely available.

(ii) Development Objective

Diversified rural economy that contributes to economic growth and increasingly creates employment and income generating opportunities.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To establish at the national and local authority levels an enabling business environment that will create a foundation for diversifying the rural economy by encouraging existing businesses to expand and new initiatives to develop.

Action 1.1: Review, with the aim of simplifying and reducing the Local Government Financial Regulations, business-licensing procedures and, at the district and municipal level, by-laws that have a bearing on the operations of business activities.

Action 1.2: Promote business activities, including agro-industries, by preparing district 'business plans', i.e. identifying potential opportunities for investors.

Action 1.3: Create a business-oriented mind-set among local authority officials through training and involving them as implementing partners in the implementation of actions 1.1 and 1.2.

Action 1.4: Allocate specific areas for the SMEs to operate.

Action 1.5: Design incentive package for the creation of a strong SMEs e.g. tax exemption on rural based solar, bio-gas, windmill and other energy sources.

Medium Wins

Specific Objective 2: To improve the performance of micro-finance institutions to enable them to extend their outreach and target priority groups.

Action 2.1: Create effective demand for the SMEs to become active client of the Micro Finance Institutions (MFIs)

Action 2.2: Assist micro-finance institutions achieve financial and operational sustainability.

Long Term Wins

Specific Objective 3: To promote the development of medium and large-scale industries in the rural areas.

Action 3.1: Identify rural-urban growth points and initiate a Rural Industrial Incentives Package for medium scale companies establishing businesses in these growth points.

Action 3.2: Prepare a rural industrial incentive package that will encourage medium and large-scale companies to locate their enterprises at the rural-urban growth points.

(c) Skills Development

It is estimated that the intake rate for primary school age children for the period 1988 – 1997 fluctuated between 83% and 88%. Only 15% of primary school leavers continue to secondary school. The number of school dropouts increases by 85% every year. A substantial number of youths migrate from rural to urban areas in search of some kind of employment in either the formal or informal sector. Youth policy recognizes the need to address the role of vocational education and training to equip youth with entrepreneurial skills, especially those out of school.

(i) Problems and Constraints

Vocational education and training institutions cater for a minority of school leavers. Only an estimated 10,000 youth gains access to further education institutions each year. Participation in vocational education and training is restricted by:

- The high cost of training and lack of sponsorship for students is a major constraint in terms of gaining access to Vocational Training Centres (VTCs).
- Lack of awareness from parents and prospective trainees on the available training opportunities in VTCs.

Furthermore, for those that do access vocational training institutions, the quality of the training provided is often of a low standard because:

- Training courses do not correspond to the needs of industry and the job market in general. Training providers are not market-oriented.
- Lack of adequate practical experience for the trainees during the training. Consequently graduates from VTCs are not considered ‘employable’.
- Low levels of technical training provided by the VTCs. This further compounds the problems related to the employability of VET graduates.
- Shortage and low skill levels of instructors.
- Inadequately equipped facilities.

(ii) Development Objective

Improved access for both young women and men to vocational education and training institutions that provide appropriate training to a standard that enables trainees to effectively compete in the world of work.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To re-orient vocational education and training activities to be more market-responsive.

Action 1.1: Ensure that the necessary support is available to introduce the modular- based training approach in a wide variety of skill areas, targeting both women and men.

Action 1.2: Introduce HIV/AIDS education into all training activities and all institutions, including instructor-training institutions.

Action 1.3: Encourage private providers of vocational training to increase their investment in order to promote skills development

Medium Term Wins

Specific Objective 2: To increase women's access to vocational education and training activities.

Action 2.1: Increase access for women into VET.

Action 2.2: Promote awareness among employers of the need to create employment opportunities for young women that have completed a VET course.

Action 2.3: Establish a scholarship fund for women in VET.

Long Term Wins

Specific Objective 3: To improve the standard of VET institutions in order that they can meet the expectations of industry.

Action 3.1: Develop a performance-based system for the distribution of the training levy.

Action 3.2: Develop a system of private sector sponsorship for the support of VET institutions.

(d) Natural Resource Management and Utilisation

Since 1990, Tanzania has made marked progress in developing a strategy for sustainable development. A National Environmental Action Plan was produced in 1994. A National Environmental Policy was adopted in 1997. In 1999 a Proposed National Action Programme for Desertification was prepared. In 2000, work on a National Strategy for Sustainable Development was initiated. Implementation of the action plan and the principles laid down in the policy is ongoing. However, despite this policy framework, many of Tanzania's natural resources are being poorly managed and not yielding their full economic potential. It will be challenging for Tanzania to reverse the loss of its environmental resources, unless significant progress is made to reduce poverty.

In addition to the aforementioned strategies for sustainable development, many other initiatives have been formulated and some of them already adopted by the Tanzanian Government. These initiatives are to a larger extent the outcome of the 1992 Earth Summit in Rio de Janeiro where the governments of the world deliberated on the urgent need to develop (formulate) strategies aiming at protection of the natural environment and promotion of sustainable development in general. Like in many other countries a good many of the strategies in Tanzania were poorly formulated and have not successfully been implemented i.e. they are either still in the implementation stage or they lack the implementation plan and the necessary resources for implementation and therefore have been left unattended.

The National Forest Policy, the National Policy on Tourism, the National Fisheries Sector Policy and Strategy Statement, The Mining Policy and the Wildlife Policy of Tanzania reflect the economic potential of forests, tourism, fisheries, Minerals and wildlife respectively. The public and/or people have not adequately benefited from these precious resources, partly because emphasis has been put on *protection or conservation* rather than *sustainable utilization*. Sustainable utilization entails both protection and equitable benefits. That apart, the present policies and practices over these resources do not encourage benefit accumulation rather than benefit sharing. The mineral sector in the country is a testimony to this fact where the minerals have so far benefited a small segment of the population.

(i) Problems and Constraints

The main issues in terms of sustainable natural resource utilization are:

- Lack of empowerment of communities in natural resources management.
- The state centralization of resource tenure and mismanagement of those empowered to do so.
- Lack of security on land and land resources ownership to individuals and the State itself.
- Absence of a strategy for sustainable management of land resources, forests, wildlife, and so on.
- Lack of communication and public sensitisation on new policies.
- Government focus on environmental issues relating to International Conventions have received more attention in terms of foreign funding from the international communities rather than on local environmental issues relating to sustainable development.

(ii) Broader Development Objective

Ensured sustainable utilisation of natural resources for the benefit of the rural and urban population.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To create a conducive framework for the sustainable development of natural resources.

Action 1.1: Revise legislation and regulations that hinder the involvement of communities in the management and utilisation of natural resources and disseminate the revised laws.

Action 1.2: Revise the licensing procedures related to the utilisation of natural resources.

Action 1.3: Ensure that Environmental Impact Assessment (EIA) is properly conducted for all new projects and that investors abide to the findings.

Action 1.4: Review the investment code for non-renewable resources, particularly minerals so that more benefits accrue to the rural communities.

Specific Objective 2: To enhance security of natural resources ownership to the state, communities, and private individuals.

Action 2.1: Develop procedures for all natural resources with regard to entitlement of the state, communities, and individuals.

Action 2.2: Develop procedures for conflict resolution in relation to the utilisation of natural resources.

Medium Term Wins

Specific Objective 3: To improve land use planning as a basis for improved environmental management.

Action 3.1: Devolve authority for land use planning to the districts.

Action 3.2: Build appropriate land use planning capacity at all levels to facilitate the preparation of regional, district and community land use plans.

Long Term Wins

Specific Objective 4: To extend and further develop the community based management approach to all districts.

Action 4.1: Involve NGOs/CBOs and private sector in the implementation of CBM approaches.

Action 4.2: Build capacity at Community level for the implementation of CBM approaches.

➤ Tourism

Reducing poverty requires pro-poor growth. Tourism is one of the largest industries in Tanzania and provides a lot of income generating opportunities. Certain characteristics of tourism enhance its pro-poor potential.

Tourism can be labour intensive, inclusive of women and the informal sector; it can be based on natural and cultural assets of the poor; and suitable for poor areas where agriculture and other economic activities are unlikely to flourish. Harnessing tourism for pro-poor growth means capitalizing on these features while reducing negative impact on the poor.

Pro-poor tourism strategy will aim to unlock opportunities for economic gains and other livelihood benefits. The focus and scale of the strategy will vary enormously from one private enterprise working with poor households to a national programme enhancing participation by the poor at all levels. Interventions will include “community tourism and will not be confined to any one sub-sector, product or market niche.”

(i) Problems and Constraints

A number of critical factors that constrain or facilitate progress in pro-poor tourism need to be addressed. These are:

- Access by the poor to the market (physical location, economic elites, social constraints or poor producers).
- Commercial viability (product quality and price, marketing).
- Policy framework (regulatory context, planning process).
- Implementation challenges in the local context (skills gap, managing costs, maximizing collaboration across stakeholders)

(ii) Development Objective

Developed a Pro-poor tourism based on natural and cultural assets of the poor and suitable in poor areas.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To increase the net benefits for the poor from tourism and ensure that tourism growth contributes to poverty reduction.

Action 1.1: Create new diversified products (services) and markets based on unique attributes, natural resources, arts and cultural attractions of Tanzania.

Action 1.2: Develop guidelines and general management plans to guide investments in the natural resource in order to control harmful developments and practices.

