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PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 141.9 MILLION
(US\$220 MILLION EQUIVALENT)

TO THE

UNITED REPUBLIC OF TANZANIA

FOR A

PRODUCTIVE SOCIAL SAFETY NET PROJECT
(APL I)

March 6, 2012

Social Protection Unit
Human Development
Eastern Africa 1 (AFCE1)
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective January 31, 2012)

Currency Unit	=	Tanzania Shilling
TZSh1,591	=	US\$1
US\$1	=	SDR 0.6447

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

APL	Adaptable Program Loan
AWPB	Annual Work Plans and Budgets
BT	Basic Transfer
CAS	Country Assistance Strategy
CB-CCT	Community Based Conditional Cash Transfer
CBO	Community Based Organization
CCT/UCT	Conditional Cash Transfer/Unconditional Cash Transfer
CCTMC	Community Cash Transfer Management Committee
CDD	Community Driven Development
CEO	Chief Executive Officer
CMT	Council Management Team
CMC	Community Management Committee
COMSP	Community Savings Promotion
CPAR	Country Procurement Assessment Report
CPWMC	Community Public Works Management Committee
CSG	Corporate Strategy Group
CSO	Civil Society Organization
CT	Cash Transfers
DFID	Department for International Development
DPs	Development Partners
DRCCA	Disaster, Risk and Climate Change Adaptation
ESMF	Environmental and Social Management Framework
FIs	Financial Institutions
GDP	Gross Domestic Product
GOT	Government of the United Republic of Tanzania
HBS	Household Budget Survey
HH	Household
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
ICT	Information and Communication Technologies
IDA	International Development Association
IEC	Information Education and Communication Campaigns
IEG	Independent Evaluation Group
IFMIS	Integrated Financial Management Information System
IFPRI	International Food Policy Research Institute

IFRs	Interim Financial Report
ILO	International Labour Organization
IPP	Indigenous Peoples Plans
IPPF	Indigenous People Policy Framework
ISP	Implementation Support Plan
ISR	Implementation Status Report
LAC	Latin American and Caribbean
LGA	Local Government Authority
LGSP	Local Government Support Project
LIC	Low Income Country
M&E	Monitoring and Evaluation
MACEMP	Marine and Coastal Environmental Management Project
MDG	Millennium Development Goal
MIC	Middle Income Country
MIS	Management Information Systems
MKUKUTA/MKUZA	Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Tanzania/ Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Zanzibar
MOU	Memorandum of Understanding
MoF	Ministry of Finance
MTEF	Medium Term Expenditure Framework
MTR	Mid-Term Review
MVC	Most Vulnerable Children
NCB	National Competitive Bidding
NGOs	Non-Governmental Organizations
NSC	National Steering Committee
NSGRP	National Strategy for Growth and Reduction of Poverty (English abbreviation for MKUKUTA/MKUZA)
NSPF	National Social Protection Framework
O&OD	Opportunities and Obstacles to Development (a planning approach)
OPEC	Organization of Petroleum Exporting Countries
ORAF	Operational Risk Assessment Framework
PAA	Project Authority Area
PDO	Project Development Objectives
PFM	Public Financial Management
PIM	Poverty and Impact Monitoring
PMIS	Procurement Information Management System
PMO-RALG	Prime Minister's Office-Regional and Local Government Administration
PMT	Proxy Means Test
PPPU	Public Procurement Policy Unit
PPRA	Public Procurement Regulatory Authority
PPT	Project Preparation Team
PSNP	Productive Safety Net Program
PSSN	Productive Social Safety Net
PW	Public Works
RAP	Resettlement Action Plan
RAS	Regional Administrative Secretary
RPF	Resettlement Policy Framework
SC	Steering Committee

SET	Sector Experts Team
SOE	Statement of Expenditure
SP	Social Protection
SPWG	Social Protection Thematic Working Group
SSN	Social Safety Nets
TASAF	Tanzania Social Action Fund
TFCMP	Tanzania Forestry Conservation and Management Project
TFCP	Trade Facilitation and Competitiveness Project
TMAP	Tanzania Multi-Country AIDS Program
TMU	TASAF Management Unit
TZS	Tanzanian Shillings
UNICEF	United Nations Children's Fund
URB	Unified Registry of Beneficiaries
URT	United Republic of Tanzania
USAID	United States Agency for International Development
VA	Village Assembly
VC	Village Council
VCT	Variable Conditional Transfer
VPO	Vice President's Office
WFP	World Food Programme
WHO	World Health Organization

Regional Vice President:	Obiageli Katryn Ezekwesili
Country Director:	Philippe Dongier
Sector Director:	Ritva Reinikka
Sector Manager:	Lynne Sherburne-Benz
Task Team Leader:	Ida Manjolo

TANZANIA
Productive Social Safety APL I

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PAD DATA SHEET

Tanzania

Productive Social Safety Net (P124045)

PROJECT APPRAISAL DOCUMENT

AFRICA

AFTSP

Basic Information									
Date:	06-Mar-2012			Sectors:	Other social services (100%)				
Country Director:	Philippe Dongier			Themes:	Social safety nets (50%), Other social protection and risk management (30%), Participation and civic engagement (10%), Gender (10%)				
Sector Manager/Director:	Lynne D. Sherburne-Benz/Ritva S. Reinikka			EA Category:	B - Partial Assessment				
Project ID:	P124045								
Lending Instrument:	Adaptable Program Loan								
Team Leader(s):	Ida Manjolo								
Joint IFC: No									
Borrower: Ministry of Finance									
Responsible Agency: TASAF Management Unit									
Contact:	Mr. Ladislaus Mwamanga			Title:	Executive Director				
Telephone No.:	25522212583			Email:	lmwamanga@tasaf.org				
Project Implementation Period:	Start Date: 01-Jul-2012			End Date: 30-Jun-2017					
Expected Effectiveness Date:	01-Jun-2012								
Expected Closing Date:	31-Dec-2017								
Project Financing Data(US\$M)									
<input type="checkbox"/> Loan	<input type="checkbox"/> Grant		<input type="checkbox"/> Other						
<input checked="" type="checkbox"/> Credit	<input type="checkbox"/> Guarantee		Credit term: Standard IDA terms with a total maturity of 40 years, including a grace period of 10 years.						
For Loans/Credits/Others									
Total Project Cost (US\$M):	240.90								
Total Bank Financing (US\$M):	220.00								
Financing Source				Amount(US\$M)					
BORROWER/RECIPIENT				4.00					
International Development Association (IDA)				220.00					
UK British Department for International Development (DFID)				16.00					
SPAIN, Govt. of				0.90					
Total				240.90					
Expected Disbursements (in USD Million)									
Fiscal Year	2013	2014	2015	2016	2017	2018	0000	0000	0000
Annual	15.86	26.00	38.93	60.08	79.13	0.00	0.00	0.00	0.00
Cumulative	15.86	41.86	80.79	140.87	220.00	220.00	0.00	0.00	0.00

Project Development Objective(s)			
The Project Development Objective of APL Phase 1 is to create a comprehensive, efficient, well-targeted productive social safety net system for the poor and vulnerable section of the Tanzanian population.			
Components			
Component Name	Cost (USD Millions)		
1. Consolidation of Integrated Social Safety Net Interventions for extremely poor and food insecure households	140.00		
2. Institutional Strengthening	93.90		
3. Contingencies (Unallocated)	7.00		
Compliance			
Policy			
Does the project depart from the CAS in content or in other significant respects?		Yes []	No [X]
Does the project require any waivers of Bank policies?		Yes []	No [X]
Have these been approved by Bank management?		Yes []	No []
Is approval for any policy waiver sought from the Board?		Yes []	No [X]
Does the project meet the Regional criteria for readiness for implementation?		Yes [X]	No []
Safeguard Policies Triggered by the Project	Yes	No	
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10	X		
Involuntary Resettlement OP/BP 4.12	X		
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Effectiveness		Effectiveness	
Description of Covenant			
The Recipient has recruited to the TMU, an executive director, a director of finance, a director of internal audit, a director of operations and a procurement manager, all in accordance with the provisions of Section III of Schedule 2 to the Agreement. The Recipient has prepared and adopted the Project Manual, in accordance with the provisions of Section I.B.1 of Schedule 2 to the Agreement.			
(c) The Recipient has prepared and adopted the Annual Work Plan and Budget for the first year of Project implementation in accordance with the provisions of Section I.B.2 of Schedule 2 to the Agreement.			
Name	Recurrent	Due Date	Frequency
Effectiveness		Effectiveness	
Description of Covenant			
The Recipient has recruited to the TMU, an executive director, a director of finance, a director of internal audit, a director of operations and a procurement			

manager, all in accordance with the provisions of Section III of Schedule 2 to the Agreement. The Recipient has prepared and adopted the Project Manual, in accordance with the provisions of Section I.B.1 of Schedule 2 to the Agreement.

(c) The Recipient has prepared and adopted the Annual Work Plan and Budget for the first year of Project implementation in accordance with the provisions of Section I.B.2 of Schedule 2 to the Agreement.

Name	Recurrent	Due Date	Frequency
Effectiveness		Effectiveness	

Description of Covenant

The Recipient has prepared and adopted the Annual Work Plan and Budget for the first year of Project implementation in accordance with the provisions of Section I.B.2 of Schedule 2 to the Agreement

Name	Recurrent	Due Date	Frequency
Dated Covenant		6 months after effectiveness	

Description of Covenant

The Recipient shall, not later than six months after the Effective Date, provide financial management training, under terms of reference acceptable to the Association, for staff involved in financial management of the Project.

Name	Recurrent	Due Date	Frequency
Dated Covenant		6 months after effectiveness	

Description of Covenant

The Recipient shall, not later than six months after the Effective Date, establish a procurement filing and record keeping system, in form and substance acceptable to the Association.

Team Composition

Bank Staff

Name	Title	Specialization	Unit
Mercy Mataro Sabai	Sr Financial Management Specialist	Financial Management	AFTFM
Krishna Pidatala	Senior Operations Officer	ICT	TWICT
Vildan Verbeek-Demiraydin	Senior Results Management Specialist	Senior Results Management Specialist	SDNKR
Helen Z. Shahriari	Sr Social Scientist	Safeguards (Social)	AFTCS
Manuel Salazar	Sr Social Protection Specialist	Conditional Cash Transfers	AFTSP
Anush Bezhanyan	Sector Manager	Advisor	HDNSP
Philip Beauregard	Sr Policy Officer	Senior Counsel	HRSEP
Bella Lelouma Diallo	Sr Financial Management Specialist	Sr Financial Management Specialist	AFTFM
Phillippe George Pereira Guimaraes Leite	Economist	Economist	HDNSP
Rasmus Heltberg	Sr Technical Spec.	Sr Technical Spec.	SDV
Ann Jeannette Glauber	Senior Environmental Specialist	Safeguards (Environment)	AFTEN
Ida Manjolo	Sr Social Protection Specialist	Team Lead/Public Works	AFTSP
England Rogasian Maasamba	Program Assistant	Program Assistant	AFCE1
Suleiman Namara	Sr Social Protection Specialist	Community Savings Promotion	AFTSP
Donald Paul Mneney	Senior Procurement Specialist	Procurement	AFTPC
Mwanaisha Kassanga	Program Assistant	Program Assistant	AFCE1
Alex Kamurase	Sr Social Protection Specialist	Public Works	AFTSP
Wolter Soer	Coordinator	Coordinator	AFTSP
Christine Makori	Counsel	Counsel	LEGAF

David Mayala Mulongo	Urban Specialist	Urban Specialist	AFTUW		
Ana M. Lukau	Program Assistant	Program Assistant	AFTSP		
Cecilia Valentina Costella	E T Consultant	Climate Change Adaptation	HDNSP		
Muderis Abdulahi Mohammed	Sr Social Protection Specialist	Productive Safety Nets	AFTSP		
Janneke Hartvig Jorgensen	Nutrition Specialist	Nutrition Specialist	AFTHE		
Non Bank Staff					
Name	Title	Office Phone	City		
Juma Kayonko	Consultant	255616700787	Dar es Salaam		
Judith Standford	Consultant		London		
Christophe Ribes Ros	Consultant		Barcelona		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Tanzania	Dar es Salaam Region	Dar es Salaam Region	X		

Tanzania
Productive Social Safety Net (APL I)
PROJECT APPRAISAL DOCUMENT

I. STRATEGIC CONTEXT

A. Country Context

1. **Tanzania has shown a solid economic performance and high growth rates in the past decade, but decreases in poverty have been marginal.** Economic liberalization, sound macroeconomic policy and an expanding public sector have all contributed to a doubling in economic growth between 1998 and 2008 from 4.1 percent in 1998 to 7.4 percent in 2008. The 2007 comprehensive Household Budget Survey (HBS) noted that while there had been marginal decreases in poverty rates, the actual number of the vulnerable poor below the basic needs poverty line has increased from 11.4 million to 12.9 million during that same period¹ as a result of population growth. As of 2007, the income-poverty in Tanzania stands at very high levels, with 33.6 percent of the population living below the basic needs poverty line and 16.6 percent, or 6.4 million people below the food poverty line.

2. **The poorest 10 percent of the population did not benefit from economic growth.** According to the recent study **Tanzania: Poverty, Growth, and Public Transfers** (WB 2011), the impact of economic growth on consumption (by income group) has been relatively equal, excluding the highest 10 percent whose consumption rose more than average and the lowest 10 percent of the population who became worse off.²

3. **The poor in Tanzania remain overwhelmingly rural, dependent on agriculture as their primary source of income and living in households with high dependency ratios.**³ 84 percent of the vulnerable poor are rural households, highly dependent on agriculture (74 percent) both for income and food consumption. The average rural household has a larger household (6.7 members compared to urban households with 5.7 members), a higher proportion of dependents (children under 15 years old and elderly over 61 years), and less adult labor force capacity (further limiting income earning opportunities and exacerbating poverty).

4. **Food insecurity remains significantly high, particularly for rural Tanzanian households.** Given rural households high dependence on agriculture for both income and food consumption, variations in rainfall and vulnerability to climatic shock mean that income and food availability can vary significantly. In addition to limited and variable rainfall, rural Tanzanians suffer from the inexistence of proper markets in rural areas to allow them to sell any surplus and/or buy more to offset deficits in production; poor access to services and variations in

¹ 2007 HBS Tanzania

² World Bank (2011) “Tanzania: Poverty, Growth and Public Transfers: Options for a National Productive Safety Net Program”.

³ World Bank (2011) “Tanzania: Poverty, Growth and Public Transfers: Options for a National Productive Safety Net Program”.

soil quality. Food insecurity is also prone to seasonal variance in the supply and demand for food which, coupled with weak markets, leads to significant swings in prices and a drastic reduction in poor households' consumption. Seasonality is also translated into changing demand for labor. During the agricultural slack seasons, off-farm employment does not compensate for the drop in demand for agriculture-work, resulting in a gap of demand and supply for lean seasons in the short-term.

5. **Participation and enrolment in primary education remains high, but drops rapidly in secondary schools.** Uptake of primary education has improved significantly in recent years, aided by the introduction of free primary schooling. The net enrolment rate now stands at 95.4 percent⁴, and has stood at over 90 percent for 6 years. Enrollment rates are over 90 percent in all except one region. However, only 67.8 percent of children start school at the correct age (7 years old), and the percentage of primary cohort completing Standard VII lies at 62.5 percent representing a significant level of attrition. Although school attendance (not just enrolment) has also improved, almost 1 in 5 pupils are not attending school at any one time. Attendance by the poorest quintile is weakest at both primary and secondary schools, with poor children more likely to start school later and less likely to complete it.

6. **Malnutrition remains stubbornly high,⁵ with long-term consequences for educational attainment and adult productivity.** Poor nutrition in Tanzania, as elsewhere, is a consequence of a combination of inadequate and poor diets, poor caring practices, heavy disease burdens and poor hygiene and sanitation. Approximately 38 percent of children under five are stunted, with 13 percent severely stunted.⁶ Early childhood malnutrition has lifetime effects on productivity and well-being. Evidence from Tanzania also shows that improved nutrition increases years of schooling and school outcomes, and can raise long-term productivity (by 5-17 percent) and lifetime earnings (by 12 percent)⁷.

7. **The Government of the United Republic of Tanzania (URT) is facing the challenge of investing in the food security and human capital of the most vulnerable so that they can take benefit from economic growth.** Despite good economic growth, the high levels of poverty and food insecurity; poor social indicators (e.g., malnutrition or completion of basic education and their consequences for the intergenerational transmission of poverty mean that approximately 10 percent of the poorest Tanzanian households require permanent support. Therefore, the Government of Tanzania requires a comprehensive social safety net set to provide coordinated support as part of a systemic approach.

B. Sectoral and Institutional Context

8. **The Government of URT has recently launched the Second National Strategy for Growth and Reduction of Poverty (NSGRP II) (MKUKUTA/MKUZA II).** The NSGRP II participatory process identified actions under the following three clusters: (i) growth for

⁴ BEST 2010 National Data

⁵ 42.3% Tanzania Demographic Health Survey 2009/10 (using WHO growth reference data)

⁶ World Bank (2011) "Tanzania: Poverty, Growth and Public Transfers: Options for a National Productive Safety Net Program".

reduction of income poverty; (ii) improvement of quality of life and social well-being; and (iii) governance and accountability. This strategy includes commitments to improving and increasing social protection provision for both the economically active and vulnerable groups through a range of actions including: increasing the number of the vulnerable economically active population reached by social protection interventions in order to enable them to engage effectively in economic activities; and strengthening systems for effective access to minimum social protection package and exemptions and waivers. The Government is also finalizing a draft of a National Social Protection Framework (NSPF) which aims to improve coordination and speed up the implementation of social protection policies designed to improve the lives of the poor and most vulnerable groups (see Annex 9 for a précis).

9. In order to maximize the impact of targeted programs on the poor and food-insecure population, different interventions need to be introduced and coordinated. In Tanzania, there are currently a large number of transfer programs in implementation; many of them very small, fragmented, and with limited beneficiary coverage. According to the comprehensive study on Tanzania's Poverty, Growth and Public Spending (WB 2011), the existing programs deliver intermittent and inconsistent benefits (at times duplicative); the promotional aspect of transfer programs is not well served; the human capital objective is only reached at a small scale; and the program coverage is patchy, uncoordinated and very limited. With high levels of poverty, a combination of programs needs to be introduced with the aim of increasing consumption and improving the health and nutrition condition of poor households through sustained, year-long transfers; smoothing household consumption during lean seasons and creating community assets; and improving human capital accumulation of poor and vulnerable children.

10. Building on the progress achieved in recent years, the Government in its Tanzania Third Social Action Fund (TASAF III) Program Document (2011) has adopted a new approach to providing support to the poor and food insecure in a systematic way. The new approach includes the development and consolidation of a comprehensive safety net that more effectively addresses the needs of the poor and that will be consolidated gradually. The government program will achieve its objectives through the following sets of actions:

- (a) Establishment of a national safety net incorporating transfers linked to participation in public works and adherence to co-responsibilities;
- (b) Support to community driven interventions which enhance livelihoods and increase incomes (through community savings and investments as well as specific livelihood enhancing seed grants to facilitate asset building);
- (c) Targeted infrastructure development (education, health, water) to enable service poor communities to realize the objectives of the safety net and
- (d) Capacity building to ensure adequate program implementation by community, local government authorities, regional and national levels.

11. On the Government of the URT's request, the World Bank, DFID and the USAID have committed to support the safety nets component of the program and the elements of the capacity building component which support the Government's Program. The upcoming Bank support is underpinned and linked to other recent and ongoing collaboration explained below:

- (a) The Bank and other development partners are engaged in an ongoing policy dialogue on social protection, and this program provides an opportunity to operationalize a substantial part of the results of this dialogue.
- (b) The Bank has supported the Government with two phases of the TASAF since 2000 (see Box 1 in Annex 2).
- (c) Development of a safety net system has been a country owned initiative that encourages both harmonization and enhanced coordination amongst government and development partners. In this regard, the World Bank, in response to requests from the Government and in consultation with other partners, has contributed technical assistance to developing options for the required transformation in the sector towards a comprehensive, predictable and Productive Social Safety Net program (PSSN).
- (d) The design of the Tanzania Productive Social Safety Net has been informed by the findings of the Bank's Poverty, Growth and Social Transfers in Tanzania study.
- (e) Finally, preparation of the PSSN has drawn upon global experience in supporting governments to consolidate safety nets from Africa (Ethiopia Productive Safety Net Program (PSNP), Ghana, or Rwanda (Vision 2020 Umurenge Program - VUP) and from other regions (e.g., Latin America through conditional cash transfers programs).

C. Higher Level Objectives to which the Project Contributes

12. The proposed project will contribute to the achievement of the overall Government objective of enabling poor households to increase incomes and opportunities while improving consumption. Government strategy supports the concept of graduation by which the program is expected to assist households to move out of poverty and away from dependency on assistance transfers to an independent and sustainable livelihood. In this context, government expected outcomes from this strategy can be summarized as follows:

- (a) Vulnerable populations protected from severest consequences of poverty;
- (b) Vulnerable populations better able to support themselves through enhanced and diversified livelihoods; and
- (c) Access to an enabling environment enhanced, including access to key services in targeted communities.

13. The overall goal of TASAF III Program is to contribute to the achievement of the NSGRP II (MKUKUTA/MKUZA II) objectives and, through these, the millennium development goals. MKUKUTA/MKUZA focuses on three clusters:

Table: 1. MKUKUTA/MKUZA II Cluster II Outcomes

Cluster	Outcomes related to TASAF III
1) Growth and reduction in income poverty	<ul style="list-style-type: none"> • Broad based and equitable growth is achieved and sustained
2) Improved quality of life and social well-being	<ul style="list-style-type: none"> • Quality of life and social well-being, with particular focus on the poorest and most vulnerable groups improved • Inequalities in outcomes (e.g. education, survival, health) across geographic, income, age, gender and other groups reduced

Cluster	Outcomes related to TASAF III
3) Governance and accountability	<ul style="list-style-type: none"> • Accountability of leaders and public servants

14. The proposed project is directly related to the Africa Strategy through the Pillar 2: Vulnerability and Resilience. The new Country Assistance Strategy (CAS) for Tanzania is aligned to MKUKUTA/MKUZA II through all three of its clusters. In particular, the CAS, through its Objective 3: Strengthen Human Capital and Safety Nets also supports goal six of the second cluster: ‘providing adequate social protection and rights to vulnerable and needy groups’.

II. PROJECT DEVELOPMENT OBJECTIVES

A. Development Objectives (PDO)

15. The overall program objective of the APL series is to increase income and consumption and improve the ability to cope with shocks among targeted vulnerable population groups, while enhancing and protecting the human capital of their children.

16. The PDO of the first phase of support (APL I) is **to create a comprehensive, efficient, well-targeted productive social safety net system for the poor and vulnerable section of the Tanzanian population.**

B. Project Beneficiaries

17. The direct beneficiaries of the PSSN are poor and vulnerable households living in Project Area Authorities (PAAs) and villages identified as being worst affected by poverty. These households will benefit from a combination of basic and conditional cash transfers, cash transfer through participation in labor-intensive public works and advice and support concerning savings and investments. The first APL operation is expected to support about 275,000 extremely poor households and about 1.5 million people living in selected villages. Household participation in each of the safety net programs will depend on household composition of the targeted population and place of residence (Component 1 below). In addition to the direct beneficiaries, households living in selected villages will benefit from the creation of community assets under the labor-intensive public works component of the program.

C. PDO Level Results Indicators

18. The PDO level indicators will include the following (detail indicators in Annex 1):

- (a) Direct beneficiaries supported by the program
 - (i) Public Works Program;
 - (ii) Conditional Cash transfer (Safety Net Program);
- (b) Benefits reaching the poorest 20 percent of the population;
- (c) Proportion of beneficiaries/caretakers who know their rights and responsibilities in terms of their co-responsibilities, program rules and entitlements;
- (d) Proportion of registered household with updated information on compliance with co-responsibilities

- (e) Benefits to households transferred within 5 days of when they are due, according to the annual payment calendar issued by TASAF in January each year.

III. PROJECT DESCRIPTION

A. Project Components

19. The PSSN will provide a combination of a labor-intensive public works intervention and a cash transfer intervention. Both programs offer complementary benefits for the same group of the population (extremely poor and food insecure) and consequently will be implemented in the same villages and target the same households.

20. At the core of the PSSN is the provision of cash transfers to eligible households. Households will receive up to three transfers depending upon their household composition and, therefore, eligibility for different transfers following their selection using a common targeting system: (i) a basic monthly transfer to improve household consumption on an ongoing basis, transferred to all households registered in the program; (ii) a Variable Conditional Transfer for households with children or pregnant women to serve as an incentive for households to invest in the human capital of their children and the health of the pregnant women, which is subject to participants' compliance with a set of activities; and (iii) a seasonal transfer linked to participation in labor-intensive public works to increase and sustain household assets, and smooth consumption during lean seasons. Preliminary estimates show that around 90 percent of the eligible households have both children less than 18 years of age and adults able to work, so they would be eligible to participate in both programs and receive the three benefits.

21. The cash transfer intervention is intended to increase the household income on a permanent basis while the public works program seeks to provide a predictable transfer during the lean season to encourage beneficiary households to avoid negative coping decisions, which include selling assets, pulling children out of school and sending children to work. Both elements also seek to have long-term impacts. The cash transfer introduces co-responsibilities to encourage beneficiaries to invest in the education and health of their children and pregnant women. The public works may provide beneficiaries with a source of funds to enable saving and the accumulation of assets. Therefore, the combined interventions will offer support to extremely poor households to cope with current low consumption and seasonal shocks, as well as opportunities for a sustained improvement of living conditions.

22. The safety net will be built and supported by a set of instruments to: (i) select the poorest and register program beneficiaries; (ii) monitor program implementation and measure results; (iii) improve coordination with existing assistance interventions; (iv) gradually incorporate or merge new programs into the PSSN; (v) rationalize the social protection expenditure to minimize overlaps and fill gaps; and (vi) create and strengthen links between the safety net interventions with other programs to support beneficiaries to take the opportunities offered by economic growth.

23. The government will scale up the interventions gradually: Stage 1 (2012-2014) will cover up to 10 PAAs inclusive of Unguja and Pemba in the first year and up to 30 in the second year; and Stage 2 (2014-2016) in which all PAAs in the country will be supported by the PSSN and the target of 275,000 households will be achieved.

24. To achieve the development objectives, the PSSN would support the implementation of the proposed operation based on 2 components:

Component 1 –Consolidation of Integrated Social Safety Net Interventions for Extremely Poor and Food Insecure Households (Total Cost: US\$140.0 million; IDA- US\$135.0 million; DFID US\$5.0 million)

25. In order to maximize the impact of a social safety net in Tanzania, different interventions will be coordinated to target the extreme poor and food insecure groups. In this framework, the entry point of the social safety net will be based on the implementation and scale up of two complementary interventions: labor intensive public works and cash transfers.

26. The approach adopted by the PSSN, in which multiple interventions are targeted to the same households requires a common targeting mechanism to select eligible households and a unified registry of beneficiaries. While the PSSN is nationwide, geographical targeting intra-PAA, and community targeting methods with additional verification tools to minimize inclusion errors will be used to reach the poor. As explained in Annex 2 the targeting system comprised a two-step process of geographical and community targeting to minimize exclusion errors complemented by a Proxy Means Test tool as a verification mechanism to minimize inclusion errors and possible elite capture.

Sub-component 1A – Conditional Cash Transfers (Total Cost: US\$70.1 million; IDA: US\$70.1 million)

27. The cash transfer program will comprise two benefits. (1) A Basic Transfer (BT) equivalent to US\$5 per month per household to be transferred to all eligible registered households; and (2) a Variable Conditional Transfer (VCT) for households with children younger than 18 and/or a pregnant woman equivalent to up to US\$5 per households per month. The VCT will be transferred subject to compliance with co-responsibilities by each of the eligible members of the household, as follows:

- (a) Education: Annual enrollment of school-age children aged 5-18 in pre-primary, primary and secondary schools (where available) and regular attendance of at least 80 percent of the school days per month.
- (b) Maternal and Infant Health: all pregnant women within beneficiary households shall attend a minimum of four prenatal medical examinations; deliver at a health facility or assisted by skilled personnel and attend a post natal check up according to the country's health protocol. For children younger than two years, regular check-ups at health services at least once every month including regular growth monitoring and counseling and distribution of micro-nutrients; all children of the household aged between 24 and 60 months shall attend routine health services at least once every six months For all children younger than five years the health

facility will provide full immunization. These requirements are within the current government practice.

- (c) Workshops to reinforce nutrition practices and investment in human capital: At least one parent or guardian will attend monthly workshops organized by the program in coordination with the education, health and/or social welfare sectors to promote good nutritional practices, child care, home hygiene, water usage, as well as other topics including the importance of starting education at the right age.

28. As in other conditional cash transfer interventions, bimonthly payments under the PSSN will be authorized on the basis of compliance with co-responsibilities, following a management of benefits to be defined in the Project Manual. Transfers will be received by mothers except in cases where this is not feasible, a guardian will receive. Beneficiary households will register all eligible members in the program (i.e., children younger than 18 and pregnant women).

Sub-component 1B – Labor Intensive Public Works Plus (Total Cost: US\$69.9 million; IDA: US\$64.9 million; DFID: US\$5 million)

Public Works Program

29. The PW Program will offer a guaranteed 15 days of paid work per month for four months (totaling 60 days per year) to each eligible household (one member per household) targeted under the PSSN targeting. Households will be able to access the program over a number of years, as long as they remain listed by the common targeting mechanism, and will, therefore, be able to plan, save and even invest with the knowledge that this income can be earned. Households are eligible for the Public Works (PW) Program if they have been listed by the common targeting system and have at least one adult able-bodied member (between the ages of 18 and 65, not pregnant beyond 4 months or disabled).

30. Participants to the PW Program will work at a daily wage rate of US\$1.35 per day in the initial phase of the program (this rate may be revised over the course of implementation to take into account increases in prices of the food basket and basic needs). This rate, which is lower than the average market rate for unskilled labor, will provide a certain degree of self-targeting. It is expected that only those participants with no other, more attractive, livelihood alternatives or employment opportunities will be willing to participate in the PW program.

31. PW will operate only during certain periods of the year, when labor demand for agricultural activities is at its lowest – and just before or when additional income is most needed. The exact period of implementation of PW in each PAA will be determined at the PAA level, depending on the specific conditions of the PAA.

32. The wage component of PW funding will represent a minimum of 75 percent of the PW budget allocated for each PAA per year in order to maximize the number of households that can benefit from the transfers. This allocated budget per PAA, combined with the agreed daily rate and agreed number of days to be worked, will allow for a pre-determined number of households to participate in the PW program in each selected PAA. The 75 percent labor-intensity will be an average per PAA, as certain activities may use slightly more materials than others and will be

compensated by others that will be more labor-intensive. The other 25 percent of PW budget allocation will be used towards financing administrative costs including technical supervision and monitoring and capital inputs. Financing for these costs will be transferred before the beginning of the PW activities to ensure that tools and materials are procured in a timely manner.

33. PW activities will have to meet a number of criteria, in addition to labor-intensity. These include providing a public benefit and adhering to social and environmental safeguards. A technical manual of labor-intensive activities will be developed before the start of the project and will propose a menu of possible activities to be financed by the project. This menu will guide the community planning and identification of PW subprojects at the local level. It may expand after the first year of implementation, depending on the evaluation of the first cycle of PW activities. It is expected that the program will focus on small agricultural assets rehabilitation (such as small irrigation schemes), soil and water conservation, environmental and natural resources management activities, and small rural access roads. The PW technical manual will include technical design, work productivity norms, social and environmental mitigations measures.

Community Savings Promotion

34. The Community Savings Promotion (COMSP) will complement the PW program, by mobilizing beneficiaries to save through a group savings methodology. Activities to be financed will include community mobilization for savings, community groups institutional building, record keeping and technology based innovations (for example, using Information and Communication Technologies (ICT) where possible and provision of well designed savings messages to communities on a regular basis using mobile technology). As groups progress, they may be linked to legally-constituted financial institutions (FIs) to ensure that the poor operate in a viable and sustainable savings framework. A rigorous impact evaluation will be part and parcel of the sub-component implementation to assess the evidence of impact. This component will build on existing experience of supporting savings under TASAF II; see Box 1 in Annex 2.

Component 2 – Institutional Strengthening (Total Cost: US\$93.9 million; IDA US\$80.0 million; DFID US\$10.0 million; Government of URT US\$3.0 million; Spain US\$0.9 million)

35. The objective of this component is to: (i) support the Government of URT in the process of institutionalizing the PSSN as part of a national social protection framework; (ii) support TASAF to start the implementation of the PSSN under the current structure and gradually move towards permanent institutional arrangements; and (iii) support program management and monitoring and evaluation of the PSSN. The component will finance activities at national, PAA, and community levels aimed at improving accountability and transparency in the use of Project resources. It will have two sub-components:

Sub-component 2A –Strengthening TASAF and Supporting Implementation of the PSSN (Total Cost: US\$70.3 million; IDA: US\$66.4 million; URT: US\$3 million; Spain: US\$0.9 million)

36. The objective of this sub-component is to support TASAF and other implementing entities such as the Department of Social Welfare in carrying out the required operational reform

to effectively implement the PSSN. Given the shifted focus of the PSSN compared with the achievements and performance of TASAF under the previous two phases, there is need to provide ongoing support and assistance. The proposed operation will provide financial and technical assistance to implement activities including the following: (i) operational reforms and institutional strengthening that TASAF may require to improve efficiency in the implementation and monitoring of the PSSN; (ii) program management including procurement, financial management, supervision of operations including safeguards and human resource management; (iii) capacity building through training and technical assistance, advisory services, study tours and operational trips; (v) research and development and knowledge generation activities; (vi) use of ICT in support of Component 1A and 1B; (vii) research and development; and (viii) IEC of Project activities..

Sub-component 2B – Development of Systems for Implementation of Social Safety Net Intervention (Total Cost: US\$19.2 million; IDA: US\$12.2 million; DFID: US\$7 million)

37. To support the implementation of the social safety net interventions (Public Works and Targeted Cash Transfers), the proposed operation will provide assistance to develop and finance a set of instruments and systems that need to be in place before or during the initial stages of both programs. Specifically, the proposed project will support the following activities: (a) a unified registry of beneficiaries of social programs (URB); (b) management information systems; (c) information education and communication campaigns (IEC); (d) Supply side assessments; and (e) Strengthening operational capacity of TASAF and CMCs.

Sub-component 2C – Development and Strengthening of the M&E Systems (Total Cost: US\$4.4 million; IDA: US\$1.4 million; DFID: US\$3 million)

38. The PSSN M&E system will transform data collection, processing and information management into an integrated data system to facilitate the operation of PSSN components (CT, PW and COMSP) through the entire cycle, across all levels of government (TMU, Regional, and Local Government Authorities). To implement the M&E system, the project will finance consultant and non-consultant services, IT equipment, goods and operational costs to carry out the following activities: (a) a comprehensive impact evaluation; (b) regular process evaluations to assess program's operations. These evaluations will be carried out for both CT and PW interventions, the first one after one year of expansion; (c) beneficiary surveys and qualitative evaluation; (d) design and test grievance mechanism and enhance program accountability mechanisms; (e) field-based sampling verifications (spot checks); and (e) audits. Regular audits including financial and technical.

B. Project Financing

Lending Instrument

39. The Bank sees the Tanzania PSSN as an important operational vehicle for moving forward the process of creating and consolidating a permanent social safety net. The program provides an opportunity to: sustain the policy dialogue on options and broad national policy decisions; test program and transfer modalities; and, simultaneously, establish appropriate

delivery systems and develop institutional and implementation capacity. These decisions on national strategy and program choices will take time to refine, and therefore a programmatic approach is most appropriate. A multi-year, two phased Adaptable Program Loan (APL) with mid-term steps is suggested as this will allow time for the above policy debates and testing while ensuring that momentum is maintained in developing a comprehensive national social safety net.

Project Cost and Financing

Table: 2 APL I Project Costing (US\$ Million)

Components	Sources of Funds				Total	%
	IDA	DFID	Spain	GOT		
1. Consolidation of Integrated Social Safety Net Interventions for Extremely Poor and Food Insecure Households	135.0	5.0	-	-	140.0	58%
2. Institutional Strengthening	80.0	10.0	0.9	3.0	93.9	39%
3. Contingencies (unallocated)	5.0	1.0	-	1.0	7.0	3%
TOTAL APL 1	220.0	16.0	0.9	4.0	240.9	100%
%	91.7%	6.7%	0.4%	1.7%	100%	

The activities contemplated in APL I will contribute to achieve the high level objectives of a broader program, which also include a set of investments for gap filling in social and other infrastructure services.

C. Program Objective and Phases

40. The APL instrument will serve to support the TASAF transition through adequate technical assistance support and effective milestones to closely track the program towards the consolidation of a social safety net system. The program will consist of two phases. The first phase will support the development of the building blocks necessary for the establishment of a permanent and effective social safety net system in Tanzania; and the second phase will support expansion and functioning of the national safety nets system. **The overall objective of the APL series is to increase income and consumption and improve the ability to cope with shocks among targeted vulnerable population groups, while enhancing and protecting the human capital of their children.** With these overall objectives, the programmatic series of operations would be divided into two five-year phases:

- (a) APL I (FY 2013-to FY 2018). This first project (with a total funding of US\$220 million from an IDA credit, US\$16 million equivalent from a DFID grant, US\$0.9 million equivalent from a Spanish Cooperation grant and US\$4 million from Government counterpart) would cover the transition phase, focusing on consolidating the two main transfer schemes and developing the basic architecture

of the PSSN. The DFID and Spanish grants will be administered by the Bank under a multi-donor trust fund arrangement. **The Project Development Objective of APL Phase 1 is to create a comprehensive, efficient, well-targeted productive social safety net system for the poor and vulnerable section of the Tanzanian population by:**

- (i) Implementing and consolidating a seasonal labor intensive public works program;
 - (ii) Scaling up and consolidating a targeted cash transfer program and improving its operational arrangements;
 - (iii) Developing and consolidating a unified register of beneficiaries for the PSSN and a single targeting mechanism to reduce gaps and duplications in coverage; and
 - (iv) Transforming the existing institutional and administrative structures to consolidate permanent institutional arrangements in order to design, implement and monitor the social safety net as well as support informed decision making in the context of the national social protection framework.
- (b) APL II (FY2018-FY2022). The second phase (with a proposed funding of approximately US\$500 million) would build on these foundations to further consolidate the safety net and deepen technical improvements aiming at transforming Tanzania's PSSN into an effective social assistance and social service system. Such improvements would include:
- (i) integration of other transfer programs into the PSSN;
 - (ii) consolidation of the Registry of Beneficiaries as a tool for articulating social programs and rationalizing expenditures;
 - (iii) further improvements in service delivery, including possible mainstreaming of approaches to link PSSN beneficiaries to complementary services and develop tailored graduation strategies for improving their self-reliance;
 - (iv) further expansion of the PSSN programs, supporting additional efforts to consolidate the safety net;
 - (v) further improvements in the system for identifying the target population; and
 - (vi) on-going contributions to monitoring and evaluation.

41. The key achievements of the first phase – which would also constitute trigger indicators for moving to the second phase – are described in Table 3 below.

Table: 3. Triggers

Result Area	Triggers
Enhanced government capacity to build the institutional and implementation blocks for a permanent and effective social safety net.	<ul style="list-style-type: none"> - 100% of PSSN beneficiaries registered in a unified registry of beneficiaries (URB) - 70% of the URB entries updated according to the agreed program cycle - MIS for the PSSN is operational, integrated and generating regular and adequate reports - Recertification (re-targeting) process commenced in at least 50 PAAs* - Program parameters adjusted on the basis of evidence generated by spot checks, process evaluations, monitoring and impact evaluation
Efficient transfer of funds	<ul style="list-style-type: none"> - 75% of payments made within 5 days of when they are due - 70% of caregivers understand rights and responsibilities of the program

*Process of reviewing and applying of the updated questionnaire to the entire list of beneficiaries in each PAA based on the assessment of the proxy means test and the targeting process, and updating the information of the registry, including incorporation of new households and exclusion of others as appropriate.

D. Lessons Learned and Reflected in the Project Design

42. A recent study⁸ conducted by the World Bank and endorsed by the Government of Tanzania outlined the future potential and immediate needs with regards to safety nets in Tanzania. The study concluded that: Tanzania has achieved impressive economic growth, but without the hoped-for accompanying decline in poverty. A large share of the population is clustered around the poverty line; for many of them increasing the returns to their labor – either in agriculture or off-farm, is key to moving out of poverty. Productive safety nets can accelerate poverty-reduction by protecting immediate consumption while allowing the poor to participate more actively in the growth process, providing a cushion against shocks, and helping them escape inter-generational poverty traps.

43. The design of the PSSN Program has been informed by lessons learned in the implementation of TASAF II and the Social Safety Nets Review in Tanzania (2011). The design process has also drawn internationally from the implementation of the Ethiopia Productive Safety Net Program and conditional transfers in the LAC Region. Key lessons include:

44. **Community based targeting under TASAF II was found to be effective** in reaching needy households under the CB-CCT pilot and Support to Vulnerable Groups component. However, evaluations have suggested that “elite capture” may be an issue. To enhance the targeting mechanism, the design of the PSSN has incorporated the proxy means testing (PMT) as a verification mechanism in order to minimize inclusion errors.

45. **The PW has been supporting communities** through the implementation of one-off interventions. While this approach has been crucial for the improvement of local infrastructure, beneficiary households were still in need of transfers in subsequent lean seasons. The PSSN, drawing from international experience such as the Ethiopia PSNP, will support targeted households over a number of years with predictable and timely PW earned transfers to effectively protect them from falling further into poverty. In addition, the PSSN will combine the PW and the CCT/UCT support to targeted households to deepen the impact.

⁸ World Bank, 2011 “Tanzania: Poverty, Growth and Public Transfers: Options for a National Productive Safety Net Program”, World Bank

46. Through the promotion of group and individual savings under TASAF II, **households have demonstrated the ability to save and invest**. Households have also been able to use their own savings to address emergencies they face without depleting their assets. The PSSN will build on this success to help beneficiaries to be on the pathway to getting out of food insecurity sustainability, all things being equal.

47. **Involvement of sector ministries is instrumental** in achieving standards and quality of works. Sector ministry involvement also mean that where there are recurrent expenditures that the ministries have to take up, they are aware and include such expenses in their medium-term expenditure frameworks.

48. **Local Government leadership matters**. The performance of PAAs under TASAF II varied. Some PAAs performed much better than others in terms of project planning, implementation and expenditure justification. While many other factors account for such variations, the involvement of regional level leadership was seen as a critical factor for the performance. As part of the PSSN design, the regional level secretariat has been included in the implementation arrangements to monitor PAA performance.

IV. IMPLEMENTATION

49. The project will be implemented over 5 years. The emphasis of the first year after effectiveness will be on enhancing government capacity and consolidating the institutional building blocks of a social safety net as a system through component 2. During this first year, therefore, the expansion of coverage of the PSSN program (cash transfers and public works) will be modest (less than 5 percent). Full expansion will start during the second year of implementation after the project reaches the following key milestones:

- (a) TASAF has adopted an adequate administrative structure at central level, have hired adequate staff (in quality and quantity), and the main tools to implement the program have been developed and are in operation (URB, MIS and necessary IT equipment).
- (b) Payment mechanisms have been assessed and a decision, acceptable to IDA, has been taken regarding the payment system that will be adopted in each of the PAAs.
- (c) The implementation plan and the Cash Transfer and PWP Handbooks have been fully developed and are acceptable to IDA.