- Action 1.3:* Develop partnership and close working cooperation between the public and private sectors.
- Action 1.4:* Incorporate local communities in planning and operation.
- Action 1.5:* Promote a diversity of actions, from micro to macro level – including product development, marketing, planning and investment.
- Action 1.6:* Ensure commercial viability is a priority – through paying close attention to demand, product quality, marketing, investment in business skills and inclusion of the private sector.

➤ **Forestry**

Forests provide numerous goods and services to the national economy which include wood and wood products, water, food, fodder, medicines, fuel, shelter, employment, habitats for wildlife, recreation, landscape diversity, carbon sinks and reservoirs. They also provide unique natural ecosystems, biological diversity and genetic resources. Forestry is an economic base, which provides revenue from various direct value products, and services such as timber and non-timber products, export earnings and tourism. Forests support other sectors in stabilizing stream flows and therefore reduce disasters, erosion and floods in areas of steep topography and high precipitation. Forests function as conservator of good quality water sources and supply water for irrigation in lowland farming and fish production.

The forest sector employs about 3% of officially paid labour and a higher proportion of the informal sector activities. Forest exports include timber, carvings, tree seeds and bee products. Logs and sawn wood (hardwood and soft wood) account almost half of export earnings in forestry. The market of soft wood and hard wood is big enough compared to the present supply. The Middle East, Europe, Asia and Far East are the main markets.

(i) Problems and Constraints

- Most forest reserves are being encroached because of population explosion, increasing soil infertility in agricultural sector and over stocking in the livestock sector.
- There is lack of control over the forest resources and inadequate alternative economic activities to absorb the surplus labour in the rural and urban areas.
- The centralised forest management has faced low capability of the Government institutions to manage the forest resources. It has also contributed to market and policy failures in the forest sector leading to forest degradation due to encroachment, over utilisation, wildfire, unclear boundaries, lack of systematic management and inadequate resources for controlling illegal harvesting as well as inefficient revenue collection system.
- Lessons show that where villages have been empowered to manage forests they are well managed and not encroached or over utilised. Presently the village empowerment exercise has no legal backing before the Forest Act is in place.

(ii) Development Objective

Established a sustained management and utilisation of the forest resources for the benefit of the majority of rural urban people.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To stimulate, through legal, economic incentives and Commercial channels, all aspects of social forestry along with agro-forestry for small scale and medium wood based industrial development.

Action 1.1: Revise the Forest Act to accommodate new thinking of empowering local communities and private partnership.

Action 1.2: Prepare guidelines for incentives to small and medium wood based industries.

Action 1.3: Provide market information to business communities engaged in commercial activities on forest products.

Specific Objective 2: To ensure that environmental protection policies are adhered to by empowering the private and community organisations to manage forest resources.

Action 2.1: Prepare guidelines for collaborative forest reserves management with local communities and private individuals.

Action 2.2: Enforce environmental monitoring plan to all investors on forest industry.

Specific Objective 3: To encourage tree planting at farm level and motivate private initiatives in developing tree plantation.

Action 3.1: Build capacity to extension officers to educate local communities to plant trees according to their agreed land use plans.

Action 3.2: Prepare incentives package for medium and large-scale plantation investors.

Medium Wins

Specific Objective 4: To promote alternative energy sources and better farming techniques to deter encroachment to forest reserves.

Action 4.1: Build capacity to use indigenous alternative energy sources such as cow dung; plant more trees on farms and other wood saving energies sources.

➤ Wildlife

Tanzania Protected Areas (PRAS) covers 28% of the country's total land surface area. Out of this, 25% are wildlife-protected areas, made up of 4% territorial parks, 15% game reserves, 8% game controlled areas and 1% Ngorongoro conservation area.

The Protected Area network is being established to conserve biological diversity and encourage the growth of the wildlife industry. The management and conservation of protected areas will involve local communities and the private sector. The Wildlife Management Areas, which are mostly buffer zones of core protected areas, are the main areas generating revenue from tourist hunting, photographic tourism and other investments therein and provide employment to local communities as an alternative income generation. Those areas, if properly managed, will not only increase incomes to local communities but also boost the tourism sector and provide more revenue to rural communities.

(i) Problems and Constraints

Problems associated with the management of wildlife - protected areas include, poaching, habitat encroachment and fragmentation. The cause of these problems has been attributed partly to the lack of clearly defined boundaries between reserves and adjacent villages. While some villages claim that wildlife reserves have taken their village, the wildlife reserves also claim that villages have taken their area. It underscores the need to involve villages/local communities to establish agreeable boundaries. In addition:

- Traditionally, protected area managers have isolated people in the neighborhood of the area from planning for the management of natural resources on which they rely for their livelihood.
- Law enforcement has failed to bring about sustainable management of natural resources but has instead deepened antagonism between the law enforcers and local communities.
- Conflict between local people and Protected Area managers have escalated due to competition for land, water, pasture and lack of understanding of underlying issues.
- Socio-economic conditions especially incomes of people living around the Protected Areas have continued to deteriorate.

(ii) Development Objective

A sustained biological diversity, which contributes to healthy environment and increase the sector contribution to the welfare of the surrounding communities.

(iii) Strategic Interventions

Quick Wins

Specific Objective 5: To involve the local communities and the private sector in the conservation and management of wildlife resources.

Action 5.1: Review the Wildlife Act to empower local communities to manage wildlife in areas set aside for this purpose on their village land and private sector to invest therein.

Action 5.2: Prepare incentive packages for benefit sharing in wildlife management.

Specific Objective 6: To promote sustainable utilisation of wildlife resources.

Action 6.1: Prepare guidelines for collaborative wildlife reserves management

Action 6.2: Build capacity to extension officers to support local communities on sustainable wildlife utilisation.

➤ **Fisheries**

The fisheries sector contributes about 10 percent of the GDP. It is the main source of protein to nearly one third of the country's population. It provides a source of employment and livelihood to a substantial number of people. Around 80,000 fishermen are employed and a few other millions derive their economic livelihood from the fisheries related activities. In terms of protein, fish contribute about 30 percent of the total animal protein intake. This is significant as the majority of the consumers are low income earners who cannot afford other more expensive sources of protein.

Given the situation that the majority of the poor in the country live in the rural areas and are poor there is need to assist the local communities in making better use of fish resources. The management of the fisheries resources for sustained production would entail among other things a change in attitude towards fisheries resource use practice. Thus the user communities have to be empowered to become aware of their own situation and support them to manage their fisheries resources.

(i) Problems and Constraints

The sector is faced by many problems. Some of the problems are:

- Insufficient information on the resource base.
- Inadequate infrastructure and inefficient utilization.
- Environmental degradation and inability to integrate environmental protection with development.
- Insufficient knowledge on the contribution of aquaculture to individual household economies.
- Insufficient empowerment of the local communities.
- Poor interaction between players in community and community related issues and activities.
- Scanty information on the traditional/local knowledge of fisheries resource.
- Unfavourable credit condition from lending financial institutions.

- Inadequate financial and technical resources.
- Low level of technology among the artisanal fishing communities.
- Inadequate support services including research and extension personnel and proper equipment for fishing, handling and transport facilities.

(ii) Development Objective

Sustainable exploitation, utilisation and marketing of fish resources that provide food, income, employment and effective protection of the aquatic environment to help sustain rural development.

(iii) Strategic Intervention

Quick Wins

Specific Objective 1: To put into efficient use available resources in order to increase fish production so as to improve fish availability in the rural areas.

Action 1.1: Build awareness among communities of the need for sustainable fishing practices.

Action 1.2: Encourage and support all initiatives leading to sustainable use of the fish stock and aquatic resources.

Action 1.3: Promote small scale, semi intensive aquaculture system with simple technologies and low capital investment.

Action 1.4: Develop rural markets for fisheries through the private sector.

Specific Objective 2: To promote the involvement of the rural fisher communities in the planning, development and management of fishery resources.

Action 2.1: Encourage formation of rural fishery associations and groups for easy provision of extension services, building awareness and for pooling resources for investment.

Action 2.2: Facilitate and promote sharing and exchange of skills and knowledge on fisheries through extension services.

Action 2.3: Facilitate the formulation of village by-laws relevant to the fisheries sector to enhance sustainable exploitation and utilization of the resources.

Action 2.4: Encourage the allocation and utilization of fisheries resources in favour of the rural community so that they result to human welfare development.

5.2 Increasing Opportunities and Access to Services

Social services are prerequisites to human capital formation. Human capital is potentially the only asset that the poor can own and make use of. Depending on its development status, it can, for example, result in a qualitative difference in the way people run their farms, do fishing, maintain their health, observe nutritional rules etc. Individuals who have gone to school are more likely to do better than their counterparts who have not. Furthermore, individuals are more likely to acquire and apply knowledge and skills when their basic needs are adequately met, their health is sound and their social well-being is secure. This synergistic relationship between education, health, economy etc is thus critical in maintaining a vibrant socio-economic process.

5.2.1 Strategic Priority Areas

(a) Education

(i) Problems and Constraints

The formal education system is beset by two main problems – access and quality. Access at the primary level is of a reasonable standard. The national enrolment rate is 77% although in the rural areas it is likely to be lower as older children are needed to assist on the farms and school-related expenses are often a constraint on scarce family income.

The issue of quality permeates all levels of the formal education system. Teacher shortage, teaching aid scarcity and facility inadequacy are among the salient factors contributing to poor quality of education. Less than 15% of rural primary school leavers attain the desired academic level of 40% in the standard VII Leaving Examination. Only 10% of these rural candidates progress to secondary education compared to the national transition rate of 15%. This situation has been exacerbated by HIV/AIDS pandemic, as approximately 10% of the teachers die annually of AIDS.,

The participation of girls in primary and post-primary education is of particular concern. The dropout rate for girls is higher than that of boys in standards VI-VII because of early marriages associated with premature desire for dowry acquisition. Poor households are less willing to meet the cost of education for their daughters than for their sons. Consequently, rural female illiteracy rate stands at 43% versus 20% for males. Girls in secondary schools and vocational institutions constitute 46% and 6% respectively.