50. The government will scale up the program according to the roll-out plan (detailed at the end of Annex 2) to reach all PAAs by the fifth year of implementation. Actual implementation of the cash transfer and the public works programs in each PAA will be subject to compliance with the following activities: (i) Signing of the MOU; (ii) a payment agent and payments procedures acceptable to the Bank have been adopted; (iii) the PAA TA officer has been hired; and (iv) the supply side assessment has been finalized and the co-responsibilities by village have been defined. Om Mainland Tanzania, the MOU will be signed by the DED/Municipal Director, while in Zanziabar it will be signed by the Principal Secretary in the 2nd VPO.

A. Institutional and Implementation Arrangements

51. PSSN institutional and implementation arrangements will build on progress made in TASAF I and II with regards to operating within existing Government structures and under the direction of the Decentralization by Devolution Policy. (For details of the government decentralized structure, refer to Annex 3.) At National level, the proposed national social protection framework under preparation by the Government of Tanzania intends to mandate TASAF as one of the lead agencies for operationalizing social protection, while at Regional, Zanzibar and PAA level existing Government entities will provide the main program staffing. The governance structure of the program will be enhanced through: activities to increase understanding of the program by stakeholders, including beneficiaries; a strengthened grievance procedure; strong community participation; a robust system for managing payments and; a rolling training program to ensure effective implementation (see Annex 9 for further details).

52. **At national level**, TASAF will be under the President's Office with oversight vested in the National Steering Committee (NSC). Members of the NSC will be drawn from the public and private sectors and will take into account the sector ministries that have a safety net mandate (see Annex 3 for details). The NSC is responsible for setting policy, clearing the annual work plans and budgets, as well as reviewing the progress reports and monitoring the impacts of the PSSN activities. As explained in annex 2, TASAF will be administratively restructured to ensure that the day-to-day operation including the PSSN is carried out in accordance with the Project Manual; and is answerable to the NSC. The PSSN will place a TA in every PAA who will be primarily responsible to the TMU, although on a day to day basis he/she will work with the PAA. Sector Experts Teams (one for the mainland and one for Zanzibar) will be drawn from relevant line ministries and composed to technically support and coordinate relevant program activities. The existing Social Protection Thematic Working Group (SPWG) will continue to meet regularly on the broad range of social protection issues and programs in Tanzania. Development partners of PSSN and their Government counterparts will form a sub-committee of this working group to facilitate regular oversight of the program.

53. **At regional level** (on the Mainland), the Regional Administrative Secretary (RAS) will appoint a TASAF focal person from among the Regional Secretariat staff to liaise with PAA Directors in the respective region and get and consolidate implementation progress reports from PAAs. The RAS will strengthen accountability by reviewing trends in PSSN funded activities.

54. **At PAA level** the the PSSN will be managed by the LGA Director (who will sign a Memorandum of Understanding with TASAF articulating roles and responsibilities) and the PAA Finance Committee (which has responsibility for approving and overseeing program interventions). The LGA Director will appoint a Focal Person or Coordinator for PSSN funded activities and an Accountant to handle financials matters (including the consolidation of public works payrolls).

55. **In Zanzibar**, the PSSN will be coordinated by the Office of the Second Vice President (2nd VPO). The 2nd VPO will appoint Coordinators for Pemba and Unguja and a Focal Person in the officer of the 2nd VPO to oversee all PSSN activities. Unguja and Pemba will each have a

Steering Committee (SC) that will perform similar functions to the LGA Finance Committee, and a Management Team with responsibilities similar to the PAA Management Teams.

56. **At Village level**, the existing Village Council, Assembly and Shehia will play key roles in program oversight with specially constituted community committees playing operational roles. The basic and conditional cash transfer component will be managed by a Community Cash Transfer Management Committee (CCTMC) who will also have responsibility for conducting the initial household identification process as part of the program targeting. Public Works implementation will be managed by a Community Public Works Management Committee (CPWMC) which will be selected by the public works beneficiaries from amongst their number.

B. Results Monitoring and Evaluation

57. The Government has established a single monitoring and evaluation system for the NSGRP II for both Tanzania Mainland and Zanzibar. The PSSN is linked to the national monitoring system. The primary data will be collected by the Village Council, with technical assistance from the extension workers at the Ward and PAA levels, as well as the specialized non-governmental organizations working in the PAA areas. Data will be consolidated at the PAA for analysis and sharing with the regional and national level for further aggregation and dissemination.

58. The data analysis will be done at two levels, first at the PAA level and at the National level. At the PAA level all data will be captured into a simple computerized MIS at the PAA level. The necessary computing capacities and technical know-how will be strengthened through the capacity building program under the LGSP II complemented by the PSSN. In addition, a village level paper-based system will also be in place and will be strengthened by the Institutional Support Component. Regular monitoring of data will be augmented by a range of monitoring and evaluation tools as indicated in sub-component 2C.

59. Given the size of the project and the innovative character of the combined intervention, it is necessary to carry out continuous assessments (quantitative/qualitative surveys and spot checks), process evaluation and household impact evaluations to track project progress, inform further scale up, calibrate processes, know beneficiary perception and feedback, and measure outcomes and results. With these objectives, the proposed project will finance the following activities: (i) A rigorous independent impact evaluation of the combined safety net intervention (public works plus and cash transfers); (ii) regular process evaluations, (iii) beneficiary assessments; (iv) transparency and accountability assessments, including Community Score Cards and Citizen Report Cards, social audits and controls, feedback tools from beneficiaries and civil society; and (v) financial and technical audits (internal audits and independent audits). The main monitoring and evaluation activities are:

- (a) Independent and internal technical audits will be undertaken to ascertain the quality of the works, the management of the transfers and the overall financial management and procurement in the program.
- (b) Independent and internal studies and reviews to assess progress towards achievement of the planned outputs.

- (c) An independent impact evaluation using randomized sampling will be commissioned at project inception with the purpose of informing the stakeholders if the intended impacts have been realized, over a 36 months period based on the villages selected for the first year of program implementation. (A baseline survey will be conducted at the beginning of the program, and follow up surveys after 18 and 36 months).
- (d) Community score cards, citizen report card exercises and reporting by mobile phones in order to empower communities to exact accountability from PAA staff.

60. The TASAF MU will prepare annual and quarterly report and submit the reports to the IDA and other donors not later than 45 days after the end of the period being reported on. A Mid-Term Review (MTR) Report will be prepared and submitted to the IDA one month before undertaking an MTR.

C. Sustainability

61. Sustainability has been built into the design of the program in the following ways:

- (a) **Financial Sustainability.** Funding of the project has been structured in such a way that the Government will provide substantial amounts to demonstrate political will and commitment, with the understanding that the government's contribution will grow and compensate for reductions in development partners' support. The Government has already pledged US\$30 million for infrastructure, which is not part of the Project (US\$4 million has been made available for the Project for Component 2); and is committed to increasing financing for social protection. The challenge will be for all the donors and the Government to honor their pledges in a timely manner.
- (b) **Sustainability of Systems and Institutions.** TASAF will be strengthened through an administrative restructuring to ensure adequate management and operation of the PSSN in the mid- and long term, and the adequate institutional arrangements will be also enforced by government regulation and norms. Day-to-day program implementation will continue to be the responsibility of the PAA administration, or its equivalent in Zanzibar, in accordance with the Government's decentralization policy. The Program will equip this administration through capacity building and the appropriate tools and systems to implement the program effectively. These include the URB (which is expected to be a resource for other social protection actors, including the MVC program), the MIS, and the revisions to the payment mechanism (which will move responsibility for making transfer payments to companies and institutions that already have that capacity, and away from temporary community committees). Communities will continue to play a key role in the management and monitoring of interventions engendering their ownership which is key to contributing to sustainability of program impacts.
- (c) **Sustainability of Impacts at Household Level.** Interventions covered by this program, will not by themselves result in significant levels of graduation out of poverty but should enable benefitting households to take advantage of other opportunities, reverse any decline in livelihoods and move on a positive

trajectory. Furthermore, this program actively supports households to invest in the future; through investments in health and education for children (through the variable conditional transfer); investment in labor intensive public works (through the public works component) and savings (through the community savings promotion sub-component). The results of these investments will continue to have positive impacts on households and their communities after they exit the program).

V. KEY RISKS AND MITIGATION MEASURES

A. RISK RATING AND MITIGATION MEASURES

Table: 4

	Rating
Stakeholder Risk	High
Implementing Agency Risk	
- Capacity	Substantial
- Governance	High
Project Risk	
- Design	High
- Social and Environmental	Moderate
- Program and Donor	Low
- Delivery Monitoring and Sustainability	Substantial
- Other (Optional)	
- Other (Optional)	
Overall Implementation Risk	Substantial

B. Overall Risk Rating Explanation

62. The overall risk rating of the program is substantial, but a range of mitigation measures have already been included in the program design. A detailed risk analysis can be found in Annex 4, and a discussion of key measures to improve governance has been included in Annex 10. Key issues are summarized below:

63. **Stakeholder Risks:** Strong pressure to roll-out the program nationwide and the risks of elite capture are the most significant stakeholder risks. Firm agreements have been reached on the roll-out plan for the program, while a range of measures including PMT verification, an improved grievance procedure and an enhanced awareness raising approach should reduce the opportunities for elite capture.

64. **Implementing Agency Risks:** Limited capacity of PAA staff in financial management, procurement and safeguards, as well as the risk of disbursement delays to local levels may all affect program implementation. On-going efforts to strengthen local level capacity through recruitment and on-the-job training will be supplemented by significant capacity building activities under the Institutional Strengthening component. The phased project roll-out with the first year dedicated to capacity building and systems development will facilitate the development of systems and skills.

65. **Project Risk:** The innovative nature of the program, alongside the above mentioned capacity limitations are key project risks, and the substantial focus on capacity building, awareness raising, phased roll-out and strong monitoring and evaluation reflect efforts to mitigate these risks. In addition, there is a risk of delays in releasing funds or honoring pledges by other co-financiers with consequent impacts on implementation and reputational risk. To address this, program coverage has been calculated on the basis of only IDA funding. The design will allow adjustments to coverage as resources become available.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

66. The PSSN arithmetic simulation, assuming perfect targeting, demonstrates that a combination of Cash Transfers and Public Works Programs would reach 275,000 households when full coverage is achieved (100 percent of the households receiving the basic benefit and 92 percent receiving all benefits), at an estimated cost of US\$60 million a year; resulting in a poverty headcount and poverty gap reduction of 5-8 percent and 35-40 percent, respectively, and a Gini inequality reduction of 2 percent. With an estimated error of 30-40 from the PMT targeting model, however, 220 thousand households would be identified for participation – covering 5.5 percent of Tanzanians, with an expected poverty gap and Gini inequality reduction of 20 percent and 1.7 percent, respectively. Continuing with this assumption, a combination of US\$5 per month of BT, US\$5 per month of VCT and US\$1.35 per day for 60 days of PW, would lead to a poverty headcount and poverty gap reduction of 8-9 percent and 18 percent, respectively; at a cost of US\$55 million a year. In total, the PSSN transfer amounts to 30 percent of average per capita consumption of the food-poor population. Although these findings are very promising, as they show that for every US\$1 spent in the program, around US\$ 0.6-65 would go towards poverty gap reduction, they ought to be viewed carefully given the inability to account for all external factors.

67. The simulation of the VCT component on school enrolment confirms a VCT take up rate of 70 percent - with an individual co-responsibility - due to the trade-off between schooling and working (substitution effect). As a result, school enrolment would increase by 11.9 percent (or 16.7 percent for the food poor population), reaching 84.4 percent. Overall, a combination of fixed and Variable Conditional Transfers is deemed more effective for the improvement of poverty and school enrolment outcomes.

68. Overall, the analysis shows that the PSSN program is in the right direction as a social protection program, mainly due to its larger effect on the severity of poverty (15 percent) than in the poverty headcount (6 percent) by itself. This suggests that the PSSN would support the poorest households. However, complementary actions are necessary; Tanzania's public sector ought to: (i) pursue structural reforms and preserve macroeconomic stability; (ii) improve the effectiveness and transparency of public sector spending; (iii) enhance educational opportunities to reduce the disparity in the rate of human capital accumulation between the poor and the non-poor; (iv) generate more robust employment opportunities for the youth; and (v) develop a more

effective social protection system that targets more destitute and vulnerable groups and ensures some cost recovery from the non-poor. (Annex 8 for full details of the Economic Analysis.)

B. Technical

69. Recent analytical work in Tanzania shows that effectively tackling poverty and vulnerability requires a combination of measures to mitigate chronic poverty, prevent and help households to cope with seasonal and unpredictable shocks and promote welfare improvement of beneficiary households. Consolidation of a comprehensive social safety net operating as a system (rather than as a collection of programs) is the adequate approach to address chronic poverty and vulnerability in Tanzania. As recommended by recent analysis, a combination of cash transfers and public works seems to be an adequate entry point for a comprehensive social safety net. Conditional cash transfer programs have proven to be effective mechanisms to mitigate short term poverty while linking households to social services and reduce vulnerability in the long-term. Labor intensive public works programs have also been effective instruments to smooth consumption during lean and hungry seasons while improve dietary behaviors among beneficiaries.

70. The implementation of a labor-intensive public works program and a conditional cash transfer interventions follows not only lessons learned from international experiences (in MIC and LIC and also specific for the Africa region) but also thorough assessments of the current public works and CCTs that TASAF has carried out to ensure that good practices are adequately adapted to the Tanzanian context. The selected approach also responds to recent analytical work on poverty and vulnerability in Tanzania, evaluations of the program and the pilot CCT, and ex-ante simulations to estimate the possible impact of the interventions.

71. The PSSN follows a more innovative approach when compared with other experiences in Africa and other regions as the proposed safety net includes a combination of interventions which will target the same group of households with three different cash benefits to address not only chronic poverty but also seasonal shocks. The impact of the combination of both interventions in the same villages and the same households (it is estimated that the overlap of both programs is over 90 percent) is expected to: (i) increase consumption on a permanent basis; (ii) smooth consumption during the lean seasons and other shocks; (iii) increase utilization of available and additional education and health facilities; and (iv) promote asset accumulation. The economic analysis presents the results of ex-ante simulations to predict the expected impact of the combined intervention.

72. There is strong evidence that labor intensive public works programs, as proposed by the Tanzania PSSN, is an adequate instrument for smoothing consumption during shocks affecting income and consumption of vulnerable and poor households. The Government of the URT is introducing significant reforms to current schemes to ensure that the adopted model addresses the goal of supporting extremely poor population during regular shocks and that in the future; it will serve to help those affected by unpredictable shocks. The basic parameters of the labor intensive public works program within the Tanzania PSSN follow lessons learnt from international experiences and good practices as well as those from the Tanzanian experience with public works in the recent past.

73. The implementation of the PSSN has significant challenges to be successfully implemented: (i) consolidating a registry of beneficiaries and a comprehensive MIS that will help not only to the implementation of the interventions under the responsibility of TASAF, but also to articulate such interventions with other programs. (ii) consolidating a reliable and transparent payment mechanism, articulated to the MIS and the URB and ensure that benefits reach the correct households, on time and according to previous behavior (participating in public works or compliance with co-responsibilities). TASAF is currently carrying out an assessment to define the most suitable payment systems in the different areas of the country and is piloting the introduction of mobile technology. (iii) Setting up efficient institutional and implementation arrangements at the central level and ensuring that TASAF is supported by an efficient administrative structure at PAA level. This is key to ensure appropriate implementation, adequate mechanisms to coordinate implementation with PAAs and villages and strong liaison with other ministries involved in social protection. (Annex 7 for full details of the technical assessment.)

C. Financial Management

74. **Budgeting:** annual work plans and budgets will be prepared by the TASAF Management Unit (TMU) and approved by the National Steering Committee (NSC) based on the MTEF. PAAs, Villages and Communities will all have roles in this overall planning and budgeting process and the timetable will be harmonized for all implementing entities.

75. **Accounting:** The project shall maintain adequate financial records in accordance with the accepted international accounting standards and practices using the EPICOR, an accounting system. The financial accounting policies and procedures in place are sufficient to ensure that the project complies with the relevant Bank policies (OP/BP 10.02) and are documented in the project financial manual.

76. **Staffing:** The TMU takes full fiduciary responsibility of the project and a fiduciary team is in place with adequate skills. Existing TMU capacity will be increased to improve disbursement aspects. At PAA level, PAA Treasurers will be the overall in charge, overseeing projects funds to be transferred to the communities. While the recent FM assessment found adequate and qualified accountants managing TASAF operations, they noted limited capacity in areas of internal audit function, and EPICOR. Capacity at PAA level will be enhanced through an on-going training program including training in the new version of EPICOR.

77. **Audit function:** The TMU has established an adequate internal audit function which is headed by the Director of Internal Audit. The unit has an audit strategy and plan based on risk assessment. The unit issues quarterly reports. The PAA internal auditors are weak and inadequate. Strengthening of Internal Audit functions across government including PAAs is underway under Public Financial Management Reform Program. This will be supplemented by semi-annual risk-based internal audit reviews conducted by the TMU. The project will continue to be externally audited by National Audit Office.

78. **Financial Reporting Arrangements:** The project will prepare quarterly Interim Financial Reports (IFRs) not later than 45 days after the end of each quarter.

79. **Supervision Arrangements:** A FM supervision review mission will be conducted at least twice every year based on the current risk assessment of the project. This will also include the regular review of IFRs and annual audit reports.

80. **Disbursement Arrangements:** PSSN will continue using the SOE disbursement method as it has been doing in TASAF-II. The TMU will initially submit a cash flow forecast projection for 6 months to receive the initial deposit in the designated bank account. Subsequently, withdrawal requests will be made according to project needs. Important to note is that, the cash flow projections have to be supported by annual work plans and the procurement plans. In addition to this advance method of payment described above: reimbursements can be requested from the Bank for eligible costs incurred; payments can be made directly to contractors or service providers upon notification of their satisfactory performance by the project authorized officials; and payments may also be made to the commercial bank for expenditures against IDA special commitments covering the commercial bank's Letter of Credit.

81. **Banking arrangements:** The project will maintain two bank accounts at a national level: a US dollar Designated Account and a TZS project bank account for the purposes of implementing the projects. The government of Tanzania has issued a circular requesting all treasurers at the PAA level to maintain limited Bank Accounts (not more than six). The President's Office State House on behalf of the TMU will negotiate with PMO-RALG and MoF to seeking exemption in order for TASAF-PSSN funds to have a separate Bank Account.

82. **Funds Flow:** The flow of funds for all cash transfers, whether for public works or the cash transfer, will make use of payment agents. Payment agents may include commercial banks, community banks, CBOs, Mobile phone companies, post offices, etc. Thus TMU will transfer funds to payment agents directly who will pay to final beneficiaries. Payment Agents will provide TASAF with accounts on payments to be entered in the MIS for monitoring, further actions and reconciliation. Early experience of using payment agents will be closely monitored, so that lessons learned can inform the scale-up of the program. Where use of payment agents will not be possible, the CMCs will be used.

83. Remaining expenditure incurred at PAA level or below (e.g., the 25 percent of subproject funds for public works materials and PAA/Ward level administrative costs) will be transferred to the PAA. Release of funds from the central level to PAAs will also be done according to need and released on a quarterly basis to be in line with the reporting.

D. Procurement

84. A procurement capacity assessment of the TMU, a sample of PAAs, Regional Secretariats, was finalized during appraisal. The procurement risk for the project is assessed as "substantial" and the following measures were agreed to mitigate the risks:

- (a) Procurement staff to be trained on World Bank procurement procedures and processes during project implementation;

- (b) Prepare Project Manual (including Procurement Handbook and Community Procurement Handbook) by effectiveness;
- (c) CMCs to be trained on Community Participation in Procurement with regards to CDD subprojects during implementation of the project;
- (d) Train staff in data management and establish an acceptable procurement filing and record keeping system within six months of implementation of the project; and
- (e) A procurement plan for the first 18 months was prepared and approved at Negotiations.

E. Social (including Safeguards)

85. PSSN is expected to generate significant social benefits through provision of employment and livelihood opportunities to target communities nationwide. The project will target people living under the food poverty line (currently 16 percent of the population). In particular, the project will smooth consumption of poor and vulnerable households during lean seasons. This will be achieved by providing a source of income through labor intensive public works while creating community assets, increasing consumption of the same group of households and investing in the education, health and nutrition of their children and pregnant women in order to reduce vulnerability and poverty in the mid- and long-term. The project will be gender sensitive in targeting women in the public works. Moreover, the PSSN will enhance government capacity to build the institutional and implementation blocks for a permanent and effective social safety net. Overall, the project is expected to contribute positively to employment and livelihood opportunities, and provide a conducive environment for the expansion of rural economic activity through the cash injection from the transfers and wages from public works.

86. **Social Safeguards.** Some of the subprojects under PSSN will require land and some other assets which could potentially have some adverse social impacts. To address the potential adverse impacts associated with the proposed subprojects to be financed under PSSN and to provide mitigation measures, the Government has updated existing safeguard documents, an Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF) that were prepared for TASAF II in 2004. The implementation of the project may result in land acquisition/involuntary resettlement and/or restrictions of access to resources or livelihoods. A Resettlement Action Plan (RAP) could not be prepared before appraisal since subprojects will be identified only during the implementation. The updated documents were resubmitted to the Bank on October 21, 2011 after consultations with stakeholders which took place on October 11, 2011. The documents were reviewed and cleared by the Bank. Disclosure in-country for the ESMF took place on November 15 2011 and at the Infoshop on November 15, 2011; while for the RPF in-country disclosure was on January 18, 2012, and at the Infoshop on January 18, 2012. The two key documents will provide step-by-step description on how to identify those subprojects that have potential environmental and/or social risks (e.g. those under sub component 1B – Labor Intensive Public Works Plus), and plan, implement and monitor the necessary mitigation and/or preventive measures. The updated RPF includes a compensation matrix that is translated into Kiswahili and made available to the affected people. When land or

assets are involved, subproject specific RAPs or Abbreviated RAPs, in those cases where less than 200 persons will be affected, will be prepared in accordance with the RPF and disclosed.

87. PSSN is a nationwide project; therefore, the Indigenous Peoples Policy (4.10) is triggered. However, since sub-projects' locations are not determined at the time of the appraisal, an Indigenous People Policy Framework (IPPF), instead of a plan, has been prepared. The IPPF was discussed with stakeholders on October 11, 2011, and submitted to Bank on October 21, 2011. The IPPF was cleared by the Bank; and disclosed in-country on January 18, 2012 and at the InfoShop on January 18, 2012. The IPPF outlines the steps needed to be taken if a subproject under the PSSN is located in an area where any of the known Indigenous Peoples (IPs) in Tanzania live. The main aim of the IPPF is to ensure that the development process fully respects the dignity, rights, economies, and cultures of these communities and that the subprojects have broad community support of the affected indigenous peoples and other vulnerable marginalized groups. Subprojects to be financed under PSSN will be screened and if Indigenous Peoples are in the subproject area, a subproject specific Indigenous Peoples Plan (IPP) will be prepared. These subprojects will not be implemented until the associated IPP has been developed in agreement with the affected Indigenous Peoples' communities, cleared and disclosed.

F. Environment (including Safeguards)

88. The project is rated as environmental Category B - Partial Assessment. To manage the potential environmental issues associated with the project, the Government of the URT has updated the existing Environmental and Social Management Framework (ESMF) that was prepared for TASAF II in 2004. As mentioned above, the updated ESMF has been reviewed and cleared by the Bank. The ESMF provides a step-by-step description on how to identify subprojects that might have potential environmental and social risks (e.g. those under sub component 1B – Labor Intensive Public Works Program), and plan, implement and monitor the necessary mitigation and/or preventive measures. Labor-intensive PW activities will be mostly in the areas of agriculture, soil and water conservation and management, rehabilitation of degraded areas, and rehabilitation of community roads. Environmental impacts are expected to be minimal to moderate and localized in nature.

89. Experience from TASAF II points to the need for improvements to the safeguards process to address a number of key issues that may undermine the effective and efficient delivery of environmental and social management under PSSN. These will include:

- (a) subproject screening process will be refined by streamlining and clarifying guidance. This will involve revising the screening checklist (that will be included in Project Manual) to be much simpler and sector specific rather than the generic checklist used during TASAF II;
- (b) ensuring presence of a dedicated and well-trained safeguards team within TMU for coordinating safeguards implementation, monitoring and reporting. This will be done through enhancing the capacity of the existing team;
- (c) developing and enhancing capacity in implementing PAAs to facilitate implementation of the safeguards process; and
- (d) developing monitoring indicators for safeguards implementation and compliance.

Final discussions with government have concluded that the PSSN subproject investments will not affect international waterways.

Other Safeguard Policies Triggered

90. PSSN triggers the following Bank’s safeguards policies: Environment Assessment (OP 4.01); Involuntary Resettlement (OP 4.12) and Indigenous Peoples OP/BP 4.10.

Safeguard Policies Triggered by PSSN	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
Natural Habitats (OP/BP 4.04)		X	
Forests (OP/BP 4.36)		X	
Pest Management (OP 4.09)		X	
Physical Cultural Resources (OP/BP 4.11)		X	
Indigenous Peoples (OP/BP 4.10)	X		
Involuntary Resettlement (OP/BP 4.12)	X		
Safety of Dams (OP/BP 4.37)		X	
Projects on International Waterways (OP/BP 7.50)		X	
Projects in Disputed Areas (OP/BP 7.60)		X	

**Annex 1: Results Framework and Monitoring
TANZANIA: Productive Social Safety Net APL I**

The Project Development Objective of APL Phase 1 is to create a comprehensive, efficient, well-targeted productive social safety net system for the poor and vulnerable section of the Tanzanian population.

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	5000.00	5000.00	65000.00	650000.00	1500000.00	1500000.00	QUARTELY	MIS	TASAF
Female beneficiaries	<input checked="" type="checkbox"/>	Percentage	0.00	50.00	50.00	60.00	60.00	60.00	QUARTERLY	MIS	TASAF
Proportion of registered household with updated information on compliance with co-responsibilities	<input type="checkbox"/>	Percentage	50.00	50.00	55.00	60.00	70.00	80.00	Annual	Annual Review Report	TASAF
Proportion of caretakers who know their rights and responsibilities in terms of co-responsibilities, program rules and entitlements	<input type="checkbox"/>	Percentage	0.00	0.00	40.00	50.00	60.00	60.00	Annual/18 months	MIS/Spot checks/Impact Evaluation	TASAF through Independent Consultant
Transfer payments made within 5 days of when they are due, according to the annual payment calendar issued by TASAF in January of each year	<input type="checkbox"/>	Percentage	0.00	0.00	60.00	70.00	80.00	80.00	Annual	Process Evaluation/Spot Checks/Assessments	TASAF through Independent Consultant
Benefits reaching the poorest 20 percent of the population		Percentage	0.00	0.00	100	100	100	100	Quarterly	MIS	TASAF

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Number of households in the CCT program beneficiaries supported by the program (total, and disaggregated by gender and age head)	<input type="checkbox"/>	Number	0.00	0.00	13000.00	130000.00	245000.00	250000.00	Annual	MIS	TASAF
Number of households benefiting from the program (total male / female, age group) Direct/indirect (benefiting from community assets)	<input type="checkbox"/>	Number	1000.00	1000.00	13000.00	130000.00	250000.00	275,00.00	ANNUAL	MIS	TASAF
Number of person day provided in PWP	<input type="checkbox"/>	Number	16917420.00	0.00	1345424.00	4708983.00	5790280.00	24978472.00	Annual	MIS/Process Evaluation/Spot checks/Assessments	TASAF through Independent Consultant
% of households who worked the desired 15 days a month	<input type="checkbox"/>	Percentage	0.00	0.00	70.00	75.00	80.00	85.00	Annual	MIS/Process Evaluation/Spot checks/Assessments	TASAF through Independent Consultant
% wages over total subproject cost	<input type="checkbox"/>	Percentage	70.00	70.00	70.00	75.00	75.00	75.00	Annual	MIS/Process Evaluation/Spot checks/Assessments	TASAF through Independent Consultant
Number of PWP projects delivered at the community by type (community selection)	<input type="checkbox"/>	Number	0.00	0.00	50.00	1000.00	2500.00	3500.00	Annual	MIS/Process Evaluation/Spot checks/Assessments	TASAF through Independent Consultant
Satisfaction level of the community with the asset created with respect to the expected value of the asset during project selectionprocess	<input type="checkbox"/>	Percentage	0.00	0.00	50.00	60.00	70.00	80.00	Annual	Process Evaluation/Spot checks/Assessments	TASAF through Independent Consultant
Proportion of households receiving	<input type="checkbox"/>	Percentage	0.00	0.00	50.00	60.00	70.00	80.00	Annual	Process Evaluation/Spot	TASAF through Independent

timely and predictable PWP benefits										checks/Assessments	Consultant
Proportion of communities with climate risk assessment incorporated into a multiyear planning	<input type="checkbox"/>	Percentage	0.00	0.00	50.00	55.00	60.00	70.00	Annual	TASAF Reports	TASAF
Proportion of projects identified by the climate risk assessment that include measures for reducing climate risks or increasing climate resilience	<input type="checkbox"/>	Percentage	0.00	0.00	10.00	20.00	35.00	50.00	Annual	TASAF REPORTS	TASAF
Number of savings group formed	<input type="checkbox"/>	Number	1778.00	1778.00	1800.00	1850.00	1950.00	2058.00	Annual	Process Evaluation/Spot Checks/Assessments	TASAF through Independent Consultant
Number of people participating in savings groups	<input type="checkbox"/>	Number	21712.00	21712.00	22789.00	23937.00	24415.00	25130.00	Annual	Process Evaluation/Spot checks/Assessments	TASAF through Independent Consultant
Average amount of savings	<input type="checkbox"/>	Number	0.00	0.00	10000.00	20000.00	30000.00	50000.00	Annual	Process Evaluation/Spot checks / Assessments	TASAF through Independent Consultant
Number of staff trained at district level and number of workshops held for training purposes	<input type="checkbox"/>	Text	130 staff/13 workshop	130 staff/13 workshop	1000 staff / 88 workshops	2000 staff / 162 workshops	2000 staff / 162 workshops	2000 staff / 162 workshop	Annual	Annual Review Reports	TASAF
Communities satisfaction with support provided by LGA	<input type="checkbox"/>	Percentage	90.00	90.00	90.00	90.00	90.00	90.00	Annual/18 months	MIS/Spot checks/Impact Evaluation	TASAF through Independent Consultant
M&E system generating regular, timely and adequate reports	<input type="checkbox"/>	Text	N/A	Developed	Maintenance	Maintenance	Maintenance	Maintenance	Annual	TASAF	
Comprehensive M&E system (including URB and functional MIS) established in	<input type="checkbox"/>	Text	N/A	Only developed at CMU level and	In place and functional in 13 districts	In place and functional in 88 districts	In place and functional in 162 districts	In place and functional in 162 districts	Annual	Annual Review Reports	TASAF

all 162 program districts				tested in 1 district							
Proportion of registered households with complete information not older than 2 years	<input type="checkbox"/>	Percentage	0.00	0.00	0.00	50.00	60.00	70.00	Annual	Independent Audit/ Annual Review Report	TASAF
Share of complaints and appeals resolved in a timely manner	<input type="checkbox"/>	Percentage	0.00	0.00	20.00	40.00	50.00	65.00	ANNUAL	MIS	TASAF

APL Program Level Results Indicators*	Core	Unit of Measure	Baseline *	Cumulative Target Values**		Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				End of APL 1	End of APL 2				
Proportion of targeted households with increased incomes (<i>income</i>)	<input type="checkbox"/>	%	n.a.	50%	70%	18/36 months	Impact evaluation (IE)	TASAF through Independent Consultant	
Proportion of targeted households with food consumption score >35 (<i>consumption</i>)	<input type="checkbox"/>	%	n.a.	10%	20%	18/36 months	Impact evaluation (IE)	TASAF through Independent Consultant	
Proportion of children in beneficiary households aged 6-18 years enrolled in primary schools with more than 80% of attendance a month (total and disaggregated by age) (<i>protecting human capital</i>)	<input type="checkbox"/>	%	50%	70%	80%	Annual/18months	MIS/ Spot-checks/IE	TASAF through Independent Consultant	
Proportion of children in beneficiary households aged 0-24months-old attending health facilities regularly (monthly). (<i>protecting human capital</i>)	<input type="checkbox"/>	%	n.a.	50%	70%	Annual/18months	MIS/ Spot-checks/IE	TASAF through Independent Consultant	
Proportion of women in beneficiary households attending at least 4 pre-natal exams during their last pregnancy (<i>protecting human capital</i>)	<input type="checkbox"/>	%	n.a.	50%	65%	Annual/18months	MIS/ Spot-checks/IE	TASAF through Independent Consultant	

* Baseline figures will be collected through the impact evaluation initial surveys

** Figures entered as baseline are from the Community Based Conditional Cash Transfer Pilot Project

Annex 2 Detailed Project Description
TANZANIA: Productive Social Safety Net APL I

91. The PDO of the first phase of support (APL I) will be the transformation of a social fund intervention towards a comprehensive, predictable and productive social safety net program to support the poor and vulnerable section of the Tanzanian population. The Project will achieve this goal by assisting the government to enhance capacity to build the institutional and implementation blocks for a permanent and effective social safety net to:

- (a) Increase consumption of poor and vulnerable households and invest in the education, health and nutrition of their children and pregnant women to reduce vulnerability and poverty in the mid- and long-term; and
- (b) Smooth consumption of the same group of households during lean seasons by providing a source of income through labor intensive public works, while creating community assets.

The Tanzania Productive Social Safety Net

92. Following the development of the National Social Protection Framework and related discussions, the Government decided to create a permanent social safety net (the Tanzania Productive Social Safety Net –PSSN) to operate as a system to support the poorest and the most vulnerable through a series of complementary interventions aimed at:

- (a) Providing households with tools to mitigate current poverty and vulnerability;
- (b) Protecting households from seasonal and unexpected shocks affecting their income and assets; and
- (c) Enabling them to improve their living standards to help them to get out of food poverty. The ultimate goal of the PSSN is to enable poor and vulnerable households to move on to a positive trajectory. First stabilizing food consumption and preventing long-term consequences of extreme poverty; and then focusing on enhancing capabilities, assets and livelihoods.

93. Previous phases of TASAF focused on a range of social fund-related sub-projects, mainly through one-off interventions in selected villages and communities. TASAF III, and the PSSN, represents a sizeable shift in approach. At the core of the PSSN is the provision of timely and predictable transfers to eligible households. Timely transfers will ensure achievement of program objectives of smoothing and increasing consumption as well as protecting assets. Predictable transfers will allow households to maximize the use of transfer by providing them with the security to make livelihood investments. By achieving timeliness and predictability, the program shifts from being ad-hoc support with short-term impacts on households' well being to a continuous support system, enabling households to plan and invest in the future.

94. The PSSN will target households and, depending on their needs, characteristics and capabilities, will support them through combined interventions which: protect households from the most severe consequences of poverty by enabling them to buy food and meet other basic needs; enhance impact on poverty by generating incentives for children to attend school and for pregnant women and children to regularly utilize health services through participating in a conditional cash transfer intervention; and provide beneficiary households with the opportunity to earn additional seasonal income through public works which also seek to remedy environmental and economic vulnerabilities. Both programs offer complementary benefits for the same targeted group of the population and consequently will be implemented in the same villages and target the same groups of the population.

95. A key concern of the government is the issue of graduation. While transfers alone are not expected to lead directly to graduation out of poverty, they are expected to enable many program beneficiaries to better access and take advantage of complementary interventions. The graduation model is based on two concepts: firstly those households will improve income and assets and move onto a positive livelihood trajectory; and secondly households will engage in the program according to need, interest and developing capabilities resulting not only in an increase in beneficiary income, but also in knowledge and skills.

Project Components

96. To achieve the development objectives, the World Bank would support the implementation of the proposed operation based on 2 components:

Component 1 –Consolidation of Integrated Social Safety Net Interventions for Extremely Poor and Food Insecure Households

Component 1A – Cash Transfers

Component 1B – Labor Intensive Public Works Plus

(i) Public Works

(ii) Community Savings Promotion

Component 2 – Institutional Strengthening

Component 2A –Institutional and Implementation Strengthening for the PSSN

Component 2B – Strengthening implementation of social safety net intervention

Component 2C –Development and Strengthening of the M&E system

Component 1 – Consolidation of Integrated Social Safety Net Interventions for Extremely Poor and Food Insecure Households (Total Cost: US\$140.0 million; IDA US\$135.0 million; DFID US\$5.0 million)

97. This component involves the implementation of the PSSN including targeting, case management, transfers and wages, and associated interventions. Households will receive up to three transfers following their selection using a common targeting system: (i) a basic monthly transfer equivalent to US\$5 to improve household consumption on an ongoing basis, transferred to all households registered in the program; (ii) a Variable Conditional Transfer for households with eligible members equivalent to up to US\$5 per month per household to serve as an incentive for households to invest in the human capital of their children and the health of the pregnant women, which is subject to participants' compliance with a set of activities; and (iii) a seasonal transfer linked to participation in labor-intensive public works to smooth consumption during lean seasons for up to 60 days during a four-month period each year at a daily wage of US\$1.35 per day. Households will therefore receive up to US\$200 per year in transfers depending on their household composition. In selected villages, households receiving transfers will participate in technical assistance programs to promote savings, and provide basic financial literacy and support financial planning.

98. In order to maximize the impact of a social safety net in Tanzania, different interventions will be coordinated to target the extreme poor and food insecure groups. In this framework, the entry point of the social safety net will be based on the implementation and scale up of two complementary interventions: labor intensive public works and cash transfers. Both programs offer complementary benefits for the same targeted group of the population (extremely poor and food insecure) and consequently will be implemented in the same villages and target the same groups of the population (the same households will be able to

participate in both programs). The cash transfer intervention is intended to increase the household income on a permanent basis while the public works program seeks to provide a predictable transfer during the lean season to encourage beneficiary households to avoid negative coping decisions, such as selling assets, sending children to work, and so forth. The cash transfer scheme also involves a mid- to long-term element through the introduction of co-responsibilities to encourage beneficiaries to invest in the education and health of their children and pregnant women. The public works is also sought to provide a source of funds for beneficiaries to start accumulating some assets. Therefore, the combined interventions will offer support to extremely poor households to cope with current low consumption and seasonal shocks, as well as opportunities for a sustained improvement of living conditions.

99. The approach adopted by the PSSN means that the target group for both interventions (public works and cash transfers) is the same. This approach requires a single targeting mechanism to select eligible households and a unified registry of beneficiaries. While the PSSN is nationwide, geographical targeting intra-PAA, and community targeting methods with additional verification tools to minimize inclusion errors (Component 1) will be used to reach the poor.

100. The form of the support (a combination of public works, cash transfers subject to compliance with co-responsibilities or cash transfers linked to soft conditions) will depend on household composition and place of residence. Selected households may receive up to three transfers: (i) a basic transfer to improve household consumption on an ongoing basis, transferred to all households registered in the program; (ii) a Variable Conditional Transfer to serve as an incentive for households to invest in the human capital of their children and the health of the pregnant women, which is subject to members eligibility and compliance with a set of activities for those households registered in the program and living in villages with available social services (education and health); and (iii) a seasonal transfer linked to participation in public works to smooth consumption during lean seasons for all household registered in the program with adults able to work.

101. The proposed unified registry of beneficiaries plus the combined intervention of cash transfers and public works are expected to become adequate instruments to rapidly respond to unexpected shocks (droughts, food or fuel prices) and assist the most vulnerable to cope with the consequences of these shocks. The targeting system to be out in place would allow for the identification of the most affected households, to be registered in the URB, while the transfer programs (cash transfers and or public works) should be the most suitable mechanisms to transfer benefits to help them cope with the impact of the shocks.

102. It is expected that the combined intervention will support about 275,000 households (more than 1 million people) during the first phase of the APL series. Preliminary estimates show that about 90 percent of the eligible households have both children less than 18 years of age and adults able to work, so they would be eligible to participate in the programs and receive the three modalities of transfers. The final number of households actually receiving the Variable Conditional Transfer (linked to co-responsibilities) will be determined only when the supply side assessment is completed; this is the assessment to identify access to schools and health facilities as well as the quality of those services).

103. The URB will be populated as the program is implemented. First, based on a ward or village index tool yet to be defined by the program administrators, the wards or villages within a PAA will be selected to receive Information and sensitization activities regarding the

program. Then, village council and CMCs will select the poorest households in the village following a set of criteria agreed upon at Village Assembly meeting focused on minimizing exclusion errors and collects household information for the pre-selected households. As a final step, each selected household receives a score based on a proxy means test instrument that is used as verification mechanism to reduce inclusion errors, and Village Assembly meeting validates the final list.

104. Given that the program will target the poorest segments of the population, it is expected to contribute to poverty reduction significantly. Preliminary estimates indicate that a combined intervention of cash transfers and public works under the above mentioned general framework and programs' generosity would reduce the poverty headcount (FTG(0)) by around 8 percent and the poverty gap (FTG(1)) by about 15-20 percent as an annual cost equivalent to 0.25 percent of the GDP per year (accounting for targeting errors).

105. The government will scale up the interventions gradually, in the following stages: in 2012-2013 will cover up to 10 PAAs inclusive Unguja and Pemba in the first year and up to 30 in the second year; and the second wave of the program will be delivered during the period 2014-2015 in which all PAAs in the country will be supported by the PSSN and the target of 275,000 households will be achieved.

Common Targeting System

106. The project will support the design of a unified registry and a common targeting mechanism that will assist the government to identify the targeted groups for the PSSN. The screening mechanism to identify households in the PSSN comprises three elements: a geographical targeting mechanism to identify and select PAAs, wards and villages; community targeting to identify extremely poor and food insecure households in selected villages and a proxy means test to verify and minimize inclusion errors.

107. The targeting process for the PSSN program is summarized as follows:

Geographic Targeting

- (a) The Government of Tanzania will start implementation of the PSSN in the poorest villages of selected PAAs in the country. The program will start in 10 PAAs (inclusive of Unguja and Pemba) selected from 6 regions, and will gradually expand as TASAF's institutional and implementation capacity increases achieving national coverage of regions and PAAs by the end of the third year of disbursement. Selection of areas of intervention (regions, PAAs and villages) will be done on the basis of a poverty-index⁹ and will aim to support the poorest areas first (although consideration will also be given to the ability to deliver the program).
- (b) As villages are selected, the poverty-index, combined with information about poverty levels and population of the village will determine quotas for the number of expected beneficiary households in each village.
- (c) The final list of villages will be validated by the correspondent PAA, which will also be responsible to inform selected villages. Once a village has been

⁹ The Village index will be defined on the basis of the variables to be determined by the TMU and the LGAs and agreed upon with the Bank team. If the poverty-index cannot be developed at the village level (due to data constraints) it will be developed at the ward level. In this case, LGAs and Wards can provide the list of poorer villages or all villages in selected wards will be selected to participate in the program.

selected, the village council, PAA and the program will sign an agreement endorsing the program and defining the specific institutional responsibilities for the operation.