The key problems affecting the nation's education system are:

- *Slowness of educational reform.* While reform efforts are under way, successful implementation has been limited due to low institutional capacity and problems with effective donor co-ordination. Recent developments, however, show an encouraging acceleration of reform efforts.
- *Lack of capacity for management and planning:* Despite the reform efforts, the educational system continues to be hampered by a lack of capacity for effective management and planning. This also includes imbalances with respect to the allocation of teachers, who are strongly concentrated in urban areas at the expense of rural areas.

- *Poor quality and poor relevance of curricula at the primary and post primary levels:* The poor quality of education negatively affects enrolment rates while compromising the knowledge acquisition of those in school.
- *Poverty:* Poverty prevents parents from opting to send their children to school and/or keeping them in school up to completion.
- *Lack of involvement by communities and parents in the education process:* In the RDS the focus is to enhance school community dialogue so that the management of rural primary schools reflects not only what the community considers to be its priorities but also what is perceived to be in the interest and benefit of the target group, namely, the pupils.

Primary education needs to serve as a preparatory ground for those who progress to secondary school and those who do not. With regard to the latter, the rural youth need a strong education foundation that makes them not only knowledgeable and skillful but also enterprising. Over and above that, the rural population as a whole, through Adult Education and Complementary Basic Education Programmes, must become literate, skillful and enterprising for the purpose of efficiently managing their day-to-day productive activities.

(ii) Development objective

Attained relevant and quality primary, secondary and adult education to children, youths and adults in all rural communities.

(iii) Strategic Interventions

Quick Wins

Specific Objective1: To raise Primary School Enrollment and Attendance Ratios.

Action 1.1: Improve teaching learning environment.

Action 1.2: Sensitize the rural population over the importance of taking children to school.

Action 1.3: Enforce byelaws on school enrolment.

Specific Objective 2: To improve quality of education.

Action 2.1: Re-distribute equitably teachers and school materials.

Action 2.2: Increase teaching aid and sector infrastructure.

Action 2.3: Set a specified academic level to be attained by a chosen proportion of pupils within a specified timeframe.

Action 2.4: Revitalize school inspection programmes.

Action 2.5: Have in place a system of educating HIV/AIDS victims on how they can cope with the problem while undertaking their teaching assignments.

Action 2.6: Complete school mapping and micro planning as set in the PRSP.

Specific Objective 3: To develop curriculum which is responsive to the needs of primary school students and primary school leavers.

Action 3.1: Review the education curriculum, drawing on the data from educational mapping.

Action 3.2: Include in the curriculum, an introductory awareness on HIV/AIDS

Action 3.3: Revitalize and rationalise post primary education centres.

Quick Wins

Specific Objective 4: To expand Adult literacy and Complementary Basic Education and make it more functional so that its recipients apply it in undertaking their rural productive activities.

Action 4.1: Study community major activities and make Adult/Complementary Basic Education and Folk Dev. curricula responsive to them.

Action 4.2: Secure better prepared tutors to handle functional education for both adults and out-of-school children.

Action 4.3: Strengthen rural libraries.

Action 4.4: Introduce HIV/AIDS education into all training activities, including instructor-training institutions.

Medium Term Win

Specific Objective 5: To review Teacher Training and re-define the roles of management and the community.

Action 5.1: Rationalise teacher training.

Action 5.2: Replace unqualified in-service teachers with new ones.

Action 5.3: Encourage teachers to plan for their schools' progress and be accountable for the outcomes.

Action 5.4: The role of School Committee members re-defined.

Long Term Win

Specific Objective 6: To increase further education opportunities for primary school leavers.

Action 6.1: Expand the number of public secondary schools and other post-primary educational institutions.

Action 6.2: Encourage NGOs (communities, churches, private sector) to invest in secondary schools and post-primary institutions by creating an enabling environment for them.

Specific Objective 7: To increase female participation in primary, secondary and other post-primary institutions.

Action 7.1: Ensure that all girls aged 7 are in Standard I.

Action 7.2: Enforce by-laws on primary education attendance and completion.

Action 7.3: Remove the financial constraints to girls' education.

(b) Health

(i) Problems and Constraints

There are at least seven sets of problems that compromise Tanzania's ability to significantly reduce mortality levels:

- *Poverty*: Widespread income poverty affects all aspects of children's health and survival by limiting access to food, basic amenities and health services. Infant mortality rates appear to be much higher for the poor, especially in rural areas.
- *Preventable and outbreak diseases: HIV/AIDS, Malaria, immunizable diseases, TB/Leprosy and anaemia*. These are amongst 10 killer diseases of highest morbidity nationwide. HIV/AIDS is depriving householders as well as the nation labour force.
- *Health of mothers*: Poor health of mothers can lead to low birth weight, which is an important cause of under-five mortality.
- *Insufficient knowledge and awareness of health issues*: The general population is insufficiently informed about health issues. As in other countries, the children of mothers with higher levels of education are less likely to die young.
- *Deteriorating access to quality health services*: Most of the health facilities are poorly maintained, poorly equipped and poorly staffed. This is essentially because of lack of capacity for planning and management within the health care system, and the absence of a sense of community ownership.
- *Government budget limitations and the burden of debt*: Inadequate budgetary allocations and disbursements to primary health care severely restrict access to, and quality of available health services.
- *Insufficient community involvement*: The effectiveness of health care is compromised by the limited participation of communities in designing appropriate health care systems and interventions.

(ii) Development Objective

Established a health sector with the capacity to provide a standard of health care in the rural areas and which conforms to WHO prerequisites.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To reduce mortality rates for enhanced survival.

Action 1.1: Sensitize mothers to take their children for MCH services on a regular basis.

Action 1.2: Promote awareness programme on the causes of mortality to communities.

Action 1.3: Establish Micro Health Insurance Funds and/or Schemes

Specific Objective 2: To reduce the burden of disease.

Action 2.1: Implement national programmes (for 2001/02-2003/04), which include malaria, HIV/AIDS, tuberculosis, anaemia, pneumonia, etc.

Action 2.2: Sensitize the rural population to take preventive measures against disease infection.

Action 2.3: Intensify implementation of primary health care plans in the districts.

Action 2.4: Control of communicable diseases

Specific Objective 3: To improve nutritional status.

Action 3.1: Promote nutritional and breast-feeding education to mothers.

Action 3.2: Provide health services to mothers and children.

Action 3.3: Improve incomes to the poor for affording required food intake.

Action 3.4: Training for Health Personnel

Action 3.5: Advocacy through different media, drama, pamphlets etc

Medium-Term Win

Specific Objective 4: To promote opportunities for private sector to provide health care services.

Action 4.1: Establish an enabling environment for the private sector including NGOs to participate fully in the provision of health services.

Action 4.2: Strengthen the legal and regulatory framework to ensure quality and curb unethical practices.

Action 4.3: Promote complementary health financing arrangements such as health insurance for civil servants and community health funds for rural population.

Long-Term Wins

Specific Objective 5: To rehabilitate existing health facilities and enhance quality of rural health providers.

Action 5.1: Rehabilitate existing infrastructure including provision of equipment.

Action 5.2: Strengthen delivery of rural primary health services in order to enhance equity.

Action 5.3: Review incentive packages for rural health providers.

Action 5.4: Ensure equitable provision of health providers in the rural areas.

(c) Rural Water Supply and Sanitation

(i) Problems and Constraints

There are at least five interrelated problems that affect efficient rural water supply as follows:

- *Limited coverage of the rural population:* Only 48.5% of the rural population have access to a potable water supply. However, this supply accrues to only 20% of the population on a regular and sustainable basis.
- *Lack of reliable capacity of Local Government:* The Local Government Reform empowers Local Government to manage the social sectors including rural water supply. However, District Councils do not have the financial and organisational capacity to manage the rehabilitation of rural water schemes. A wide range of partnership with both NGOs and the private sector will be a necessary condition for improving rural water supply.
- *Limited community capacity, and financial resources:* Under the LGRP, the community as the main beneficiary will need to assume a planning, managing and maintenance role of water supply schemes. But the community has neither training nor experience and exposure in this regard. Besides, maintaining water supply on a sustainable basis requires that adequate financial outlays be made available. The poverty-stricken rural community in several areas of Tanzania lacks this kind of capacity.
- *Poor synchronization of water supply planning and utilization among its consumers:* Districts will normally plan for pump-based water supply, thus neglecting other alternative sources like hand-dug wells and water harvesting. The community on the other hand, believes the latter sources should be the ones to rely on. In terms of utilisation, communities rarely balance their domestic, irrigation, livestock and other needs. This leads to water wastage among rural household consumers.

- *Maintenance of appropriate sanitation environment is not internalised:* Most rural households have yet to internalise and appreciate the utility and returns of sanitation services and facilities. In most rural areas, latrines are available in 80% of households, but their rate of utility is lower. Water catchment areas are also interfered with by a great deal of human activity including tree felling, cultivation, grazing, etc.

(ii) Development Objective

Developed a rural water supply sector that is capable of supplying rural communities with potable water on a sustainable basis.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To establish a decentralized approach to the provision of water supply systems in the rural communities.