Community Targeting

- (a) In all targeted areas, a sensitization campaign will be carried out to ensure that program officials (including Education and Health staff), PAA and village authorities, CMC members and villagers are aware of the program objectives, basic rules and benefits, and the overall processes.
- (b) The community, through their chosen representatives on a Community Cash Transfer Management Committee (CCTMC), under the oversight of Village Council will identify potential beneficiary households using a pre-determined criteria agreed upon at VA meeting. They will identify households up to 120% of the quota set in step (b) above. Once potential beneficiaries have been identified, key data will be collected for each of these households and entered in the Unified Registry of Beneficiaries at PAA level.

Proxy Means Testing and Verification

- (a) Each household entered in the URB will receive a welfare score based on the PMT weights that will be used as an instrument to reduce inclusion errors. Households whose welfare score falls below the extreme poverty line will be considered eligible for the program¹⁰. If the welfare scores of all households selected by the community fall below the extreme poverty line, then all households will be considered eligible for the program.
- (b) The resulting list will be sent back to the village where it will be ratified/validated during at a Village Assembly meeting. The Village Assembly meeting can only add or remove households who had been listed during the community targeting (step (e) above). However, the Village Assembly meeting will provide an opportunity for households not listed by the CCTMC to complain directly to the PAA who will then facilitate a fast-track grievance process and also inform the TMU.

Enrollment

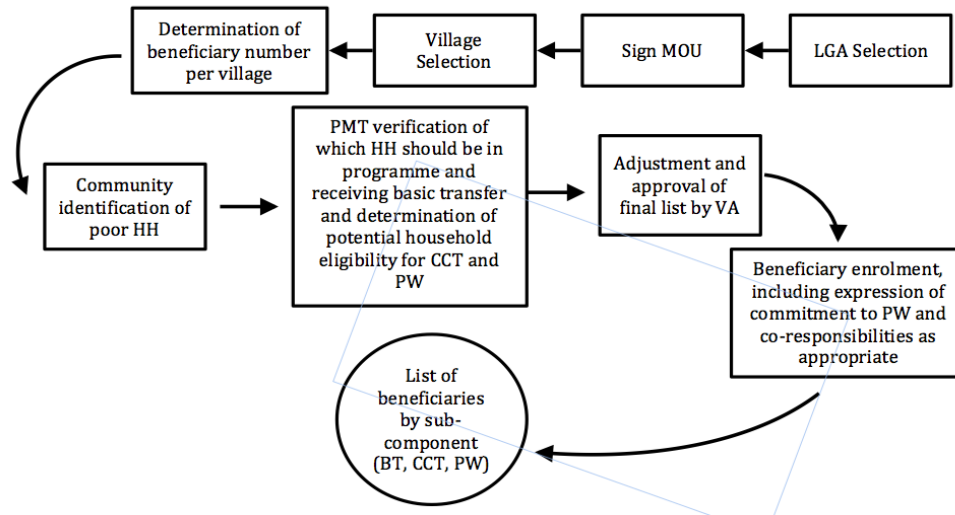
Upon ratification of the beneficiary list, the system is updated and selected households are referred to the cash transfer and/or labor-intensive public work and will be invited to enroll in the program. During enrollment, households will be informed of which form of support they are eligible for and will be given the option of opting in or out of the various program components. The registration process also includes guidance and training on program operations (payments, rules), including beneficiary responsibilities with regards to public works and the variable conditional transfer.

108. Prior to start the work in each PAA, TASAF will discuss the strategy with the relevant authorities and a Memorandum of Understanding (MoU) detailing the specific responsibilities of both sides to implement the program will be signed. Among PAAs

¹⁰The poverty lines (TBC) are: for rural areas US\$0.25 and US\$0.5 a day for extreme poverty line and poverty line; and for urban areas US\$0.50 and US\$0.65 respectively. The Government of the URT is exploring to divide the inclusion error list into two groups according to their food consumption score (FCS). In this case, the households classified as inclusion error according to the PMT but having poor FCS will be placed on the potential beneficiary list.

responsibilities explicitly included in the MoU there will be the commitment to maintain a full time dedicated team responsible for the coordination of the program and the PAA (and the focal point of contact with TASAF central) and a team for the operation and updating of the MIS in the PAA.

109. The above steps are summarized in the below section of the Program Cycle:



110. Given the heavy investment required by the targeting process, and the desire for program beneficiaries to benefit from the program for an appropriate period of time, a full retargeting process will only happen once every three years. However, between full retargeting processes, there will be an opportunity to update the URB with information concerning changes in household composition, payment recipients and those eligible for different program components. Furthermore, the grievance process will provide a mechanism for excluded households to put their names forward for consideration by the program.

Sub-component 1A –Cash Transfers (Total Cost: US\$70.1 million; IDA: US\$70.1 million)

111. The overall objective of the conditional cash transfer intervention is increasing household consumption throughout the year and improving food consumption (quantity and quality of meals) in order to reduce food insecurity and a number of related illnesses, while creating an incentive for extremely poor households to invest in the education and health of their children and pregnant women and prevent chronic malnutrition.

112. The cash transfer component of the PSSN will be implemented as a permanent intervention. The objective of Cash Transfer program is increasing household consumption throughout the year, improving food consumption (quantity and quality of meals) thus helping to reduced food insecurity, while creating an incentive for extremely poor households to invest in the education and health of their children and pregnant women and prevent chronic malnutrition.

113. The conditional cash transfer program will comprise two benefits. (1) A Basic Transfer (BT) equivalent to US\$5 per month per household to be transferred to all registered households; and (2) a Variable Conditional Transfer (VCT) for households with children

younger than 18 and/or a pregnant woman equivalent to up to US\$5 per households per month. Whenever possible, transfers will be made to an adult woman (usually the mother). The BT will be transferred to all eligible households enrolled in the program and it is expected support eligible households to increase consumption on an ongoing basis, especially of food to reduce food insecurity and malnutrition. The impact evaluation included in component 2C will help to monitor this objective. The VCT will be transferred subject to compliance with co-responsibilities by eligible members of the household, as follows:

Eligible member	HH	Co-responsibilities
Children		- In areas where health services are available, all children <24 months attend routine health services once per month
		- In areas where health services are available, all children 24-60 months attend routine health services at least once every six months.
		- In areas where no health services are available primary care providers of children ≤60 months attend community health and nutrition sessions every two months*.
		- In areas where pre-primary, primary and secondary schools are available, children between ages of 5 and 18 attend school >80% of the time
Pregnant women		- Where health services are available all pregnant women within the household must attend a minimum of 4 prenatal exams; deliver at a health facility or assisted by skilled personnel and a post natal check up according to the country's health protocol.
		- Where health services are not available all pregnant women within the household must attend community health and nutrition sessions every two months
Parent/ Guardian		- Workshops to reinforce nutrition practices and investment in human capital: At least one parent or guardian will attend workshops every two months organized by the program in coordination with the education, health and/or social welfare sectors to promote good nutritional practices, child care, home hygiene, water usage, as well as other topics including the importance of starting education at the right age.

* Community health and nutrition sessions are workshops tailored to reinforce nutrition practices and investment in human capital, they intend to promote good nutritional practices, child care, home hygiene, water usage, as well as other topics including the importance of starting education at the right age. Health and nutrition sessions will be conducted in all program villages, but only in areas without health services will attendance be monitored as co-responsibility. This will ensure that in areas where service provision is inadequate and ensure that there is always some level of co-responsibility associated with the Variable Conditional Transfer.

114. Bimonthly payments under for the CT will be authorized on the basis of compliance with co-responsibilities, following a management of benefits process to be defined in the Program Project Manual. Beneficiary households will have to register all eligible members in the program and all of them will have to comply with their respective co-responsibilities. Given that the program goal is to encourage beneficiary households to comply with the activities, the management of benefits will be to be defined in a way that supports households to comply with their co-responsibilities and thus maximize the amount of households that receive full payments. The first failure to comply will not result in a penalty, but instead the

household will receive a warning and counseling from the CCTMC. However, no penalty will be applied for the first two rounds after initial enrolment. The table below summarizes compliance periods for co-responsibilities from January to December as an example, indicating the month for collecting information in order to verify whether or not beneficiaries have met their obligations

	Payment Cycles					
	Jan-Feb	Mar-Apr	May-June	Jul-Aug	Sep-Oct	Nov-Dec
Processes	HH comply Jan-Feb	HH comply Mar-Apr	HH comply May-Jun	HH comply Jul-Aug		
		Verification of Jan-Feb compliance	Verification of Mar-Apr compliance	Verification of May-Jun compliance	Verification of Jul-Aug compliance	
			Transfers for Jan-Feb compliance	Transfers for Mar- April compliance	Transfers for May- Jun compliance	Transfers for Jul-Aug compliance

115. If a member of the beneficiary household has not met the co-responsibilities, the household may be penalized by receiving less payment. If, for example, non-compliance took place during the September-October cycle, the payment due on January will be reduced. All households with qualified members will be eligible for up to US\$5 transfer (regardless of household size), but penalties for failure to meet co-responsibilities will be applied pro-rata (for example in a household with two members eligible for the Variable Conditional Transfer, failure to comply for successive months by one member will result in the loss of half the benefit. In a household with five eligible members and one not complying, the household will lose one fifth of the benefit). However, every effort will be made by TASAF/PSSN to ensure adequate follow-up and support to help households them meet program requirements without risking a loss of benefit. Adequate follow-up and support will require close coordination with other Government departments at central and local level, especially social welfare officers and community development officers in the PAAs.

116. As the Program implementation evolves, the government will assess the feasibility of linking additional activities and incentives to the benefit in areas such as birth registration, enrollment in standard one at the correct age, primary completion, transition from primary to secondary levels, abolition of fees in secondary schools for former beneficiaries and different options to support girls' attendance to secondary school, among others.

117. For those households selected as beneficiaries but without children, the program will transfer the Basic Transfer to increase their household consumption and improve the health and nutritional conditions. In addition, the program will refer those households to be supported by other existing social protection programs; for example, households in need of psycho-social support.

118. The cash benefit will be complemented by a set of activities to reinforce the goal of the program in terms of human development and food security, including: (i) ongoing information and communication messages through adequate means on related topics; and (ii) active role of CMC members following up households with particular problems or failing to comply with their co-responsibilities.

119. After the selected households have been enrolled in the PSSN, as described in the section above, the CT program will be deployed in the following stages:

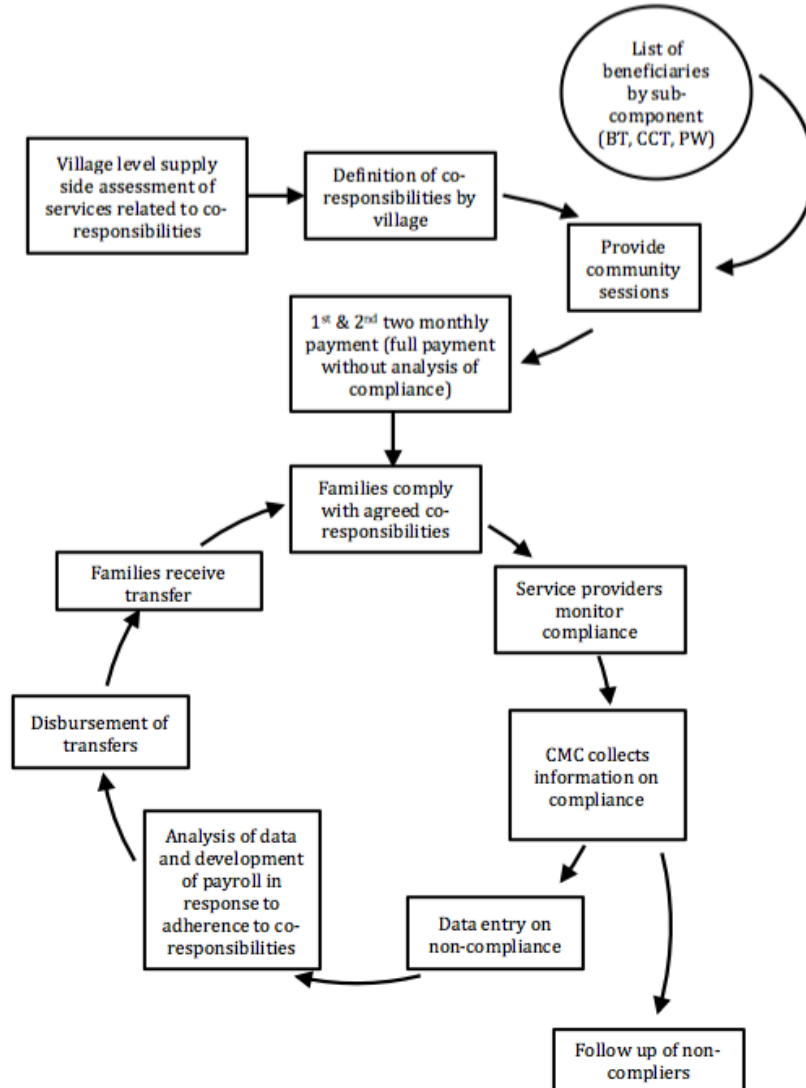
- (a) Definition of co-responsibilities by village: A supply side assessment will be carried out in order to identify health and education services villages have access to¹¹. On the basis of this assessment the definition of appropriate co-responsibilities (from the list above) for each program village will be determined. In villages with no accessible primary school, only health co-responsibilities will apply; and in villages without accessible health services, health and nutrition sessions will be conducted every two months. The first assessment will be carried out prior to the roll out in 2012. Subsequent assessments will be carried out in 2014 and 2016. The co-responsibilities by village will be adjusted on the basis of these assessments.
- (b) First two payments. During the enrolment process, registered households will also receive specific instructions regarding the co-responsibilities they have to comply with, the facilities in education and health they will use and the place and dates for the workshops, the date for the first transfer and the place where they can collect their benefits. Households will begin adhering to co-responsibilities from the start of the program, and data regarding their adherence to these co-responsibilities will be collected. However, the first two payments (covering the first four months of implementation) will be made in full without reference to the monitoring data. This will ensure that the onset of transfers are timely and predictable, and give adequate time for data entry and analysis.
- (c) Monitoring compliance with co-responsibilities and authorization of payments. The Program will follow recent adjustments incorporated in the pilot CB-CCT and learn from the experiences gained. Pre-printed forms will be provided to service providers, along with training on how to monitoring compliance, and the list of participating household members. Service providers will submit data on the basis of non-compliance (thereby reducing the amount of data which has to be forwarded, and reducing the risk that payments are wrongly deducted on the basis of monitoring failures) to the CCTMC's who will forward the data to PAAs for input in the MIS database. The resulting data analysis and authorization of payments will take place in the TMU.
- (d) The regular community health and nutrition sessions workshops beneficiary households have to attend as part of their co-responsibilities will be also used by the Program for three additional purposes: (i) remind beneficiaries about the importance of compliance with their co-responsibilities and next payment; and (ii) serve as a mechanisms to receive claims and complains from beneficiaries; and (iii) explain the reasons for those beneficiaries that will not receive a full payment or that have fail to comply in previous payment cycles.
- (e) Transfer of benefits and reconciliation of payments. Benefits will be transferred on a bimonthly basis using appropriate payment agents. Following the cycle explained above, payments during the fifth and sixth month (this is the third two-month period) will be authorized on the basis of the information on compliance with co-responsibilities. At the beginning of each year the program will prepare a calendar to be distributed to all beneficiary households detailing the dates in which benefits will be transferred. This calendar will be

¹¹ The exact distance at which a service will be defined as accessible will be determined in the Operational Manual, but is expected to be less than one hour for a primary school and xxx for a health service.

part of an internal instrument that program will develop to synchronize the cash transfer.

120. Basic Transfers will be paid at the same time as the Variable Conditional Transfers, using the same mechanism.

121. The above steps are summarized in the below section of the Program Cycle:



Expenditures to be financed under this subcomponent

122. The CT component will finance the following expenditures:

- (a) Cash benefits associated with participation in the program. This will include both the Basic Transfer and the Variable Conditional Transfer. It is expected that the government will increasingly participate in the financing of the benefits from the start of APL II. Even though the proposed first APL operation will fully finance the cash benefits, it is expected that the government will increasingly participate in the financing of the benefits from the start of the APL II, including the administration fees that different modalities of payments may cause. Therefore, the payment system will have to be acceptable from the technical point of view, adequate from the financial

management perspective and the contract with the payment agent needs to follow procurement procedures.

- (b) Costs of administering the program. This will include the administrative fees for payment, the cost of the forms and other inputs for monitoring adherence to co-responsibilities, as well as associate awareness-raising (including the community health and nutrition sessions).

123. In addition to the above, there will be costs incurred relating to adjustments to the existing program, and further development of the program on the basis of experience. These will include consultant services, good and operational costs. However these costs will be covered by Component 2.

Sub-component 1B –Labor Intensive Public Works Plus (Total Cost: US\$69.9 million; IDA: US\$64.9 million; DFID: US\$5.0 million)

Labor Intensive Public Works Program

124. The objective of the labor-intensive PW Program under PSSN is to contribute to the overall objective of ensuring timely and predictable transfers to poor and vulnerable households to help them smooth consumption. A secondary objective of the PW Program is to contribute to an enabling environment for development through creation of community assets. A number of other multiplier benefits are expected from the Program that include, but are not limited to, increased incomes and related effective demand in local markets, and increased household asset development, savings and investment. The following are the key characteristics of the design of this component:

125. **Guaranteed number of working days for targeted households.** The PW program will offer a guaranteed 15 days of paid work per month for four months to eligible households targeted under the PSSN targeting. A household will be eligible for the PW program if it has been targeted by the common targeting system, and has been identified as having members ‘able to work’ (see below). The number of days to be worked per household per month is limited to 15¹² in order to ensure that participants have time to engage in other productive activities and that women (especially in cases of households headed by women alone) are able to participate while still having time to dedicate to their children and to nutrition activities. PAAs will be responsible for guaranteeing that the targeted households are offered the number of working days to which they are entitled. If participants turn up at work during the agreed period of implementation of a particular PW activity for which they are enrolled and cannot perform their tasks for reasons outside their control (such as unavailability of tools and materials), they will be paid in full for the day. Although no penalty will be imposed on the PAAs in the initial first year of the PW program, incentives and penalties may be built into the system to ensure that PAAs are made fully responsible for guaranteeing the number of days to which the targeted households are entitled to once they join the program.

126. **Seasonality.** PW under the PSSN will operate only during certain periods of the year, so that works are undertaken when labor demand for agricultural activities is at its lowest and that, whenever practically possible, works will be carried out and wages paid prior to the lean

¹² This means that at any given site, public works will likely be undertaken 3-4 days a week making it easy to provide any necessary support and supervision.

season (when cash is most needed). The exact timing in each PAA will be decided at the PAA level and will vary across PAAs and regions, as the various rainfall regimes influence the timing of the peak agricultural period and the lean season¹³.

127. **Labor intensity.** As part of a comprehensive cash transfer system, PWs require high levels of labor intensity to maximize the number of households that can benefit from the transfers, as the primary objective of the PW program. The unskilled labor cost of PW funding (i.e. the transfers themselves) will therefore constitute a minimum of 75 percent of the PW budget, which, combined with the agreed daily rate and agreed number of days to be worked, will allow for a pre-determined number of households to participate in the PW program in each selected locality. This percentage will be an average per PAA and per year, as certain activities may use slightly more materials than others and will be compensated by others that will be more labor-intensive. The other 25 percent of PW budget allocations will be used towards financing administrative costs (associated with technical supervision and monitoring, for a maximum of 10%) and capital inputs (15%). Financing for these costs will be transferred before the beginning of the public works activities to ensure that PAA and ward staff has the adequate financial resources to carry out supervision activities and that both tools and materials are procured in a timely manner at community level.

128. **Type of Labor Intensive PW activities to be financed.** Labor-intensive PW activities will contribute to the overall objective of food security and help build resilience to climate-related shocks (drought, floods, etc.) and will be mostly in the areas of agriculture, soil and water conservation and management, and rehabilitation of degraded areas, with the longer-term objective of enhancing livelihoods. Other general criteria will also apply and will exclude, among others, works that solely yield private benefits or benefits that are likely to be captured by a small elite group within the community (although some exceptions may be acceptable, such as work on private lands if they yield benefits for the community as a whole). Additional criteria, such as compliance to environmental and social safeguards and adoption of mitigation measures will also be included in the OM.

129. PW activities will be selected from a menu of labor-intensive public works. The menu of activities will therefore be limited during the initial phase (first two years) of the program in order to simplify and standardize planning, design, appraisal, implementation and supervision of PW activities. The menu of activities may vary according to the regions to suit local conditions, and in particular will ensure that appropriate Labor Intensive PW activities are proposed in pastoral areas. A Technical Manual for labor-intensive public works will be developed before the start of the project and will define the various possible activities to be implemented. The manual will include technical norms and standards, work productivity norms (to calculate the time required to produce various tasks and outputs), technical expertise required, supervision, environmental and social mitigation measures, etc. The manual will also benefit from recommendations of a DFID financed scoping study on mainstreaming climate change adaptation and disaster response into TASAF. After a process evaluation is conducted and as PAAs and other stakeholders gain confidence in the Labor

¹³ Some regions experience a uni-modal rainfall regime (characterized by a long dry season which extend from May to October and a long rainy season, termed the Musimu rains, stretching from November to April) while others experience a bimodal rainfall regime (a short rainy season - the Vuli rains - extending from October to early January, and a longer rainy season - the Masika rains - from mid March to the end of June, though the two seasons are not always very clearly separated).

Intensive PW program processes, the menu is likely to be diversified and expanded to include a wider range of activities.

130. **Participatory planning methodology and process:** Participatory planning with target communities will be the responsibility of PAAs and will allow PAAs to come up with village level, multi-year plans for asset-building labor-intensive PW projects. The multi-annual planning process will lead to the identification of sufficient PW activities to absorb four years of person-days per village (calculated by multiplying the number of households targeted for public works by the 60 days of work they are eligible for each year). It will be in line and will enhance the government decentralized planning process (the O&OD) in the areas targeted by PSSN. It will also be guided by the menu of PW activities. A simple climate risk assessment will be incorporated to the planning process in order to allow villages to identify climate-related vulnerabilities and appropriate responses from the sub-project menu. Also, if possible, an assessment of available climate change projections could be carried out. A labor-intensive PW planning and implementation manual (and related training manuals) will be developed building on existing experiences of participatory approaches in Tanzania. The participatory climate assessment tool will be developed as part of this activity. This will assist the harmonization of procedures and processes at the PAA level. A prioritized list of activities will be produced at the start of each year sufficient to absorb the annual number of person-days for the village through a consultation with the Village Assembly.