- Action 1.1* Strengthen and promote community-based approaches that are currently being implemented.
- Action 1.2* Build the capacity of the district Councils to assist communities in the planning and management of their water supply facilities through various strategies including cost sharing.
- Action 1.3:* Empower communities to make informed decisions, which will help them sustain their water supply facilities.

Specific Objective 2: To expand coverage of water supply systems by utilising appropriate sources.

- Action 2.1:* Sensitize communities to harvest rainwater especially in areas where climatic conditions permit.
- Action 2.2:* Make use of simple and appropriate technologies for drilling shallow and deep wells where applicable.

Specific Objective 3: To involve the private sector and the community in the construction and maintenance of rural water supply.

- Action 3.1:* Empower the private sector, NGOs and the community in the development and maintenance of water supply systems including management and conservation.
- Action 3.2:* Promote participation of indigenous contractors and consultants in the design, drilling, construction, rehabilitation and maintenance of water schemes.
- Action 3.3:* Focus on rehabilitation and upgrading of existing schemes.

Medium Term Wins

Specific Objective 4: **To establish a legal and regulatory and administrative environment for a community-based management approach.**

Action 4.1: Formulate relevant regulations governing the logistics of rural water planning and management by Local Government.

Action 4.2: Redefine/review the responsibilities of the Ministry responsible for water, District Councils and Communities.

Long-Term Win

Specific Objective 5: **To develop an integrated approach to the planning, utilization and conservation of district and community water resources.**

Action 5.1: Promote education on conservation to raise awareness on protection, conservation and optimal utilization of water resources with full consideration of the impact on the environment.

Action 5.2: Adopt a holistic approach in designing community water supply schemes by integrating the different uses such as domestic, irrigation and livestock.

Specific Objective 6: **To enhance community awareness and commitment to observe hygiene and sanitation requirements.**

Action 6.1: Educate communities on the importance and process of observing hygiene and sanitation rules so that they identify problems, analyse priorities and visualize future scenarios.

Action 6.2: Construct simple but quality sanitation facilities by conforming to approved measurements and create within the communities, the culture for maximum utilisation.

Action 6.3: Mobilise communities on how best they can maintain catchment areas within their environments.

(d) Housing and Good Shelter

Good shelter is linked to there being adequate infrastructure and services, such as water, sanitation, waste management facilities, and environmental health standards. It is also connected to adequate access to the workplace and basic facilities being provided at affordable cost. Housing is a central agenda along with education and health for rural and urban socio-economic development.

(i) Problems and Constraints

In the rural areas the majority of the houses are built with materials that have a relatively short life span. The houses have no basic infrastructure such as piped and clean water, and waste management. Majority of the rural people depend on wells as their main sources of water supply. Since the rural people use pit latrines as their main sewage disposal, they are at health risk from underground water pollution.

(ii) Development Objective

Improved housing status to meet the Habitat Agenda for rural population.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To further develop private and public partnership in housing to speed up planning, surveying, and allocation of plots and provision of basic infrastructure for better housing.

Action 1.1: Empower CBOs, NGOs, real estate agencies, private companies and individuals interested in housing to acquire land, plan, survey, allocate and provide basic social services.

Action 1.2: Build capacity to local communities on participatory land use planning at grass root level to avoid unplanned housing developments.

Specific Objective 2: To promote cooperative arrangements in the provision of better housing for the rural poor.

Action 2.1: Support the development of rural housing through cooperatives, CBOs, NGOs and other building societies.

Action 2.2: Sensitize the rural people on better housing

Medium Wins

Specific Objective 3: To promote the housing industry to increase housing finance, building materials and private information on better housing.

Action 3.1: To provide incentives to investors, such as Housing Banks, Real Estate agencies and other housing institutions to finance rural housing.

Action 3.2: Research and disseminate information on affordable building materials.

Action 3.3: Encourage small and medium scale industries to manufacture building materials at community level.

(e) Road Network Infrastructure, Information, Communication Technology

The long-term national road strategy will focus on rehabilitation of the road network which is in poor condition to good condition. In the medium term a phased approach will be adopted by rehabilitating the poor roads, beginning with those serving the most vulnerable districts and focusing on potentially agricultural productive areas. This will cover 4,500km, which is only 6% of total regional, districts and feeder roads network in most vulnerable twelve regions for the first three years. Phase two and three will improve further the poor network bringing the improved road network under the HIPC in 10 years to 15,000km (20%) of the above network. This rehabilitated network will be added to the rest of the network for maintenance.

Approaches for implementing the strategy include:

➤ ***Rural and Village Travel and Transport***

This programme is under the PO-RALG. It aims to increase accessibility and mobility by supporting sustainable self-help schemes designed to improve local transport infrastructure and strengthening capacity of district engineers to plan and better manage their district road network. The programme further supports promoting intermediate means of transport and providing advice on how best to use them. In this context:

- Development projects will target road sections in the rural areas that are poor and upgrade them to fair condition
- The emergency rehabilitation will target road sections that are in poor condition and upgrade them to good condition.
- Periodic maintenance will target road sections that are in fair condition and upgrade them to good condition.
- Routine maintenance will be carried out in a timely and professional manner, in order to uphold present road condition.

➤ ***Use of Labour – Based Technology***

The guideline on “Integrated Rural Accessibility” on how to identify development needs and priorities that can be addressed by improving access to basic facilities and services. The maintenance of rural roads is a key priority that can be addressed by using a labour-based approach. Thus, emphasis will be put on the use of labour intensive methods and Institutional capacity building. This will involve training, sensitisation and reinforcement at all levels but particularly at the district level. The approach will also depend on there being a conducive environment for small-scale labour-based contractors to develop and to flourish, involving local communities in the maintenance of the road network.

➤ ***Institutional Capacity Building***

Capacity building at the district level is at the core of success for the road sector strategy. Establishment of data bank will be given the highest priority, hence the provision of the necessary equipment for data collection and storage.

The construction and rehabilitation of roads in itself is not sufficient. Rationalising the management of roads, and removing inefficient and restrictive road taxes will be undertaken.

In order to build capacity for road rehabilitation and maintenance of the road network the following will be done:

- Training and preparation for implementation
 - Capacity building for data collection, storage, processing and analysis at district level.
 - Introduction of measures to improve the capacity of the district engineers' office to plan organise and manage execution of road maintenance works.
 - Provision of basic tools for office and field works.
 - Sensitisation of local communities on the importance of road maintenance and the need for them to take active role in the up keeping of roads.
 - Provision of work and empowering the local councils with tools to make decision.

(i) Problems and Constraints

The road sector handles 70% of internal freight and 64% of transit cargo. In addition, it is a major mode of passenger transport. Generally, the average condition of the total road network indicates that only 14.5% is in good condition, the rest being in fair to poor condition.

Available capacity to man the district roads works, in terms of technical personnel at the district level and contracting services is very poor. The situation is further complicated by unclear delineation of responsibilities between the district engineer and the parent Ministry of Works.

The construction and maintenance of the local road network is constrained by:

- Lack of funds for a huge backlog of feeder roads and bridges destroyed by El Nino;
- Lack of data on the networks and little capacity of the local authorities in planning, execution and management of rural roads programmes; and
- Under utilization of community labour force for roads.

The construction and maintenance of the national network, under the Ministry of Works, is constrained by:

- Lack of sufficient funds for rehabilitation and upgrading due to increased traffic.
- Low capacity of the local construction industry and low participation of the private sector.

(ii) Development Objective

Developed a road network that is of a high standard and well maintained, facilitating the integration of rural areas and urban markets.

(iii) Strategic Interventions

Quick wins

Specific Objective 1: To enhance the capacity of local authorities to maintain their feeder road network.

Action 1.1: Increase efficiency in maintenance by working out optimum combinations of various inputs such as labour, equipment and materials. High priority should be given to more effective use of labour-based technologies and local natural resources particularly in district and feeder road programmes.

Action 1.2: Review of the arrangements for the disbursement of the Road Fund.

Action 1.3: Focus on rehabilitating and upgrading of strategic road networks in order to have a realistic match of activities and funding.

Medium Term Wins

Specific Objective 2: To establish the appropriate legal and administrative framework, within the context of the Local Government Reform, for the construction and maintenance of roads.

Action 2.1: Consolidate the institutional and legal reforms in the road sector to ensure adequate capacity and resources. Special attention should be given to enhancing the capacity of local authorities, under the local government reform programme.

Action 2.2: Enhance technical and managerial capacities at the level of local government and communities in such areas as skills, equipment and appropriate technology.

Action 2.3: Creation of awareness and commitment on the importance and viability of both labour-based and community based delivery arrangements.

Action 2.4: Capacity building of communities to enable them effectively participates in the production of materials for road maintenance.

Action 2.5: Transfer of technical and managerial skills to local contractors and consultants for labour based and labour intensive works.

Action 2.6: Sensitisation of communities and villages on the importance of their contribution to infrastructure planning, design, construction and maintenance.

Action 2.7: Contracting of local communities to manage the roads in their localities.

Action 2.8: Creation of a culture of routing maintenance of roads among the rural communities.

Long Term Wins

Specific Objective 3: **To strengthen the data bank on road networks and their condition in order to improve budgeting for road programmes.**

Action 3.1: Monitoring the status of the road networks with a view to evaluate the efficiency and effectiveness of road construction and maintenance activities.

Action 3.2: Institutional capacity building involving training, sensitisation and reinforcement at all levels but focusing mainly at districts level for capacity to maintain data bank on the status of road network.

(f) Telecommunication and Information Services

The telecommunication and information system in Tanzania, especially the telephone system is fairly well developed, but coverage is mainly concentrated in urban centres. This is partly offset by greater use of radios. At 278 radios per 1000 people, the use of radios in Tanzania is significantly above the sub-Saharan African average of 196. There has been fairly rapid spread of television recently based on private sector initiative but again largely concentrated in the five major urban centres – Dar es Salaam, Mwanza, Arusha, Dodoma and Moshi.

Various financial services, telecommunications and electrification make an important contribution to growth and make people's lives easier and more productive in the rural areas. Newspapers, telephones, post offices and radios, should be made available in rural areas for increasing amenities. Equally important is the need to have zonal telecentres in the rural areas so that price and market information could be accessible.

The following lessons can be drawn from the experience of the Mwanza/Sengerema Telecentres:

- The awareness campaign was very important for increasing the number of users.
- People are now changing the way they communicate, do business, etc.
- People see the importance of training, indicated by the growing number of people who seek for such services.
- The service seems to be affordable to the majority of users since the price is quite low compared to other private people who offer similar kind of business.
- Farmers, business people have access to information on the world price of their produce.
- Distance learning is now possible through the telecentres.
- Weather information is available for economic actors whose activities depend on weather, e.g. farmers, fishermen, etc.
- Mwanza/Sengerema Telecentres can be taken as models to be replicated to other regions in the country.

(i) Problems and Constraints

- The inadequate services discourage investors and hampers efficiency, productivity and growth.
- High demand and non-affordability of the services e.g. telephones, radios, etc.

(ii) Development Objectives

Ensured provision of adequate, sustainable and efficient telecommunication services in all sectors of the economy with interconnectivity internationally.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To improve the existing services and widen/extend the coverage by installing new and modern telecommunication satellites dishes and telecentres

Action 1.1: Expansion of the radio calls systems to rural communities.

Action 1.2: Provide wireless phones at Police Stations for social and security purposes.

Action 1.3: Development of telecentres to improve access to ICT services.

Action 1.4: Reduce tariff for IT equipment in order to promote the development of ICT in the country.

Medium Term Wins

Specific Objective 2: To promote the private sectors' involvement in developing and expanding telecommunication services throughout the country.

Action 2.1: Improve coverage of the telecommunication services according to demand.

Action 2.2: Enable the service providers to widen the coverage in telephones.

Action 2.3: Build capacity by providing technical, business and managerial skills to meet sector needs including enhancement of the existing telecommunications training institutions.

Action 2.4: Facilitating accesses to information on market opportunities and business partners.

Long Term Wins

Specific Objective 3: To optimise contribution to the development of the national economy as a whole by ensuring availability of efficient,

**reliable and affordable telecommunications services
throughout the country.**

- Action 3.1:* Creating a conducive macroeconomic, legal and regulatory environment to attract investment in the sector.
- Action 3.2:* Encourage the development of human resources and R&D activities.
- Action 3.3:* Encourage local manufacture of telecommunications equipment.
- Action 3.4:* Foster technological advancement in the telecommunications sector including the development of indigenous capabilities.
- Action 3.5:* Ensure maximum utilisation of the installed capacities in the telecommunication sector.
- Action 3.6:* Ensure the active participation of all stakeholders in the development of the telecommunications sector at all levels

(g) Postal Services

The current infrastructure situation of the public postal operator stands at 468 post offices with about 61,000 inhabitants served per post office. The number of private letterboxes installed is 155,456 with 1 box serving 185 persons in average

(i) Problems and Constraints

The major resource limitations facing the postal sector, especially in the rural areas, are:

- Inadequate investment capital for modernisation and expansion of the network.
- Insufficient and outdated postal equipment and technology.
- Human resources with deficiency in commercial expertise and experience to operate in a competitive environment.

(ii) Development Objective

Established a Reliable, secure, affordable and accessible postal services that meets the demands of a growing population and their rising expectations.

(ii) Strategic Intervention

Quick Wins

Specific Objective 1: To improve commercial and social postal services including letter mail, parcels, express/ courier services, packets and basic postal financial services.

Action 1.1: Encourage local postal agents by giving incentives of 10% to local community.

Action 1.2: Encourage the use of established rural libraries as a centre for postal services such as letter mails, parcels, packets and newspapers.

Action 1.3: Establish local/ community level postal services.

(h) Energy

Energy services are concentrated in urban centres, and rural electrification is still relatively undeveloped. About 85% of the total energy is consumed in the rural areas. Biomass, particularly wood-fuel, constitutes 90% of rural energy consumption, which has significant impact on the process of environmental degradation. The balance 5% is met by other options such as kerosene, diesel, dry cells, grid and non-grid electricity, Biomass, solar, wind and other renewable energies. The rural population with access to electricity is only 1%. Alternative sources of energy are not well developed. Emphasis needs be put to promoting technologies like solar power, windmills, biogas, and power from spillways currently used for irrigation and drinking water services in rural areas.

(i) Problems and Constraints

There is a lack of adequate investment and significant private participation in rural energy development. It is therefore a national challenge to increase access to commercial energy in the rural areas and facilitate a diversification of energy services. A sustainable institutional framework that can cope with the diversity, manage and coordinate various efforts is a factor for successful development of rural energy. There is also a need to establish an institutional framework that can mobilise, co-ordinate and facilitate private and public initiatives in rural and renewable energy. The expansion of energy services is also affected by:

- Poverty situation of the rural population to develop energy sector because of people's low purchasing power.
- High cost of commercial energy and the related appliances is a big constraints to the households.
- Limited use of other energy sources such as solar, biogas and Liquefied Petroleum Gas (LPG).
- Shortage or lack of construction, distribution and maintenance tools and materials.

(ii) Development Objective

Developed an efficient energy production, procurement, transportation, and distribution and end-user systems in an environmentally sound manner.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: **To encourage the rural community to substitute use of hydropower with other sources of energy e.g. biomass in the form of firewood, charcoal and bio-waste as well as renewable energy sources such as micro-hydro, geothermal, wind and solar.**

Action 1.1: Review the existing rates/tariffs.

Action 1.2: Promote the use of complementary sources of energy.

Action 1.3: Establish appropriate fiscal and financial incentives for renewable energy development to complement a “Rural Energy Fund” whose objectives include renewable energy programme and projects.

Action 1.4: Support R & D in renewable energy technologies.

Long Term Wins

Specific Objective 2: **To enforce rural electrification policy and establish computerised monitoring system.**

Action 2.1: Review and implement the existing policy on rural electrification.

Action 2.2: Establish a computerised database and billing system.

Action 2.3: Promote application of alternative energy sources other than fuel-wood and charcoal, in order to reduce deforestation, land degradation, indoor health hazards and time spent by rural women in search of firewood as well as minimising climatic change threats.

Action 2.4: Ensure continued electrification of rural economic centres and make electricity accessible and affordable to low-income customs.

Action 2.5: Promote entrepreneurship and private initiatives in the production and marketing of products and services for rural renewable energy.

Action 2.6: Support research and development on rural energy

5.3 Reducing Risks and Vulnerability

The vulnerable groups include the very poor and people with disabilities.. The rural poor are particularly vulnerable to adverse shocks due to climatic, economic, social and poverty-induced threats. Climatic changes compounded, and poor agricultural technologies, can result into poor harvests that often have a dramatic effect on the livelihoods of rural households.. Similarly outbreaks of pests infestation, plant and animal diseases can also have a dramatic effect on the rural population. During the Zonal Workshops, the SWOT Analysis

indicated that drought, floods, diseases, globalization-market failures and bad customs were particularly listed under threats faced by rural poverty stricken groups.

To address these adverse shocks rural households and communities have developed sophisticated strategies for mitigating and coping with risk. For example, households attempt to diversify their sources of income by planting different crops and plots, working for other farmers and combining farm income with non-farm income. They establish self-insurance networks through marriage and extended family ties and investment in social capital. Having many children is a way of managing risk for numerous families seeking to enlarge and diversify their household labour supply. They draw on their savings, take out loans, sell their meagre assets, increase their family labour supply by involving more members (women, children and the elderly), or migrate to unaffected areas.

Migration is particularly a serious problem to pastoralists who migrate in search for pasture, water and disease free zones. During the course of migration, pastoralists degrade land due to overgrazing, cause land use conflicts and spread animal diseases. When all else fails, they reduce their expenditures by taking children out of school and limiting the quality and quantity of food they eat.

The existing informal risk management strategies also fail to meet the needs of the poorest and disabled groups, who need social protection the most. Short-term coping mechanisms, such as taking children out of school have negative long-term consequences, as it leaves the family permanently without the skills it needs to raise its income. Some forms of informal insurance reinforce inequities, such as patron–client relationships between village elite and disadvantaged rural people.

(i) Problems and Constraints

Many rural households are exceptionally vulnerable to adverse shocks because:

- They lack most agricultural technologies (irrigation, pesticides, disease and drought resistant crop varieties), so cannot curb their exposure to weather – related risks, pests, and plant diseases.
- They have little or no savings and limited access to instruments designed to smooth income and minimize risks, so are severely affected by harvest failures and output price fluctuations.
- They lack access to transportation and communications technologies, so are vulnerable to natural disasters and illness.
- They lack access to veterinary drugs and professional veterinary services, so have difficulties in vaccinating against, or treating, livestock disease.

Migration is becoming more difficult as competing demands on land use increase.

- Furthermore, vulnerable groups face macroeconomic shocks, HIV/AIDS and other epidemics, corruption and political interference.
- In addition globalisation presents new challenges for rural development in view of the increasing integration of domestic and international markets.