131. **Daily wage rate.** As the objective of the PW component is to guarantee a certain level of additional income to the targeted households at certain periods of the year, those households will be offered to participate in PW activities for a number of days known to them in advance. Districts which experience extended periods of the lean season, the Operational manual will provide guidance about the number of days of employment spread over the year. The number of days is combined with the agreed daily wage rate to produce the desired level of supplemental income (the overall level of the transfers is discussed under component 1). The daily wage rate to be paid has been determined at US\$ 1.35 or TZS 2,300 for the initial phase of the program and may be revised over time. It is lower than the prevailing market rates in most parts of the country and is also in line with the equivalent daily rate that is being paid under the other large PW programs currently being implemented in the country such as the Food-for-assets program financed by WFP.

132. **Mainstreaming Climate Change.** PWs have great potential to build resilience to the effects of climate change by enhancing community assets that contribute to deal with climate-related shocks and to foster long term adaptation. Thus, the possible benefits of a climate-resilient PWs approach reside not only in the capacity to address seasonal vulnerability by providing guaranteed income but also in the ability to shield communities from climate change and disaster related risks that could erode benefits of the social safety net in the medium and long term. By selecting the PW activities that deal with climate-related vulnerabilities at the village level, a number of benefits¹⁴ could be expected from the program in terms of adaptation to the impacts of climate change at community level (especially drought and floods).

¹⁴ Soil and water conservation measures have dual impacts of reducing the risk of flooding and land slips during the rainy season, and increasing water retention and therefore the availability of moisture going into the dry season. Woodlots and regeneration of hillsides or degraded lands have soil and water conservation affects while increasing the availability of fuel-wood, livestock fodder and other important resources. Dams, tanks and micro-irrigation schemes can extend the availability and usability of water into the dry season.

133. **Criteria defining the ability to work.** Targeted households with at least one able-bodied member will be able to join and participate in the PW program. However, the member (or members) of the targeted households will have to meet a number of individual criteria to be considered “able to work”. These criteria (to be further described in the OM) will exclude: household members who do not normally reside in the community; young people under the age of 18 still attending school, older people over the age of 65, lactating women during the first ten month after delivery, pregnant women over 4 months of pregnancy, sick and disabled people not able to undertake even light work, etc.

134. **Number of household members who may enroll.** In the initial phase, up to two household members (one main participant and a substitute) can be nominated by the household to participate in public works. Between them they may work up to the overall household cap of 15 days per month per household. The number of household members participating in public works may be revised over time to include more household members, but has been limited to two members to keep registration, implementation, attendance recording and payment processes of PW activities at community level simple and manageable in the initial phase.

135. **Participation of women.** Projects will be implemented in a way that they consider the special needs of women. Pregnant and lactating women (if considered able to work according to the criteria set for the project) will be tasked with appropriate lighter works. Timings and settings will also be allotted so as not to exert a negative influence on their role as care providers; in particular flexible working hours and the possibility of working half-days will be offered to women. Childcare may also be organized at the workplace to facilitate participation of women breastfeeding young children, and some women will be tasked with childcare and paid at the same rate as other workers. The program will also properly ensure the participation of women in decision-making process related to the PW program and in particular in the Community Public Works Management Committee (CPWMC).

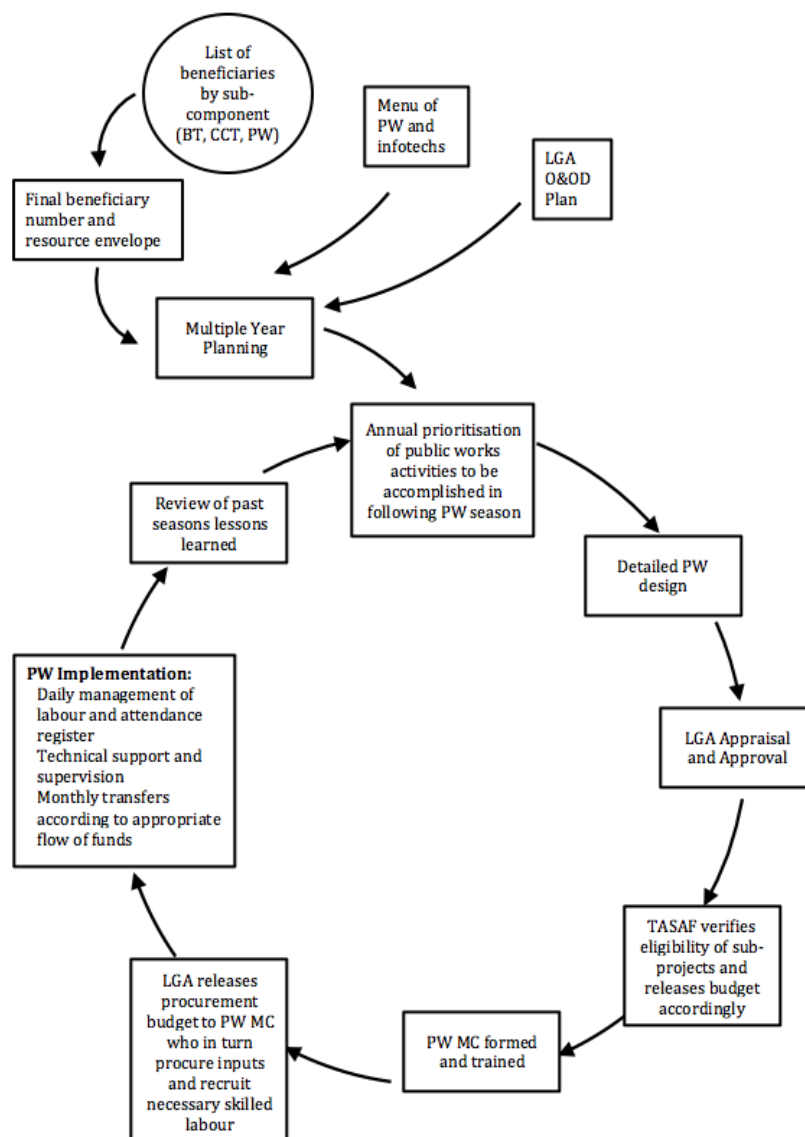
136. **Basis of Payment.** Participants in the PW will be paid based on attendance (duly recorded on attendance sheets) combined with effective performance of tasks. Attendance for the half-a-day or the full day will therefore be recorded and certified once the task has been completed. Only registered participant will be authorized to work and subcontracting of work to non-registered participants will not be authorized. Workers who turn up at work and are unable to work for reasons outside their control (such as unavailability of tools and materials) will be paid in full. The number of hours or standard task rates for typical tasks will be fixed in advance, through work norms defined in the PW Technical manual.

137. The main implementation steps of the PW cycle include:

- (a) **Participatory planning and selection of Labor Intensive PW activities.** Participatory planning will allow communities to identify the key outcomes it wishes to achieve and then develop an appropriate list of sub-projects that will deliver these outcomes. As described above, the process will allow the identification of rolling multi-year plans and annual PW activity plans, on the basis of prioritized community needs. A sufficient number of PW activities will be identified in order to absorb the required number of person-days for each community. Maintenance requirements for public works sub-projects will be identified during the planning process, as well the institutional responsibilities for such maintenance work and associated budgets.

- (b) **Design and appraisal of PW sub-projects. Design of PW activities will be carried out by** technical sector staff at ward or PAA level. Guidelines and norms to design subprojects will be included in the PW Technical manual. An appraisal process at PAA level will ensure that the proposed works comply with eligibility criteria, are technically sound and that mitigation measures are adopted to avoid environmental and social negative effects. The technical appraisal process for sub projects will be carried out by a separate team of experts and sector ministry representatives at PAA level. Collaboration with sector ministries will allow adherence of sub-projects to specific sector norms.
- (c) **Funding approval of annual PAA Labor Intensive PW program.** In each PAA and once all subprojects have been designed and satisfactorily appraised, a request for funding of the PAA PW program will be placed at TASAF by the PAAs. TASAF will approve funding after review of eligibility of the proposed PW activities and conformity of the planning and appraisal processes. Once funding is approved, funds to cover administrative costs and purchase of equipment of materials will be released to the PAA. A sample of public works annual plans will be reviewed in detail by a Sector Experts Team at national level to identify challenges in the design process and to provide technical support on how it could be improved in the future.
- (d) **Labor Intensive PW sub-projects implementation and supervision.** In each targeted community, a Community Public Works Management Committee (CPWMC) will be formed to oversee the implementation of PW activities. The CPWMC will be composed of members selected among the beneficiaries by the PW beneficiary households. Capacity building of the CPWMC s will be carried out by PAAs prior to the implementation of PW activities, in particular regarding procurement of materials and equipment and organization of the tasks for which they will be responsible. In order to carry out public works implementation, participants will be organized in work teams (typically expected to consist of 15 to 30 workers, with the actual number being determined locally based on the nature of the work, the work culture of the people and the type and availability of hand tools). Teams will elect their own team leaders, with women encouraged to take leadership roles. The participation of public works beneficiaries will be recorded on attendance sheets, which will be submitted by the CPWMC on a weekly basis.
- (e) Oversight of the PW will be carried out by PAA/ward technical staff. Technical supervision will be discharged by site supervisors, to be subcontracted and paid out of the 25 percent non-wage part of the PW subprojects budget. The PAA/ward technical staff will visit project sites on a regular basis (at least once a week) to ensure adherence to technical design and standards.
- (f) **Payment of beneficiaries. Payrolls will be prepared by the PAAs** every month based on the attendance sheets submitted by the CMC and the verification by PAA/ward experts that the works have effectively been carried out. Payments will be made every month, using the same mechanisms (and technology) as the targeted cash transfers of component 1a.

138. These steps can be seen in the below program cycle:



Expenditures to be financed under this subcomponent

139. The PW subcomponent will finance the following expenditures:
- (a) Cash benefits associated with participation in the PW program. This subcomponent will finance the cash benefits associated with the participation of households in the PW program. As for the CT, it is expected that government will increasingly participate in the financing of the benefits from the start of the APL II. The administration fees that different modalities of payments will be the responsibility of the project (and not the beneficiaries).
 - (b) Capital and administrative costs of PW activities. The project will finance capital and administrative costs associated to the implementation of PW activities. The average percentage of these costs in any given year, in relation to the total annual allocation per PAA for PW, will be 25 percent. Precise conditions and rules for procurement of material and equipment and for the categories of expenses authorized under administrative costs will be detailed in the Project Manual.

Community Savings Promotion

140. The objective of the Community Savings Promotion sub-component (COMSP) is to increase the ability of program beneficiaries to save for future needs and investments. The COMSP will complement the Public Works and the Cash Transfer Program by encouraging beneficiaries to take advantage of the security provided by cash transfers to commit to embark on regular savings. It will focus on the promotion of savings through a group savings methodology, financial literacy training, institutional and capacity building for the groups, record keeping, and innovative ICT promotion in building different savings products at community level. The sub-component will contribute to building the foundation for program graduation model. As savings groups become more established it may also be possible to support them to form associations and to link them with large micro-finance providers. In order to document evidence of impact, rigorous impact evaluation will constitute part of the activity implementation of this sub-component.

141. A Community Savings Promotion Group is a need based group but will target PW and CT beneficiaries. The group will be independent and self-managing, forming its own rules, including how much they should save and whether or not they will provide loans to members. They will meet regularly, for the purpose of savings, but can also meet for social reasons or because they wish to discuss other common issues of concern.

142. The key principles of the approach include: (i) membership of groups and the engagement in savings is voluntary; (ii) any community member interested in savings is eligible to participate in a savings group (although the focus of the interventions will be community members already targeted by the PW and CT); (iii) groups are democratically run with all members participating in decision making; (iv) groups provide a platform for providing other forms of support including business development training, technical support as well as training in life skills; (v) women will be particularly encouraged to participate in groups, including the formation of women only groups (in mixed groups women should constitute at least 50% of the committee members); (vi) support will change with groups' growing abilities, seeking to link them with formal micro-finance providers or innovative ICT based savings products as appropriate. The approach will be implemented through the following phases:

143. **Community Sensitization.** Community wide sensitization of the COMSP approach will be conducted as part of the overall project sensitization. Community sensitization will focus on the value of regularly saving money, the role savings groups, the support TASAF will provide to institutional development of the savings groups, savings product development and impact evaluation. The awareness raising will also inform people on how to go about forming a savings group including the minimum and maximum number of savers who should form a group (between 10 and 25).

144. **Group Formation.** Savings group formation will begin after the beneficiaries have been identified through the CT and PW unified registry of beneficiaries. Households will be encouraged to consider saving and to identify other households that they would like to begin saving with (people who are known to them and in whom they have trust). Group formation criteria will include; (i) participating in PW and or CT, need based members, residing in the same locality and character among others. Group members may also wish to consider forming groups with those who they have a common interest in terms of livelihood activity

(an interest in beekeeping or improved maize production). By joining up with others interested in similar activities, groups can facilitate the provision of other forms of support or consider group marketing. Other members of the community who are not PW and CT members may join the COMSP groups but will not directly benefit for the training and other project support. Once a group of households confirm they wish to come together, group formation happens and the group will elect its key post holders of Chair, Secretary and Treasurer and these leaders will make sure that the group is officially recognized by the Village Council.

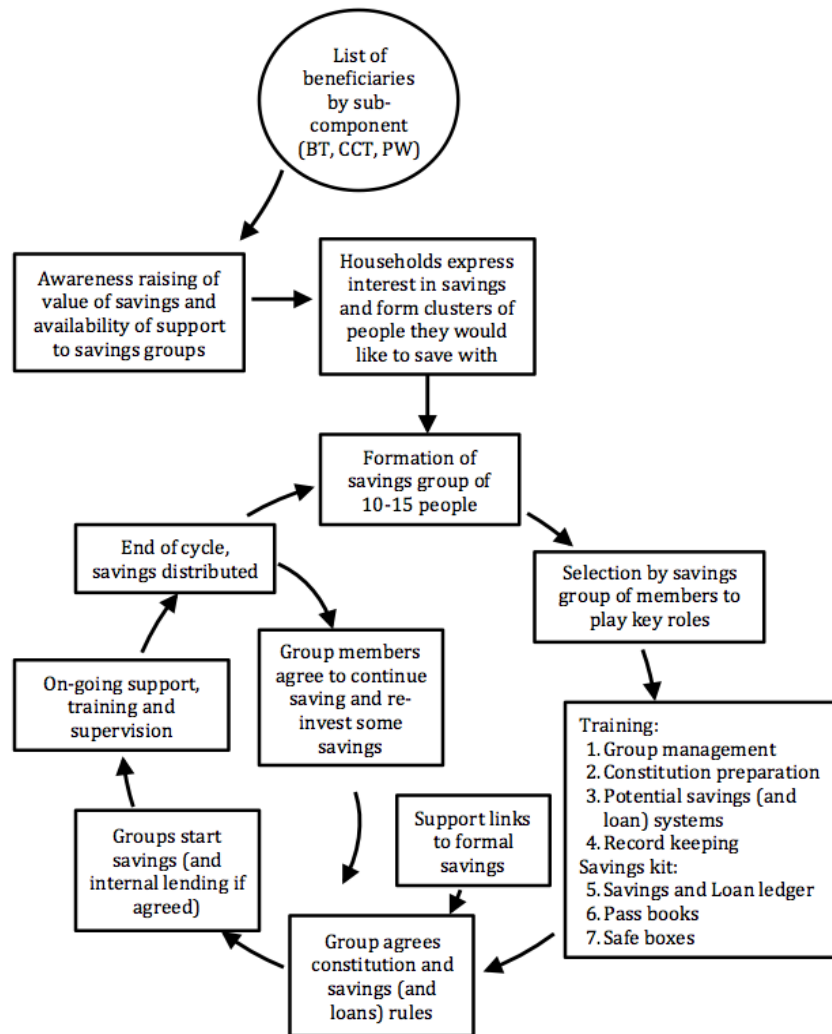
145. Provision of Start-up Support: Groups will be provided with a core package of support. This will include: (i) training on group management, savings and loan management, record-keeping and constitution preparation; (ii) provision of a basic savings kit (including record books, and a savings box with locks). Furthermore the group will be supported to propose and agree their constitution which will include: meeting frequency, minimum savings in each meeting, and whether to offer loans under what conditions.

146. Ongoing Savings and Support: Groups will then begin their regular meetings and begin their savings. They will continue to receive technical support and supervision, as well as further trainings whether directly related to savings or other issues such as gender, HIV/Aids or nutrition. Day-to-day management of groups will be the responsibility of the group leadership. They will call meetings, ensure members regularly make savings, complete records and ensure all groups members adhere to the constitution. They will also manage the provision of the above packages of support and act as the link between PAA staff and group members.

147. End of Cycle: A saving's cycle will be time-bound. The exact duration will be defined by the savings group in their constitution, but will not be longer than a year. At the end of the agreed time, the savings may be paid out to members including any income earned from providing loans. At this point group members may chose to disband, or may chose to embark on another savings cycle. They may also choose to re-invest a lump sum of their previous year's savings in order to create a larger savings pot. The time-bound nature of the savings cycle is necessary to ensure that group members know when they can realize their savings and convert it into a livelihood investment.

148. Links to Formal Savings Products: Groups who chose to continue to save after the end of a cycle and who are building up significant savings capital may decide to open an account with a bank or micro-finance institution to ensure the security of savings. In areas where PW/CT beneficiaries are being paid using mobile phone transfers or other technology, may find that such technologies may also simplify and add security to their saving approaches. The program will facilitate such links with groups able to take advantage of these services.

149. These phases can be seen on the below section of the program cycle:



Expenditures to be financed under this subcomponent

150. The COMSP subcomponent will finance the following expenditures:

- (a) community mobilization for savings,
- (b) training on community groups institutional building, record keeping,
- (c) technology based innovations such as use of ICT for savings interventions,
- (d) IEC to provide well designed savings messages to communities using print and electronic media (including use of mobile technology),
- (e) provision of savings kits, facilitation funds for bringing in trainers and facilitators, and
- (f) international and local technical assistance.

Component 2 – Institutional Strengthening (Total Cost: US\$93.9 million; IDA US\$80.0 million; DFID US\$10.0 million; Government of URT US\$3.0 million; Spain US\$0.9 million)

151. The objective of this component is:

- (a) To support the government of Tanzania in the process of institutionalizing the PSSN as part of the National Social Protection Framework;
- (b) To support TASAF to start the implementation of the PSSN under the current structure and gradually moving towards permanent institutional arrangements; and
- (c) To support program management and monitoring and evaluation of the PSSN.

152. The component will finance activities at national, PAA, and community levels aimed at improving accountability and transparency in the use of Project resources. It will have two sub-components.

Sub-component 2A – Strengthening TASAF and Supporting Implementation of the PSSN (Total Cost: US\$70.3 million; IDA: US\$66.4 million; Spain: US\$0.9 million; URT: US\$3.0 million).

153. The objective of this sub-component is to support TASAF and other implementing entities such as the Department of Social Welfare in carrying out the required operational reform to effectively implement the PSSN. Given the shifted focus of the PSSN compared with the implementation of TASAF under the previous two phases, there is a need to provide ongoing support and assistance.

154. The institutional arrangements in which the PSSN will be consolidated fall under the National Social Protection Framework (NSPF), which has the goal of providing guidance to all government and nongovernmental actors involved in the funding, planning and/or provision of social protection programs in Tanzania. For the success of NSPF and the achievement of its objectives, it is crucial that the implementing agencies are articulated, not only in their purposes but also especially in the intervention strategies implemented in the beneficiary communities. The principles of “coordination and harmonization of social protection programs” and the “integrated approach” indicate that existing and new programs must be coordinated to ensure that the activities of all institutions are mutually supportive, avoiding gaps and duplication of resources.

155. To carry out this integrated approach, capacity-building is necessary for all institutions that provide assistance to vulnerable groups in the country, including TASAF. Currently, each institution develops its own work programs, decides about the communities or beneficiaries on whom to focus their actions and organize their operations with sub national levels. The integrated approach that the NSPF promotes involves, as a first stage, an internal coordination of institutions and an alignment of its interventions, so that in subsequent stages, each agency is able to articulate with other institutional actors in the NSPF to ensure coherent interventions in beneficiary communities.

156. The Government has identified TASAF as a central actor for the implementation of social protection programs. As a consequence TASAF is transforming from a social fund to a public institution crucial for the implementation of a nationwide social safety net nationwide. This requires a change in approach (from infrastructure projects in a selection of

communities, to a nationwide safety net); and change in operation (from supervising individual sub-projects, to ensuring that a package of interventions support the determined target group); in TASAF's internal organization (so that it is consistent and appropriate to the new approach and operation); and, in the institutional role of TASAF as a key entity in the implementation of the NSPF. The APL I operation will support the transition phase of this process, while the APL II operation will consolidate the institutional arrangements under the NSPF.