(ii) Development Objective

Promoted a caring society that increasingly seeks to provide protection for the most vulnerable members of its communities.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To diversify income-generating activities.

Action 1.1: Capacity building and training on business skills and techniques.

Action 1.2: Create an enabling environment that improves access to financial services (credit, banking, insurance) to the poor, women, youth, etc.

Action 1.3: Collect and provide information on markets/prices.

Action 1.4: Introduce measures to help farmers gain access to drought and disease resistant crop varieties.

Action 1.5: Introduce measures to help pastoralists combat diseases and drought through water resources harvesting.

Specific Objective 2: To protect the legal rights of vulnerable groups, in particular women, orphans, disabled and the aged

Action 2.1: Revise laws on inheritance.

Action 2.2: Create awareness on revised laws and legal rights of vulnerable groups.

Action 2.3: Promote community-based support to the vulnerable groups.

Specific Objective 3: To ensure provision of basic social services for the vulnerable communities.

Action 3.1: Establish a special health services for people with disabilities.

Action 3.2: Strengthen the special educational services for people with disabilities.

Action 3.3: Introduce and improve mechanisms for enhancing social security for vulnerable groups.

Action 3.4: Provide a safety nets to ensure that the poorest people access social services.

Medium Term Wins

Specific Objective 4: To assist rural households and their enterprises manage risks and lessen the impacts of disasters when they occur.

Action 4.1: Create an enabling environment for crop and livestock insurance.

- Action 4.2:* Promote labour intensive (based) technology for public works programmes in rural areas (e.g. rural or feeder roads construction, or irrigation projects, etc.).
- Action 4.3:* Strengthen early warning systems and framework for quick response to disasters.
- Action 4.4:* Strengthen community-based targeting mechanisms for disaster management.
- Action 4.5:* Promote diversification of production systems as a way of coping with vulnerability.
- Action 4.6:* Map-up disaster prone areas.

Specific Objective 5: To ensure that changes taking place under the globalisation process have least adverse effects to the rural communities.

- Action 5.1:* Ensure prudent macroeconomic management (fiscal, trade, monetary policies) to avoid dumping and unfair competition.
- Action 5.2:* Remove local and cross border barriers trade.
- Action 5.3:* Establish information system for dissemination of international market information.
- Action 5.4:* Improve quality of products and local market network to compete with foreign products.

5.4 Good Governance

The importance of good governance has been highlighted in The National Development Vision 2025. It has been re-emphasised in various policies and strategies, including the Tanzania Assistance Strategy. A variety of actions have been put in place to achieve the goal of good governance. These actions include the Local Government Reforms, various sector reforms, and the formulation of National Anti-Corruption Strategy. Furthermore, Tanzania has a strong tradition of democratic decision-making at the village level. A Village Assembly elects a Village Government, which in turn appoints committees to oversee and supervise community services, such as the clinic, and activities. Mass education campaigns, the radio, and newspapers have been used to raise public awareness about civic issues. The continued strengthening of local authorities, devolution of authority to the district and local levels, and the creation of a transparent and democratic system are all priorities. However, the policies have not been fully implemented, and the following issues need to be dealt with:

- Devolution of powers (political and financial) that will give local government authorities autonomy and capacity to implement locally derived plans according to their own priorities. Implementation is ongoing but slow.
- The legal framework for local government authorities to operate under the new system is not yet fully in place. The process of harmonizing the enabling legislation and other sector specific laws is yet to be completed. The role of the regional secretariat and its relation with local authorities (councils) has been revised. Legislation supporting the new roles has been enacted, but implementation is weak.

- The governance related reforms are being implemented independent of each other with little or no co-ordination. Critical elements of these reforms have not been realized. For example, devolution of political power to local councils, making ministries and other Government agencies more cost effective, curbing public sector malpractice including corruption and bribery, and increased effectiveness and efficiency in public service delivery are not well coordinated.
- The justice system at the community level is weak. Facilities are inadequate and there are an insufficient number of qualified magistrates. In addition, petty corruption and gender bias often pervert the course of justice. In some cultural situations religious law may take precedence over civil law, and in these circumstances women may be disadvantaged. Legal representation is not provided for, and access to legal aid with respect to appeals is generally not available.
- The enforcement of law and order is weak. There is general dissatisfaction with the police, and rural communities do not feel that their interests are being served. Petty corruption, and under performance of duties are common.

Village governments potentially have a key role in the implementation of democratic governance. The decentralisation of authority and resources will increasingly give them a bigger role in the planning, management and monitoring of services and programmes. However, they are weak and need to be strengthened in terms of leadership, organisational, and financial management skills.

5.4.1 Strategic Priority Areas

(a) Decentralization and Empowerment

Strengthening of the Village Governments is required. This applies, particularly the Village Land Council, upon which the Land Act 1999 bestows various tasks pertaining to land ownership, disposition, mortgage, lease, etc. One measure is to appoint village government officials who are educated and capable to address and/or undertake responsibilities assigned to them by the Central Government for the development needs of the local communities.

To enhance local accountability, fiscal decentralization must be accompanied by policies that allow local governments to make budget decisions without interference from the centre and that make them accountable to citizens for taxing and spending decisions. In general this requires giving each level of Government the right to hire, pay and discipline staff; manage and provide local services; levy taxes and collect fees for services; and determine the level and mix of services to provide. Community driven development projects generate benefits through community participation. Such benefits include better design of project, implantation and sustainability. Communities control over funds' management and procurement decisions help stimulate local private sector development by encouraging communities to purchase goods and services from local suppliers, including NGOs and CBOs.

(i) Problems and Constraints

Shortfalls in good governance and in development management have been identified with the lack of accountability on the part of the leaders. The goals of the Arusha Declaration were precisely meant to put control of the economy in the hands of the people. Unfortunately, the public sector-led approach that was adopted in the implementation stage was not effective in

empowering the rural Tanzanians. Instead, it gave undue power to central Government institutions and eroded the institutional mechanisms (e.g. cooperatives, local governments), which could enhance peoples' participation in development management. Appropriate policy instruments and incentive system for rural development of the rural Tanzanians were not put in place. Non-involvement of the people in development management has engendered a culture of dependency on the Government as the sole player in solving problems facing the people.

There is a need for more effective devolution of powers to local authorities. This is particularly apparent with regard to local authority finance. Financial mechanisms that are intended to support the decentralisation process and the devolution of powers have not been fully implemented. In particular, there continue to be constraints in relation to:

- The distribution of development expenditures. This is a major issue in relation to rural economic and social development. The small proportion of the development budget under the control of local councils is in clear contrast to the policy objectives for financial decentralisation. An increased volume of the Local Government Reform Programme (LGRP) activities would change this situation.
- The elaboration and agreement on a formula for an equalisation grant, which could benefit the poor, is still not in place. Instead the bulk of Government transfers are directed towards salaries of personnel working with social services, some of which have very little income generation effect.
- The distribution of donor finances for specific programmes. Where resources have been channelled through the respective line ministries and too small a proportion of the funds have benefited the end user.

(ii) Development Objective

Created Local Governments that have the capacity to plan and facilitate the implementation of rural development strategies and programmes.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To provide local authorities with the financial authority and resources outlined under the Local Government Reform in order that they can take an active role in implementing the Rural Development Strategy.

- Action 1.1:* Finalise the formula for the equalisation grant based on a performance related management approach.
- Action 1.2:* Review of the procedures for the decentralisation of development expenditures, including increasing the volume of unconditional block grants.
- Action 1.3:* Review of the procedures for the distribution of donor programme-specific finance.

Specific Objective 2: To re-enforce and strengthen the reform of Local Government.

Action 2.1: Complete the restructuring of the regional secretariats, its roles vis-à-vis local authorities clarified and its capacity improved.

Medium Term Wins

Specific Objective 3: To enable local governments formulate their human resource capacity so that they can effectively implement their district planning and development functions.

Action 3.1: Empower councils with the legal authority to manage their own personnel and introduce cost-effective management procedures.

Action 3.2: Implement the block grants to facilitate the development of district council personnel management systems.

Specific Objective 4: To establish a legal framework that is supportive of the decentralisation policy.

Action 4.1: Complete the harmonisation of the legal framework (sectoral laws and local government legislation).

(b) Participatory District Planning

(i) Problems and Constraints

Participatory planning is one of the key elements of the decentralisation of local government. The Local Government Reforms emphasise efficiency and cost effectiveness of service delivery. The Reforms also state that local authorities will consult and involve communities through such mechanisms as public hearings, and participatory planning. Community based management strategies are intended to be a strong feature of rural development. It is essential, therefore, that communities are actively involved in the preparation of district development plans.

Similarly, it is expected that the private sector and NGOs will be active partners in rural development planning. However, this kind of partnership between local authorities, private sector and NGOs needs to be facilitated and strengthened. It is envisaged that the RDS will enable NGOs/CBOs and the private sector play a more proactive role in assisting local councils plan, manage and maintain social services and infrastructure.

(ii) Development Objective

Increased participation of rural communities, NGOs and the private sector in the formulation of district-level development programmes in order to promote more effective implementation of such programmes.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To create an enabling environment for the implementation of participatory planning processes.

Action 1.1: Create public awareness about the leadership code of ethics for councillors and staff and other leaders, and about individual and community rights and responsibilities in local governance.

Action 1.2 Implement the leadership code of ethics in the local authorities.

Action 1.3: Develop processes and procedures for notifying the public about council business and decisions.

Action 1.4: Build leadership capacity at the ward and village levels.