157. The proposed project will support the institutionalization of the Productive Social Safety Net in the National Social Protection Framework through two sets of activities:

Institutional strengthening of TASAF for both implementing the PSSN and becoming a key actor within the new NSPF

158. The proposed operation will provide financial and technical assistance to implement activities including the following:

- (a) Operational reforms and institutional strengthening that TASAF may require to improve efficiency in the implementation and monitoring of the PSSN;
- (b) Program management including procurement, financial management, supervision and human resource management; and
- (c) Capacity building through training and technical assistance, advisory services, study tours and operational trips;

159. **Operational Reforms.** From the institutional perspective, TASAF will need to adjust its internal organizational structure in order to support the different activities that the PSSN requires, including (i) a dedicated team to implement, monitor and supervise the CT; (ii) an exclusively dedicated team to implement the labor-intensive public works program; (iii) a team responsible for the MIS and (iv) a team responsible for the targeting process and the Registry of Beneficiaries. The administrative structure will ensure adequate integration between the PSSN unit and the rest of the TASAF structure, especially the units responsible for the infrastructure area, as well as those responsible for the administrative and financial aspects of all programs aspects, including payment. This will include strengthening the process of internal coordination: (i) by adjusting its management tools; (ii) restructuring its internal organization at national and sub-national levels; and (iii) developing TASAF institutional leadership role that is expected for the implementation of the NSPF. To carry out this internal restructuring of TASAF a comprehensive institutional assessment will be financed and implemented during the first year of project implementation.

160. Furthermore, PSSN needs to develop social intervention tools to ensure coordination, complementarities and consistency (coherence) among the PSSN interventions as well as with other partner institutions' programs. One of the key tools would be an integrated (inter-institutional) community action plan, based on results, for each beneficiary community that consolidates all the social interventions, regardless of the implementing agencies that execute their particular programs. The coordination process includes both horizontal actions (between different institutional providers) and vertical coordination (between levels of the State administration). The design has to include new tools for inter-institutional coordination, program implementation agreements, and performance agreements associated with goals and achievement, among others.

161. **Program Management.** Key areas of administrative capacity will be in place during this phase of the program. This includes staffing and operating costs for program implementation including procurement, financial management and human resource management.

162. **Capacity Building.** Training and technical assistance to enhance capacity for the institutional staff shared with key actors of the partner institutions in the implementation of the new social protection framework. Staff needs to know the meaning of social interventions that promote and execute the NSPF, management tools used by the programs, and develop skills to perform under the new approach. The training program should be structured on the basis of a curriculum that combines academic activities, study tours, thematic workshops, activities to exchange experiences between institutions, technical assistance to programs or institutions that require it, inter-agency activities that allow the systematization of learning and findings during the implementation of the NSPF, and the preparation of technical notes on issues that are most relevant.

163. At the regional and local levels, a sustained strategy needs to be defined and implemented to train key members of the PAAs and keep them informed and engaged in the program. TASAF will work with PAAs on an ongoing basis to ensure adequate support and ownership at that level. In addition, the CMCs, which are at the core of the implementation of the PSSN will require significant support to enhance their capacity to carry out the activities entailing the implementation of both PW and CTs. In addition to ongoing training and assistance, there are three areas in which the CMCs need to be strengthened, possible through the inclusion of skilled personnel: (i) collection of information on households to register beneficiaries in the URB; (ii) support to health and education staff to collect information on compliance with co-responsibilities; and (iii) conciliation of payments, regardless the payment system used by the program.

Institutional support to other actors involved in the decision-making and implementation of SP programs will include:

164. The set of activities including in this sub-component will help the Government of Tanzania to increase the effectiveness of its social protection spending by helping enhance its capacity to (1) plan program and policies, (2) inform budgetary allocation, (3) coordinate program design and implementation, (4) monitor program implementation and progress, and (5) evaluate the impact of specific interventions. Through this component, the project will support activities to strengthen the overall government institutional arrangements for social policy in its role of steward of social protection through the following activities:

- (a) *Strengthening Government capacity for improved policy and decision making, coordination, and monitoring in the social sectors.* This sub-component will finance technical assistance, advisory services, and training to enhance government's capacity to develop effective institutional arrangements for policy-making and coordination, generate the knowledge and tools required for informed and coordinated decision making, and foster greater governance and transparency in the social sectors. Supported by technical advice and consultant services TASAF will work with other institutional actors within the Social Protection sector in Tanzania at the policy making, implementation and monitoring level to (i) develop effective institutional arrangements for the coordination for social protection within the NSPF including clear institutional

roles and responsibilities, coordination mechanisms, calendar of activities, and so forth; (ii) enhancing common tools and processes for improving decision-making, integrated implementation and on-time assessment and evaluation of social protection interventions, including information and monitoring systems and tools; and (iii) fostering governance through comprehensive dissemination of programs and results, social audits, and so forth.

- (b) *Enhancing Government capacity for knowledge generation for informed policy making.* This subcomponent intends to finance activities of knowledge generation, research and development which will provide an information basis for coherent and coordinated decision-making and for greater effectiveness of social spending. Among others, such activities include (i) analysis of public spending and services in the social protection sector, (ii) analysis of living conditions and access to services, and (iii) process and institutional assessments of selected social programs and agencies.
- (c) This sub-component will also include diagnostic activities about local service provision to support beneficiary households and encourage their demand for social services.

Sub-component 2B – Development of Systems for Implementation of Social Safety Net Intervention (Total Cost: US\$19.4 million; IDA: US\$12.2 million; DFID: US\$7 million)

165. To support the implementation of the PSSN, the proposed operation will provide assistance to develop and finance a set of instruments that need to be in place before or during the initial stages of both programs. Specifically, the proposed project will support the following activities:

- (a) A unified Registry of Beneficiaries of Social Programs (URB). Beneficiaries of the social safety net interventions will be registered in a URB and selected through a single targeting scheme. It is expected that in the medium-term the URB will serve not only for the Programs supported by this operation but that beyond this project, it becomes a tool to inform the government about the selection beneficiaries of other social programs funded by their own funds or by other development partners. The URB will (i) function as a baseline for PSSN and MVC, as well as for future social protection programs; (ii) identify eligible applicants through the use of a Community Based Targeting and Proxy-means test (PMT) formula as defined by the PSSN program; and (iii) will link PSSN eligible and not eligible children to MVC beneficiaries database. The implementation of the URB will involve the following activities, which will be supported by the proposed operation:
 - (i) The design and implementation of the Registry (software, systems and IT equipment), including IT requirements to integrate other beneficiary databases from other programs;
 - (ii) Regular assessments and, when appropriate, adjustments and testing of the targeting scheme to select beneficiaries;
 - (iii) Initial registry of beneficiaries (involving the process to collect information of potential beneficiary households);
 - (iv) Regular re-certifications (re-targeting) of the entire registry; and
 - (v) Training and maintenance of the URB and

- (vi) Training and maintenance of MIS.
- (b) Management Information Systems. The Project will finance the development of an integrated management information system. Details of the system are described under Component 2C below.
- (c) Information Education and Communication Campaigns (IEC). Even though TASAF has gained much experience regarding CTs, public works and community savings, the full implementation of the PSSN implies a different approach compared with the current intervention system of TASAF. Therefore, program roll-out will be accompanied by comprehensive IEC strategies at national, regional, PAA and community levels. The strategy will likely identify a range of communication mechanisms including training, awareness raising, briefing materials and the use of the media. The program will regularly assess the impact of the IEC campaign and adjust it accordingly.
- (d) Supply-side assessment. The Project will finance a comprehensive assessment to determine the effective coverage and operation of education, health and nutrition services. The assessment will be implemented in close coordination and consultation with the correspondent sector authorities at sub-national level, and will be updated regularly. The purposes of the supply side assessment are:
 - (i) Identify those villages where the full set of co-responsibilities will be enforced and those where, in addition to the workshops, only one or both (education and health) can be part of the CT program;
 - (ii) Provide actual information to TASAF to strengthen social infrastructure (school and health facilities) and access to social services through their infrastructure component; and
 - (iii) Provide information to health and education services to expand service delivery.
- (e) Payment System. The emphasis of the program on cash benefits as the main instrument to reduce vulnerability and to address chronic poverty requires changes to the payments system. Until now, TASAF has made payments using community mechanisms through the CMC (the program transfers funds to the CMC via PAAs and the CMC withdraws the funds and pay the transfers directly to households). Such a system is unlikely to be viable for a nationwide program with about 275,000 households receiving payments. Before starting disbursement of the PSSN, TASAF will set formal mechanisms to transfer cash for beneficiaries of both CTs and PW. The government is in the process of carrying out an assessment of possible payment mechanisms to define the most transparent and efficient system to transfer benefits to households. It is expected that the Program will use different payments methods depending on the specific conditions and availability of suppliers in different regions of the country, including: commercial banks, electronic cards, mobile banking, mobile money transfers and, in a few areas where conditions allow none of the mentioned mechanisms, continue the community system. In the cases where community systems need to be used, transfer of benefits to households will be made using sound control and conciliation procedures acceptable to IDA. The same payment systems will be used in each area for both the cash transfers

and the labor-intensive public work. Disbursements of transfers to final beneficiary households will be subject to the existing of adequate payment mechanisms in terms of reliability, transparency and security. The proposed project will finance consultant and non-consultant services, as well as IT equipment, goods and operating costs required to set up the payment system and transfer cash to beneficiaries. The APL I will also finance the administrative fee charged by a payment agent (a bank and mobile provider, etc.) to transfer cash to beneficiary households –initially estimated in 5 percent of the cash transfers). It is expected that in APL II the government will cover this expenditure.

Component 2C – Development and Strengthening of the M&E Systems (Total Cost: US\$4.4 million; IDA: US\$1.4 million; DFID: US\$3.0 million)

166. The PSSN M&E system will transform data collection, processing and information management into an integrated data system to facilitate the operation of PSSN components (CT, PW and COMSP) through the entire cycle, across all levels of government (CMU, Regional, and Local Government Authorities). Data capture remains paper based but a web base system connected to central office installed at PAA, allows online verification by M&E unit. Such web base system must also be linked throughout Tanzania government reaching different Ministries (mainly Social Welfare, Education and Health) to connect to the respective databases for cross-checking program information.

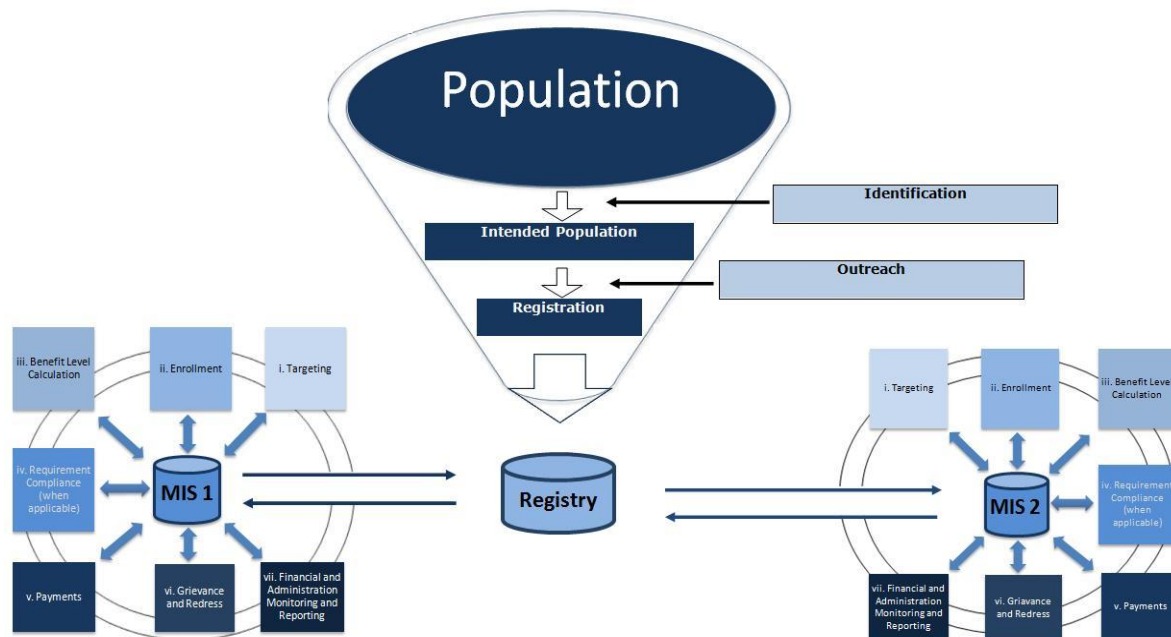
167. The new PSSN M&E system will have the following features, among others: (i) it will build on the national social protection registry, URB (mentioned in 2b above) which will act as a baseline for PSSN; (ii) it will generate payments separately for the both CT and PW beneficiary household in accordance with their eligibility status; (iii) it will provide CT and PW separate operations and management reports to all users in accordance with roles and responsibilities; (iv) it will create different CT and PW case management system to enable data entry, management and resolution of complaints by beneficiaries; and (v) develop monitoring and evaluation functions to facilitate, separately, CT and PW follow-up and analysis to ensure the program’s aims towards equity, efficiency and transparency.

168. One key element of the PSSN M&E system is the development of the integrated system that links URB and MIS that includes as basic modules:

- (a) Targeting - Identification and selection of potential beneficiaries from URB
- (b) Enrolment - Enrolment of potential beneficiaries
- (c) Benefit Level Calculation
- (d) Requirement Compliance (when applicable)
- (e) Payments
- (f) Grievances and Redress, and
- (g) Financial and Administration, Monitoring and Reporting.

169. Notice that the payment module is a key function of the PSSN MIS system and it must be aligned with the payment mechanism selected by program administrators, given that the project will strengthen the capacity to deliver the benefits effectively and in a transparent way directly to beneficiaries, and as a consequence building social accountability mechanisms (MIS payment module).

170. The envisaged PSSN MIS structure for CT and PW components requires at least two different but integrated MIS systems around the URB (registry), but a third for COMSP may be required, as follows:



Source: The World Bank (work in progress)

Evaluation activities

171. For PSSN program evaluation, the PSSN M&E unit seeks to design both ongoing Process Evaluations and Assessments to inform program administrators and Development Partners, and Impact Evaluation of the current program design to measure the impact of the program on outcomes.

172. Standard Impact Evaluation using randomized treatment and control groups over 36 months based on the villages selected for the first year of program implementation will inform program administrators and Development Partners what is the impact of the current program on outcomes and design features.

173. On the basis of the baseline data and MIS information about the first year of program villages selected for the independent Impact Evaluation, PSSN M&E system will look for generating evidence based information for adjustments through regular process evaluations and assessments. Based on these continuous evidence-base reports, adjustments to the program can be made and trial evaluations be designed, as presented in the diagram below:

PSSN first cycle: 48 months

First Year selected villages followed by 36 months for

Impact Evaluation of the program, Process Evaluation, and Assessments

Second Year selected villages followed by 24 months for

Impact Evaluation of alternative designs (**TRAILING**) and Process Evaluation

1. IMPACT EVALUATION: Randomized treatment-control evaluation with multiple treatment arms using **first year selected villages**

Objective: measure impact of the program on outcomes and generate evidence to possible trials for improve program performance	Y ₀	First Impact Evaluation round						Second Impact Evaluation round													
		Y ₁	...	Y ₇₋₉	...	Y ₁₃₋₁₅	...	Y ₁₈	Y ₁₉	...	Y ₂₄₋₂₆	...	Y ₃₆								
Treatment arm groups	Baseline survey	program implementation	Process Evaluation & Qualitative/Quantitative assessment	Process Evaluation & Qualitative/Quantitative assessment	First follow-up survey	Start incorporation of full program in all treatment and control arms	Process Evaluation & Qualitative/Quantitative assessment	End-line survey	Control group												
CCT+PW PW CCT																					

Objective: Production of evidence based information for improvement program implementation and to inform **Second Year trialing**

Identify gaps of program design using random spot-checks

ex. role and capacity of LGAs, CMCs,VCs to implement program efficiently (including selection of beneficiaries, data collection, monitoring of compliances...)

Identify alternative strategies for POSSIBLE TRIALING in year two selected villages using baseline survey and spot-checks

ex. measurement: of targeting efficacy (costs, accuracy...), of benefit structure strategy (adequacy of benefits), compliance (role of conditionalities)...

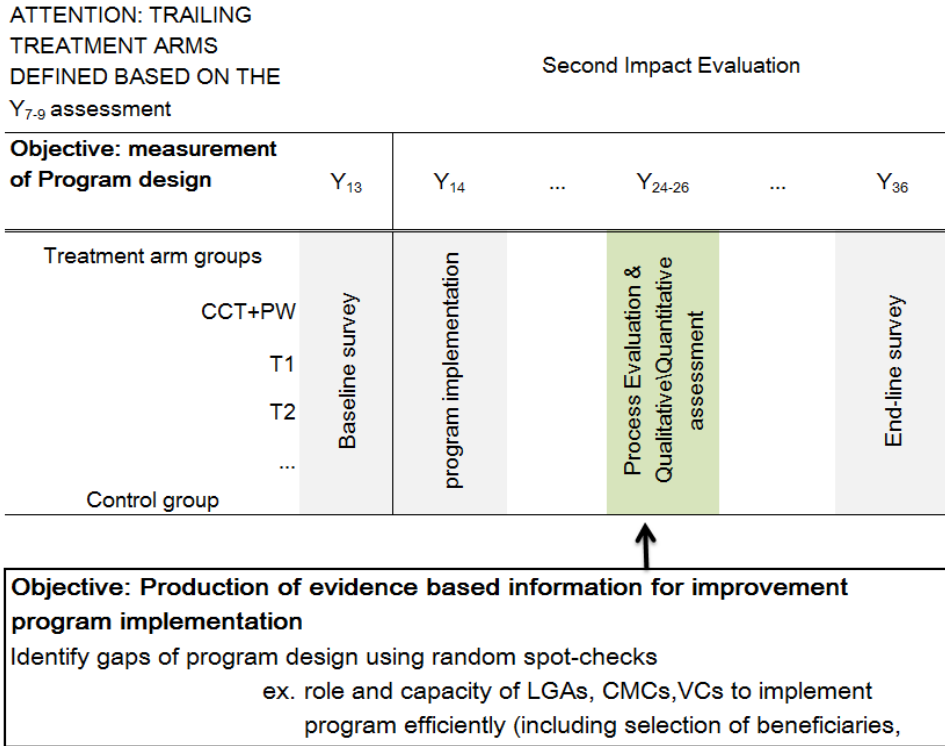
Objective: Production of evidence based information for improvement program on-going implementation

Identify gaps of program design using random spot-checks

ex. role and capacity of LGAs, CMCs,VCs to implement program efficiently (including selection of beneficiaries, data collection, monitoring of

PSSN first cycle: 48 months

2. IMPACT EVALUATION: Randomized treatment-control with multiple trialing arms identified by Y₇₋₉ Assessment using some villages from second year roll-out plan



Expenditures included in this sub-component

174. To implement the M&E system proposed above, the project will finance consultant and non-consultant services, IT equipment, goods and operational costs to carry out the following activities:

- (a) A comprehensive impact evaluation to measure the impact of the combined interventions using three treatment and one control group. The impact evaluation will be based on a baseline and at least two follow up surveys contracted with a recognized international firm. The timing of the first follow up survey will be calibrated to ensure that full expansion of the program will be adjusted according to the results of the evaluation.
- (b) Regular process evaluations to assess program's operations. These evaluations will be carried out for both CT and PW interventions. The program will carry out at least one, but possibly two process evaluations during the implementation of the APL I. The first process evaluation will take place after the first year of the program in which about 10,000 additional households will be enrolled in the PSSN and institutional settings have been in place (particularly after the three key aspects triggering the full expansion of the program have been completed,

namely: TASAF technical unit, payment mechanisms identified and MIS/URB fully developed), the first one after one year of expansion. Depending on how fast the program can be scaled up, a possible second process evaluation would be carried out in year 5 of implementation of APL I.

- (c) Beneficiary surveys and qualitative evaluation. The program will hire two beneficiary surveys and focus groups to gather beneficiary perception on the program. This qualitative assessments and perceptions of program operations will serve to: (i) adjust program settings, as well as sector services (education and health); and (ii) adjust the IEC strategy.
- (d) Grievance and accountability mechanisms. The program will develop effective mechanisms to receive claims and complains and track them through the MIS. These mechanisms will be developed taking into account the place of residence of many potential beneficiaries (where communication is very difficult) as well as education level (a significant number of beneficiaries cannot read and/or write). Therefore, these mechanisms will be based mainly on face-to-face interactions between beneficiaries and the program, through different instances, such as, among others, the following: (i) specific group meetings with beneficiaries carried out twice or three times a year and conducted by persons in which communities have trust to speak by themselves; (ii) specific spaces (e.g. a table with one or two program officers) during monthly workshops where beneficiaries have access to place a complain. As context permit, the program will developed other options using technology-based approaches.
- (e) Field-based sampling verifications (spot checks). In order to ensure that the information in which the program is taking decisions (for instance, information on compliance with co-responsibilities which is the support to define payments), the program will contract at least once a year field-based sampling verifications. Also known as sport checks, these verifications are carried out on a randomly selected number of villages or communities, and consist on following up the flow and the quality of information of certain processes of program operation (other process may include, attendance to work site under the PW, enrollment, and so forth.
- (f) Regular audits. As per Bank legal requirements, the program will be subject to regular audits (financial, procurement and technical –the latter will include the transfers, and the MIS)

Box 1. TASAF II - Evolution from a social Action Fund to a Productive Safety Net

TASAF I was approved by the Board on August 22, 2000. The Government of the URT, in 2000, established the Tanzania Social Action Fund as one of the instruments for operationalizing the Poverty Reduction Strategy. It was targeted at 40 PAAs in sixteen poorest regions on the Mainland, plus Unguja and Pemba in Zanzibar. The main thrust was to support communities with the need for service delivery in health, education, water and community roads and bridges. TASAF I was focused on construction of such infrastructure responding direct to community demands. Support to the food insecure households through the PW program was a small part of the project. TASAF was also used as a vehicle for empowering communities through the CDD Approach. At Mid-Term Review, TASAF started a pilot in four PAAs trialing support to vulnerable groups, an intervention which was scaled up under TASAF II. The implementation arrangement for TASAF I was such that it by-passed the government decentralized structures by going direct to the communities operating as a parallel structure. TASAF had staff in each PAA directly overseeing the operations. TASAF I reached 7 million direct beneficiaries.