Medium Term Wins

Specific Objective 2: To enhance the implementation of the district annual participatory planning process.

Action 2.1: Build capacity of all stakeholders to enable them to effectively participate in the process.

Action 2.2: Develop mechanisms to facilitate the involvement of the private sector and NGOs.

Action 2.3: mainstream gender issues into the local authority and village governance programmes through capacity building and the development of participatory planning procedures.

(c) Participation of NGOs and CBOs

NGOs are important providers of social services and key partners to both local authorities and communities. However, important as they are NGOs and CBOs have weaknesses, which need to be addressed in formulating an RDS. The latter are particularly weak in the following areas:

- Financial management, including financial transparency and accountability;
- Skills and strategic management in sourcing funds;
- Networking in order to share information with other NGOs/CBOs, and avoid unnecessary duplication of services;
- Project design and management.

It is necessary if NGOs/CBOs are to participate as effective partners in rural development to engage in capacity building.

There are two other major constraints to the development of an effective civil society organisations - private sector – local authority partnership. They are:

- Communication between District Councils and non-governmental or community based organizations. It tends to be weak, due to lack of co-ordinating structures and, in some cases, suspicion on the part of Councils; and
- A weak private sector. The private sector is poorly developed in most rural areas, but most councils have yet to exploit the considerable potential that exists for public-private sector partnerships.

(i) Development Objective

Promoted NGOs and CBOs that have the capacity to effectively participate in rural development.

(ii) Strategic Interventions

Quick Wins

Specific Objective 1: To create an enabling environment for NGOs and CBOs to participate in the processes of implementing rural development strategies.

Action 1.1: Finalise an NGO Policy that has support of all NGO networks.

Medium Term Wins

Specific Objective 2: To develop the capacity of NGO networking organisations and their members.

Action 2.1: Formulation of capacity building strategies and plans by the umbrella NGOs to assist their member organisations.

Action 2.2: Integration of capacity building initiatives into all development programmes that is primarily implemented by NGOs.

(d) Justice, Security and Corruption

(i) Problems and Constraints

Justice and security are essential components of social well-being. In the rural areas the application of justice and the enforcement of law and order often fall below generally accepted standards because:

- Primary Courts are unable to cope with the demand. Cases take a long time to be processed. The number of serving magistrates is not able to keep up with the caseload.

- Corruption, inconsistent application of the law, and gender bias, both in the Primary Courts and the police, lead to injustice. Only a small number of magistrates are female.

Wide spread petty corruption amongst all levels of governance negatively affects service delivery, tax collection, promotion of the private and civil society sectors, and is a cause of further injustice and harassment.

(ii) Development Objective

Promoted a stronger sense of social justice and security based on well-functioning and transparent legal system.

(iii) Strategic Interventions

Quick Wins

Specific Objective 1: To improve accountability in the legal and law enforcement services.

Action 1.1: Implement the National Anti-Corruption Strategy, giving priority to the legal and law enforcement services.

Action 1.2: Equitable enforcement of the laws related to the detention of individuals awaiting trial.

Action 1.3: Introduction a time limits for the hearing of cases.

Specific Objective 2: To create a more gender responsive legal and police services.

Action 2.1: Introduce gender issues into the training courses of magistrates, state attorneys, and police officers.

Action 2.2: Develop guidelines for dealing with cases that are concerned with violence against women.

Medium Term Wins

Specific Objective: 3: To improve the efficiency of the Primary Courts and rural police services.

Action 3.1: Increase the intake of trainees.

Action 3.2: Develop strategies for attracting a greater number of women into the judiciary and police services.

Action 3.3 Minimise manpower attrition through HIV/AIDS by introducing AIDS education activities into pre- and in-service training activities.

Action 3.4: Review and rationalize the functions of the Primary Courts, taking into account the variety of cases that are dealt with.

Action 3.5: Increase financial resource allocation to Primary Courts.

Long Term Win

Specific Objective 4: To strengthen the capacity to review legislation that relates to justice and social and human rights.

Action 4.1: Re-focus, through the provision of appropriate resources, the activities of the Law Reform Commission on legislative review.

(e) HIV/AIDS

(i) Problems/Constraints

Given that the Impact of HIV/AIDS on the rural communities is increasing, the rural economy will continue to deteriorate unless measures are taken to contain and eventually reduce HIV prevalence.

(ii) Development Objective

Reduced HIV prevalence by:

- Reducing by 50% the vulnerability of youth to HIV/AIDS/STD.
- Obtaining 30-50% behaviour change among mobile population groups.
- Ensuring that safe blood is available in all blood transfusion sites.
- Reducing by 25% the number of people living below the poverty line thus reducing the number of prostitution.
- Improving the well-being and acceptance of people living with HIV/AIDS.

(iii) Strategic Interventions

The Government has put in place a Multi-Sectoral Medium Term Plan (MTP 1998-2000), which promotes country best practices, including the following interventions:

- Provision of adequate STI services.
- Ensuring availability of safe blood in all transfusion sites.
- Promotion of condom use.
- Establishment of strong monitoring and evaluation system.
- Introduction of education on HIV/AIDS in all schools.
- All districts having active HIV/AIDS programmes which are community-based.
- Intensify awareness campaign by political, religious and civil leaders particularly in the rural areas.

6.0 CO-ORDINATION OF THE RDS IMPLEMENTATION

6.1 Background

The RDS is a comprehensive and holistic approach to an improved economic and social development of the rural and less urbanised areas. The strategy cuts across sectors and institutions, and is closely linked to the implementation of other national policies and strategies. The Rural Development Strategy builds on the Rural Development Policy, the National Poverty Eradication Strategy, and the Poverty Reduction Strategy Paper. Its implementation is linked to ongoing reforms in the various Government sectors, at the local Government level, and in the private sector. Thus, the RDS is part and parcel of a much broader strategic change to the way in which Tanzanian society functions. It is, in fact, a key part of that strategic change, and therefore requires involvement of the political authorities at the various levels.

The proposed mechanisms of co-ordination and co-operation must be seen in the context of the four priority areas of the RDS: economic development, infrastructure and provision of social services, good governance, and the management of risk and vulnerability in the rural areas. Implementation of the strategic actions relating to each of these four areas will require the co-operation of several actors along the vertical and horizontal dimensions at central, regional and local levels.

6.1.1 Institutional Framework for Rural development

The institutional framework for the RDS will focus on the monitoring and coordination tasks, as actual activity implementation will take place by institutions in the various sectors. However, there are some areas where new or restructured institutional arrangements are recommended in order to facilitate implementation of the proposed rural development programmes:

- (i) Rural development involves many stakeholders. All Government ministries, local authorities and executive agencies have a role. The private sector, civil society and donors also have a major part to play. Given the diversity and number of stakeholders, implementation of the RDS will need extensive coordination and effective monitoring. Stakeholders will need to be drawn together, and assisted to work in partnership. It is therefore recommended to establish a National Rural Development Council (NRDC), which will have the mandate of promoting and monitoring rural development, programmes in all sectors. This Council will be located in President's Office, Regional Administration and Local Government. NRDC will be a central coordinating body and not an executing body. It will be responsible for ensuring that rural development programmes are formulated and implemented in various institutions. Each Ministry will be required to formulate a rural development programme based on the agreed national Rural Development Policy.

NRDC will have representation at the regional and local levels, utilizing existing structures to the extent possible. The existing networks at the local level (e.g. villages, vitongoji, mitaa) should be integrated into the NRDC framework as major partners in the NRDC programmes. The NRDC will be entrusted with the task of sensitizing policy makers on rural development of Tanzanians.

- (ii) Reorient the focus of the President's Office, Regional Administration and Local Government towards rural development. Local level development management will be promoted in a participatory manner bringing on board all actors in development with a view to realizing integrated development at the level of local communities, districts, regions and zones in neighbouring regions (e.g. the Lake Victoria basin, the Mtwara Corridor).

6.1.2 Rural Development Secretariat

The implementation of the RDS needs the support of an office that has recognised influence and authority. It will also need a professional permanent body to drive the implementation forward.

Thus, to promote the initiatives and host co-ordination and co-operation a Rural Development Secretariat will be located where the NRDC is placed. The secretariat will be small and be given a status that will allow it to interact directly with all ministries on a continuous basis.

The Rural Development Secretariat will have the responsibility of:

- Ensuring that the stakeholders mandated to implement each of the key strategic areas fulfil their responsibilities, collaborate with each other, and work in unison.
- Ensuring that the priorities defined in the Medium Term Expenditure Framework are reflected in the implementation of the RDS, and that the MTEF reflects the priorities of the RDS.
- Advising on the allocation of budgetary resources at central and local levels.
- Developing mechanism for fully involving the private sector and civil society in the implementation of RDS priorities.
- Monitoring and reporting on the overall implementation of the RDS.

In order to be able to carry out these functions a budget will be provided for the Secretariat.

The Rural Development Secretariat will have the authority to liaise, at all levels, directly with ministries, regions, council, private sector and civil society organisations, as well as the donors.

The RDS Secretariat will liaise with the Secretariat of the Inter-Ministerial Technical Committee, and report directly to the Inter-Ministerial Technical Committee.

6.1.3 Horizontal Co-Ordination

(a) Central Governmental Co-ordination

At the central Government level the move from strategy formulation and decision-making to implementation requires a high degree of co-operation between the policy makers. The RDS highlights key issues that involve various stakeholders, and where the Secretariat will need to ensure that there is effective co-ordination. They are:

- *Legal framework of sectors.* Co-ordination of the legal framework in the various sectors with the RDS.
- *Public finances.* Review of the legal framework for the management of public finances with particular reference to financial decentralisation. Rural development will benefit from serious financial decentralisation initiatives.
- *Taxation issues.* Double or triple taxation, unproductive taxes, low yielding taxes and taxes that only annoy and frustrate small-scale producers are counter-productive to development in the rural areas. Rationalisation of taxation is essential for rural development.
- *Environmental interventions.* Environmental regulation is placed under the Vice President's office, but various ministries also have authority and responsibility for environmental management. Strong co-ordination initiatives are needed if this issue is to be integrated into the RDS.
- *Governance issues.* The new model of governance is now fairly well developed and gradually better understood in most sectors. However, there are still some problems in the implementation of the new governance model based on:
 - New division of responsibilities between the private and the public sector.
 - Ministries responsible for policies, quality assurance, standards and facilitation.
 - Local Government authorities responsible for public service delivery and local development.
- *Specific sector interventions.* Each of the sector ministries is expected to play a role as policy makers, facilitators and quality assuring in the new governance model. If well co-ordinated the sector ministries will play a crucial role in the rural development process.
- *The regulatory framework for SMEs.* Fostering development of SMEs in the rural and less urbanised areas will require a more conducive regulatory framework and various changes making it easier for small-scale entrepreneurs to open and operate their businesses. These changes, that will involve central ministries and local government, are fundamental to the implementation of the RDS.
- *Training and capacity building.* Co-ordination of training and capacity building at the local government level lies with the PO-RALG. However, training in relation to economic development requires private sector qualifications.

6.1.4 Vertical Co-ordination

The Rural Development Secretariat in the President's Office initiates vertical co-ordination. It requires consultations and deliberations with the regions and in particular with local government institutions, NGOs and other bodies at the various levels. The vertical co-ordination consists of the following functions:

- *Co-ordination of the legal framework* The strategy requires specific initiatives in order to streamline the legal framework, which has an impact on central Government relations with local institutions within the context of rural development. The Law Reform Commission might be the appropriate institution to assist with the preparation of any changes principal or subsidiary legislation.
- *Finance management:* Co-ordination of central Government finance management with local government finances as only been achieved to a limited extent, The RD Secretariat will need to work closely with the PO-RALG and the Ministry of Finance on these issues.
- *Quality assurance:* The sector ministries and the PO-RALG all have obligations in relation to quality assurance and will need to co-operate with the various local government departments in this respect. The regional secretariats, within their limited human resource capacity, will also have a role to play.
- *Development funds:* Decentralisation of development funds will require a restructuring of the approach towards development expenditures and co-ordination with various donors.

The Rural Development Secretariat, in fulfilling its functions will require the co-operation of the districts and regional administrations. These two levels will play specific roles, and will be held accountable for their performance.

(i) The District Level

The district level will in most cases include urban councils, since many of these include large rural areas and villages within their jurisdiction. The district level also includes lower level councils.

At the local level, the district (and urban) councils are the only existing institutions with a mandate broad enough to take the responsibility for the implementation of the RDS. Rural development is in the direct interest of the local government authorities because of its positive impact on the local revenue generation. The activities at the district level include:

- Improved social service delivery in the rural area. This will be done according to sector service delivery plans, and in co-ordination with NGOs, private service providers and lower-level councils;
- Co-ordinated district development planning. A co-ordinated approach to development planning based on input from all sectors and participation of rural communities;
- Facilitation of economic activities. The standing committee of the council dealing with economic development will initiate consultations and negotiations with the various categories of producers in the private sector;
- Special initiatives directed towards the village level.

The preparation and review of the annual district plans will act as a vehicle for the co-ordination and monitoring of RDS implementation. The annual review will involve representatives from the private and NGO sectors.

The Council Management Team (CMT) will undertake the ongoing co-ordination of the RDS at the district level. The CMT will hold quarterly review meetings. Representatives from the private and NGO sectors will be co-opted on to the CMT for these quarterly review meetings. A small RDS Secretariat that is based in the planning office of the local authority will support the planning and monitoring functions of the District Management Team. The secretariat will be provided with an appropriate budget.

The district councils report to the President's Office, Regional Administration and Local Government (PO-RALG). The Rural Development Secretariat will liaise closely with the PO-RALG in terms of monitoring the implementation of the RDS by the district councils.

(ii) The Regional Level

At the regional level, the Regional Consultative Committee (RCC) will play a key role. The current functions of the RCC are quite appropriate the implementation of the RDS. These functions are to: -

- (a) Consider and provide advice to local government authorities regarding their development plans.
- (b) Provide advice to any interested party on economic and development affairs in the region;
- (c) Consider reports and advise the Government on national development projects, programmes and activities affecting or relating to the region;
- (d) Consider reports and advise on the activities of parastatals and of co-operative societies and other NGOs operating in the region;
- (e) Monitor and ensure the coordination of the overall economic development in the region;
- (f) Discharge any other functions which the Minister may direct in respect of all or any consultative committee.

In addition, there are some functions that will take place at the regional level, including:

- Information and sensitisation of regional institutions and stakeholders on the RDS.
- Assistance with conflict resolution between various economic groups, such as pastoralists versus farmers.
- Co-ordination of regional, industrial policy initiatives that cut across districts.
- Environmental protection campaigns and supervision in co-ordination with the districts.

7.0 MONITORING AND EVALUATION SYSTEMS

Monitoring of the RDS will be linked to the development monitoring mechanisms that are currently being designed. Under the guidance of the National Steering Committee for poverty reduction, monitoring mechanisms are being developed in respect of Survey and Census, Research and Analysis, Routine/Administrative Data and Dissemination. Data will be used from each of the monitoring programmes to assess overall progress on the RDS. There is need, however, for strengthening the design of the monitoring process (cross-sectoral) and providing feedback to implementing agencies based on outcomes. Hence there is a need to strengthen links with PRSP monitoring process and build on it for the outcome indicators associated with rural development. As information from the 2000 HBS will enable location specific benchmarks for subsequent monitoring, the RDS should anticipate their incorporation in the systems for monitoring outcomes in rural development.

In addition, the monitoring activities will take into account the priorities set in the Medium Term Expenditure Framework, taking cognisance of any adjustments made to the RDS in view of the MTEF.

7.1 Monitoring Framework

The monitoring of the Strategy will be guided by five fundamental criteria:

- ◆ *Implementation schedule.* Adherence to the implementation schedule in respect of time frame, financial requirements for each time segment (period), attainment of objectives, etc.;
- ◆ *Standards.* Observation and fulfilment of set national minimum standards where these are applicable;
- ◆ *Consistency with national development goals.* Adherence to the national policies as stipulated either in the constitution or relevant pieces of legislation;
- ◆ *Cohesiveness.* Attention to the linkages between the priority areas in the Strategy, and specific actions within each area to ensure that there is consistency;
- ◆ *Stakeholder performance.* Performance of the various actors at the district level and below in relation to fulfilling their mandate, executing their roles and responsibilities and effectiveness of their plans and activities, i.e. delivering services and attaining the stated goals and objectives.

Monitoring will take place at two levels. At the first level, the monitoring will focus on the progress made in implementing the Strategy as a whole. At the second level, monitoring will focus on progress made in implementing the specific actions detailed in the each of the four priority areas. Monitoring at the second level will be based on the monitoring and evaluation plans that are prepared in the detailed programme design stage. The focus will be on the impact of specific programmes and activities developed to implement specific strategic objectives.

Thus, monitoring of the implementation of actions will be based on the above criteria and specific *performance indicators*. Performance indicators for each specific strategy are outlined in the LOGICAL FRAME. These will be used as a guide to undertake the more detailed monitoring and evaluation process for each action area.

7.2 Preparation and Review of District Development Plans

The districts have a major role in the implementation of the RDS. District development plans will be used as a tool for integrating specific RDS actions into overall district development activities. District development plans and the related annual reviews of the implementation of those plans will serve as a core focus for monitoring.

The annual review will involve all key stakeholders – communities, private sector, and civil society. An annual RDS assessment report will be prepared and submitted to the President's Office (Regional Administration and Local Government) and the RDS Secretariat.

The annual review will be supported by the work of a district monitoring team, formed under the guidance of the council's Finance and Planning Committee. The Council is (according to law) allowed to establish a sub-committee with representatives from other stakeholders for the same.

7.3 The Role of Line Ministries

The central Government ministries have a key role in the implementation of the RDS, particularly in respect to policy and legislation amendments, decentralisation of resources, and technical advice and training. The ministries will prepare annual RDS progress reports for submission to the RDS Secretariat and discussion at the Inter-Ministerial Technical Committee.

7.4 The Role of the Private Sector and Civil Society

Both the private sector and civil society organisations (NGOs, CBOs, etc) are expected to take a major role in the implementation of the RDS. As part of the Government's broader privatisation strategy, it is expected that they will make a significant contribution to the RDS both in terms of enhancing service delivery and creating employment through investment in the rural areas.

Whilst the monitoring of the RDS is primarily a function that will be carried out by central and local government, monitoring data will be reviewed with the private sector and civil society. At the district level this will happen through the co-option of representatives on to the district management teams and at the annual district plan review. The local business council will serve as another forum for this monitoring consultation.

At the national level existing bodies will serve as a vehicle for consulting the private sector and civil society on the progress of the RDS. In the case of the private sector the National Business Council, and the Tanzania Chamber of Commerce are potential consultative bodies. In the case of civil society the Tanzania NGO Council and other umbrella NGO organisations are potential consultative bodies.