TASAF II was approved by the Board on November 24, 2004. It is nationwide, having scaled up geographically, and also scaled-up the pilot work that supported the vulnerable groups under TASAF I. While TASAF II was a follow on project, providing resources for responding to the community demands, it had responded to the need for operating through the government structures for sustainability. All the work was mainstreamed into the PAA operations, which has also created capacity for supporting community initiatives. TASAF II has scaled-up the CDD approach. TASAF II has reached 20 million people with varying degrees of impact on human capital development, food security and service delivery.

Both TASAF I and TASAF II supported communities in a once-off manner for the infrastructures, the public works support to insecure households, and the support to food the vulnerable through income generating activities. Support to household consumption was improved for a short time but it decreased for most of them after the subproject implementation was completed, leaving most of the beneficiaries generally in the same state they were before the intervention. TASAF II also supported communities by inculcation a culture of accumulating own savings and investing through the Community Savings and Investment promotion program COMSIP). While the TASAF mainline interventions were targeted to the poor households, the COMSIP was available to support groups of poor savers in urban and rural areas. The group members came together, formed a constitution and started saving. TASAF through the PAA staff provided with information on financial management. These groups also learned about borrowing from the group or own savings when need arose for dealing with a shock to the household, or consumption, or for investment. The intervention has not been assessed yet, but anecdotal information is that as a result the households involved in the savings groups have not been involved in negative coping mechanisms, while some have started small-scale household enterprises. The total number the program has reached is 22,000.

Overall, implementation of TASAF supported activities was through the decentralized structure of Government which assisted in not viewing TASAF as a parallel structure. The success of both TASAF I and TASAF II also drew much from use of Bank Procurement Procedures. In addition the Management Unit was made a Procurement Agency by Government, which meant that the Management Unit conducted the procurement function like any other government ministry, thereby cutting out delays from approval process. These procurement arrangements will not change for the PSSN. TASAF also succeeded by being involved in the construction of infrastructure through an open menu system using the CDD Approach. This aspect will not be available under the PSSN where the infrastructure facilities that will be supported will be directly linked to the CCT for health and education for villages that do not have.

In Tanzania, the rate of economic growth has risen strongly over the last decade, from 4.1percent in 1998 to 7.4percent in 2008. Despite this, income-poverty in stands at very high levels with 33.6 percent of the population considered to be below the basic needs poverty line and 16.6 percent below the food poverty line in 2007 (Household Budget Survey 2007). Although this reflects a decrease in the percentage of households since 2000/01, with population growth the actual number of those below the basic needs poverty line increased during this period from 12.4 million to 13.5 million. Against this backdrop, the Government of the URT has developed a Program which targets the 34 percent leaving below the basic needs poverty line and in particular the 16 percent of the population below the food poverty line with social safety nets as one of the strategies for reducing the numbers of vulnerable people. The total cost of the Government Program is around US\$900 million. The proposed PSSN project focuses on a proportion of the 16 percent. The Government is committed to establishing a national safety net system that will be permanent and predictable with scalability in times of crisis for the needy. The first phase of the APL will thus enhance the existing systems and consolidate the safety nets establishment.

PROGRAM ROLL-OUT PLAN

A. Year 1 (0-12 months from Effectiveness date)

175. **Before Effectiveness.** TASAF Expanded Administrative Structure for PSSN needs be functional:

Year 0-1: Building Systems:

- (a) MIS
 - (i) MIS and URB Assessment (by March, 2012)
 - (ii) MIS Design and development (procurement, design) (by Jan. 2013).
 - (iii) Testing of MIS (May-June 2013)
 - (iv) Linkages to Financial Management System. FMS will be updated/upgrade by March, 2012
- (b) Payment
 - (i) Development of Mobile Payment System and testing (by March, 2013)
 - (ii) Assessment of Payment system nationwide (mobile phone, banks, small microfinance institutions) (March, 2013 or earlier)
 - (iii) Agreement with payment agent (March, 2013 or earlier)
- (c) URB
 - (i) URB Assessment together with MIS Assessment (March, 2012)
 - (ii) URB operational (Dec. 2012)
- (d) PWP
 - (i) Operations Manual, Technical Norms
 - (ii) Planning for PWP needs to be integrated with government planning (needs to be done one year ahead of time by July/August, 2012)
- (e) IEC Strategy (before March, 2013)
- (f) Training of PAAs (March, 2013 – June, 2013)

B. Year 2 (12-24 months from Effectiveness date):

176. First year Disbursement of PSSN Component (CCT, PWP).

Criteria for initial selection and number of regions

- (a) Project implementation will start in regions and districts with the highest poverty index.
- (b) Below PAA level, same index will be used but depending on appropriate data available.
- (c) Data was collected from PAAs and NBS Dec. 15, 2011.
- (d) Criteria for selecting districts in Year 1: Poverty Index, combined with capacity (payment system, ICT, etc.)

C. IMPLEMENTATION

177. The Implementation Plan for the PSSN is as follows

- (a) July 2012-June 2013: Year 1
Engagement with PAAs on PWP planning will start from July/August 2012
- (b) July 2013-June 2014: Year 2

- 10 PAAs in 6 Regions (including Zanzibar)
- (c) July 2014-June 2015: Year 3
Additional 75 PAAs in 10 regions = Total of 85 districts/16 regions
 - (d) July 2015-June 2016: Year 4
Additional 79 PAAs 10 regions = Total 164 districts/26 regions
 - (e) July 2016-June 2018: Year 5 Total 164/26 regions

Annex 3: Implementation Arrangements

TANZANIA: Productive Social Safety Net APL I

Project Institutional and Implementation Arrangements

178. PSSN institutional and implementation arrangements will build on progress made in TASAF I and II with regards to operating within existing Government structures and under the direction of the Decentralization by Devolution Policy. Tanzania is divided into 25 geographic administrative regions headed Regional Administrative Secretaries (RAS). There are 164 local government authorities including Pemba and Unguja. The PAAs are headed by the district executive director/municipal director (DED/MD). Below the district is the ward level headed by the ward executive officer. The lowest level of government is the village council/shehia (for Zanzibar) with a village executive officer. At National level, the National Social Protection Framework set by the Government of Tanzania mandates TASAF as one of the lead agencies for operationalizing social protection, while at Regional, Zanzibar and PAA level existing Government entities will provide the main program staffing.

National Level

179. At the national level, TASAF will be under the President's Office with oversight vested in the **National Steering Committee** (NSC). Members of the NSC will be drawn from the public and private sectors and with tenure of three years¹⁵. The Chair of the NSC and its members will be appointed by the president of the United Republic of Tanzania. The composition of the NSC will take into account the sector ministries that have a safety net mandate which include the State House Ministry of Health and Social Welfare, Ministry of Community Development, Gender and Children, Ministry of Labor, and Ministry of Finance. Other ministries have a technical mandate in the implementation of the PSSN, such as Ministry of Finance, Vice Presidents' Office (Environment Division), Disaster Risk Management Unit, Ministry of Works, Ministry of Agriculture and Food Security, Health, Education, Prime Minister's Office-Regional and Local Government Administration (PMO-RALG). The NSC is responsible for setting policy, clearing the annual work plans and budgets, as well as reviewing the progress reports and monitoring the impacts of the PSSN activities.

180. **The TASAF Management Unit (TMU)** is responsible for the day-to-day operation of TASAF and ensuring that program implementation is in accordance with Project Manual; and is answerable to the NSC. The functions of the TMU include: timely disbursement and thorough accounting of program funds; procurement at national level; recruitment and human resource development of necessary staff; preparation of annual work plans and budgets; monitoring and evaluation; and the preparation and submission of all financial and narrative reports to the NSC, Development Partners and the Ministry of Finance.

181. **TASAF will be administratively adjusted to gradually enhance its capacity to implement** the PSSN effectively. TASAF will not only count on specific units with adequate staff in number and profile to manage the CCT, PW and the URB, but also will strengthen the fiduciary and administrative areas to adequately support the implementation of the PSSN and will set effective and efficient payment mechanisms

¹⁵ Members can serve up to two terms on the NSC.

which guarantee timely and predictable payments, under high transparency and with sufficient controls and accountability. Finally, TASAF will review and strengthen its links with PAAs/Zanzibar and CMCs.

182. The PSSN will support a multi-sectoral program responding to community needs. In this regard, the sectors will be engaged in the process of reviewing plans and technically supporting the program at national level. **Sector Experts Teams** (one for the mainland and one for Zanzibar) will be composed to technically support and coordinate relevant program activities.

183. The existing **Social Protection Thematic Working Group** (SPWG) will continue to meet regularly on the broad range of social protection issues and programs in Tanzania. Development partners of PSSN and their Government counterparts will form a sub-committee of this working group to facilitate regular oversight of the program. Government members of this sub-committee will be made up of the Chair of the SPWG, the Executive Director and required technical staff of the TMU, and the Chair of the NSC or his/her delegate. The donor lead for PSSN supervision missions (which may shift between donor partners), will act as donor lead for the sub-committee, which will be chaired by the appropriate member of the Government team. For the first eighteen months of implementation, this sub-committee will meet monthly in order to support the effective roll-out of the PSSN. The sub-committee will report regularly to the SPWG on program progress and the findings of relevant program assessments and evaluations.

Regional Level

184. **At the regional level** (on the mainland), the Regional Administrative Secretary (RAS) will appoint a TASAF focal person from among the Regional Secretariat staff to liaise with PAA Directors¹⁶ in the respective region and get and consolidate implementation progress reports from PAAs. The RAS will strengthen accountability by reviewing trends in PSSN funded activities. The RAS will review and forward reports produced by the TASAF focal person to PMO-RALG and TASAF. TASAF will allocate resources for the regions for effectively monitoring of the project, especially for production of reports by the PAAs.

PAA and Ward Levels

185. At the PAA level (on the mainland) the program will be managed by **PAA Director**¹⁷, with **LGA Finance Committee**¹⁸ having functions, staffing and resources to be responsible for approval of Respective PAA Level Activities and ensuring prompt and efficient oversight of implementation of the Project activities. TASAF shall enter into a Memorandum of Understanding (MoU) with the Director from each PAA. The MoU will clearly articulate roles and responsibilities of the parties, as it relates to TASAF supported activities.

186. The PAA Director will appoint a **Focal Person or Coordinator** for TASAF activities and an **Accountant** to handle financials matters (including the preparation of public works payrolls). The Coordinator will coordinate the day-to-day PSSN activities

¹⁶ Some Regions have already appointed a focal person. This positive experience will be scaled up throughout mainland Tanzania.

¹⁷ Town Director/City Director/ Municipal Director for urban Councils

¹⁸ Refers to Finance, Administration and Planning Committee for District Councils; and Finance and Administration Committee for Urban Councils

consolidating annual public work plans, ensuring timely disbursement of funds for public works procurement, preparing and submitting quarterly financial and physical performance reports, monitoring program progress and coordinating IEC and capacity building. A temporary **Data Entry** clerk will be appointed to support the entry of baseline and proxy means testing data following the initial community identification of eligible households. The cost of maintaining the data entry clerk will be borne by the TMU.

187. The coordinator will be supported by a multi-sectoral **Council Management Team (CMT)**. The CMTs will play a key role in supporting all three elements of the PSSN: cash transfers, public works and community savings. The CMT will be responsible for the day to day financial management and procurement of inputs to be provided by the PAA under the respective PAA level Project activities. The CMT will assist the implementation of the overall targeting of the program by training and providing oversight for the community targeting exercise. They will further support the cash transfer component by coordinating with schools and health service providers with responsibility for monitoring adherence to co-responsibilities. In support of public works, the CMT will facilitate village level multi-year participatory planning, support the detailed design of public works prioritized during the annual planning exercise, appraise and approve annual public works plans, and support public work implementation. Relevant CMT members will also provide awareness raising regarding the value of savings to PSSN beneficiaries as well as specific training and support to savings groups once they are formed.

188. TASAF will employ one **Technical Assistant (TA)** for each PAA to provide technical support in areas of implementation (project and financial management) and reporting. The TA will report on a day-to-day basis to the PAA director, but will also have reporting responsibilities to the TMU.

189. The CMTs may identify **Local Service provider** operatives with relevant skills and experience which could augment capacity at the PAA level in various areas of program operation (targeting, public works etc.). The CMT will outsource areas of technical support or supervision using approved contracting methods.

190. **Ward level extension staff** will lead community level sensitization, training and participatory planning with support and oversight from the CMT. Where there is need for specialist knowledge inputs, such as engineering interventions this will be undertaken by respective PAA sector expert, or Local Service Provider

191. Public works and cash transfer payments will be undertaken by **Payment Agents** with adequate local outreach. Payment agents will be selected by TMU using appropriate procurement methods (and informed by an assessment of coverage) and may include mobile phone providers, banks, micro-finance institutions etc.

Zanzibar

192. **In Zanzibar**, the PSSN will be coordinated by the Office of the Second Vice President (2nd VPO). As mentioned above, a SET (with sub-committees) will also support and coordinate program activities for Zanzibar. The 2nd VPO will appoint **Coordinators** for Pemba and Unguja and **Focal Person in the officer of 2VPO** to

oversee all PSSN operations while the equivalent of the MoU signed with PAAs on the Mainland will be signed with the **Principal Secretary**.

193. Unguja and Pemba will each have a **Steering Committee (SC)** that will perform similar functions to the LGA Finance Committee and a **Management Team** with responsibilities similar to the PAA Management Teams mentioned above. The Management Teams will conduct the community facilitation in planning and budgeting for the selected subproject proposal, and make recommendations to the SC. An **Accountant** will be appointed by the Principal Secretary, as well as the above Coordinator, for both Unguja and Pemba, and TASAF employed TA will work alongside them.

Village/Shehia

194. **At the village level**, the existing Village Council and Assembly will play key roles in program oversight with a number of specially constituted community committees playing key operational roles.

195. The basic and conditional cash transfer component will be managed by a **Community Cash Transfer Management Committee (CCTMC)** who will also have responsibility for conducting the initial household identification process as part of the program targeting. This CCTMC, elected by the community, will identify poor and vulnerable households, collect the required data to enable the PMT to verify targeting, and monitor and support compliance to co-responsibilities.

196. Public Works implementation will be managed by a **Community Public Works Management Committee (CPWMC)** which will be selected by the public works beneficiaries from amongst their number. This committee will oversee the day to day management of public works, will procure an inputs required, recruit any skilled or semi-skilled labor or support, and will maintain attendance records for submission to the PAA.

197. The **Village Council (VC)**, or Shehia Advisory Committee (SAC) in Zanzibar, has overall responsibility for the economic and social development of the village and oversees the work of the above committees. The VC/SAC, supported by the **Village Executive Officer (VEO)**¹⁹, will ratify the selection of the above committees, and officially delegate responsibilities for component implementation to them. The VC/SAC will receive progress reports from the relevant community committees and make quarterly public reports to the Village Assembly before submitting reports to the PAA.

198. The VC/SAC will also work under the PAA CMT to facilitate the multi-annual participatory planning process for public works to ensure that a range of sections of the community are consulted in the development of the plan. Once the multi-annual plan has been approved by the Village Assembly (described below), and the annual prioritization process, the VC/SAC will forward the resulting plans to the PAA.

199. The **Village Assembly/shehia** (composed of all residents of the village), reviews and adjusts the beneficiary list generated by the community targeting and proxy means test before approving the final beneficiary list. The Assembly also plays a key role in the

¹⁹ The VEO works as a village secretary with responsibilities for minutes, record keeping and general documentation in Zanzibar Shehia's Secretary will do the same.

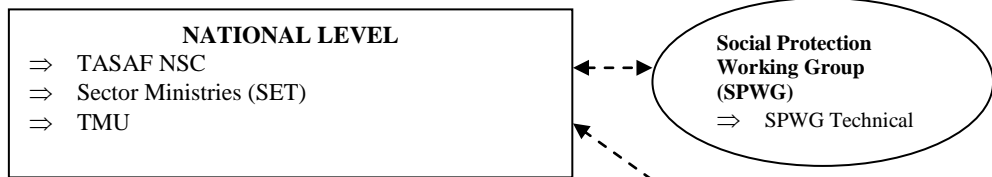
public works planning process during which they participate in the prioritization of activities for the annual public works plans.

200. The institutional set-up for the TASAF is as follows:

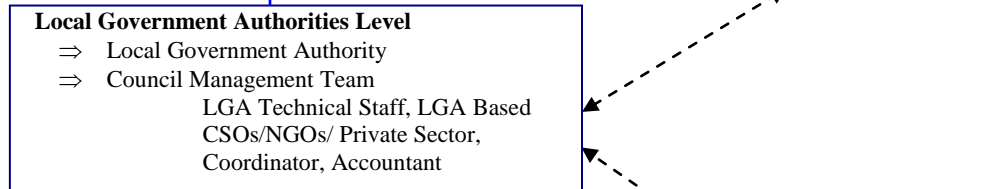
TASAF INSTITUTIONAL SET UP

a) Tanzania Mainland

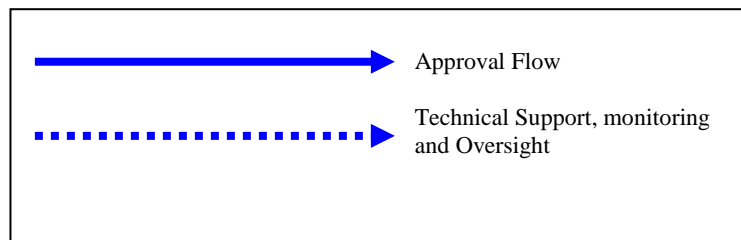
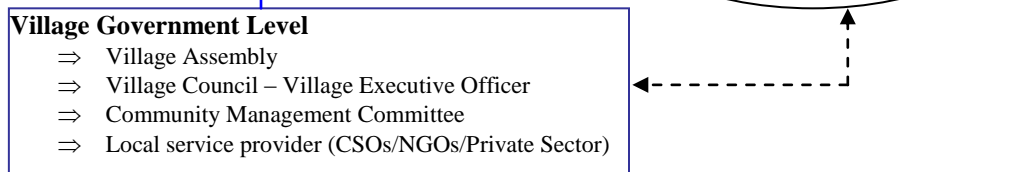
Level 1



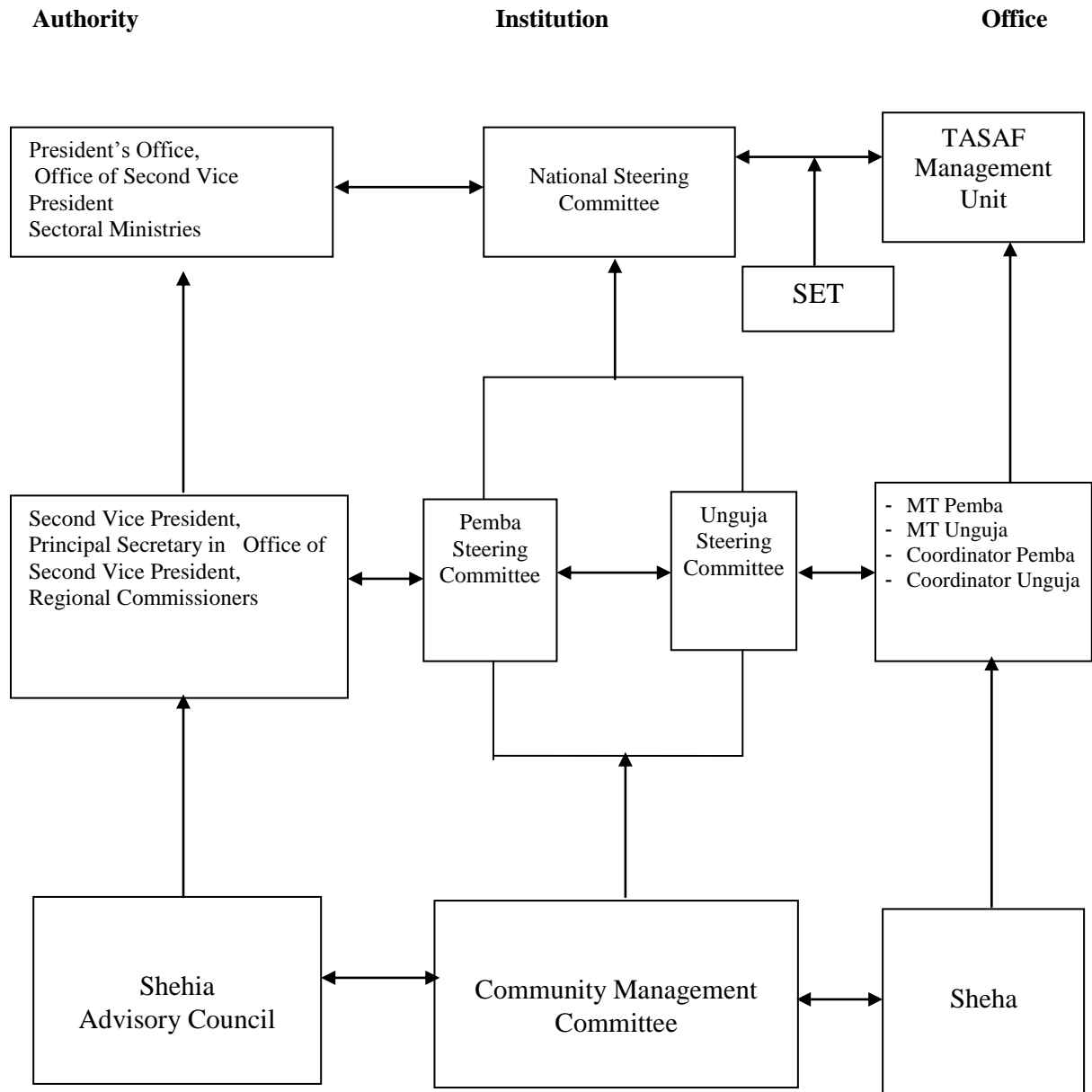
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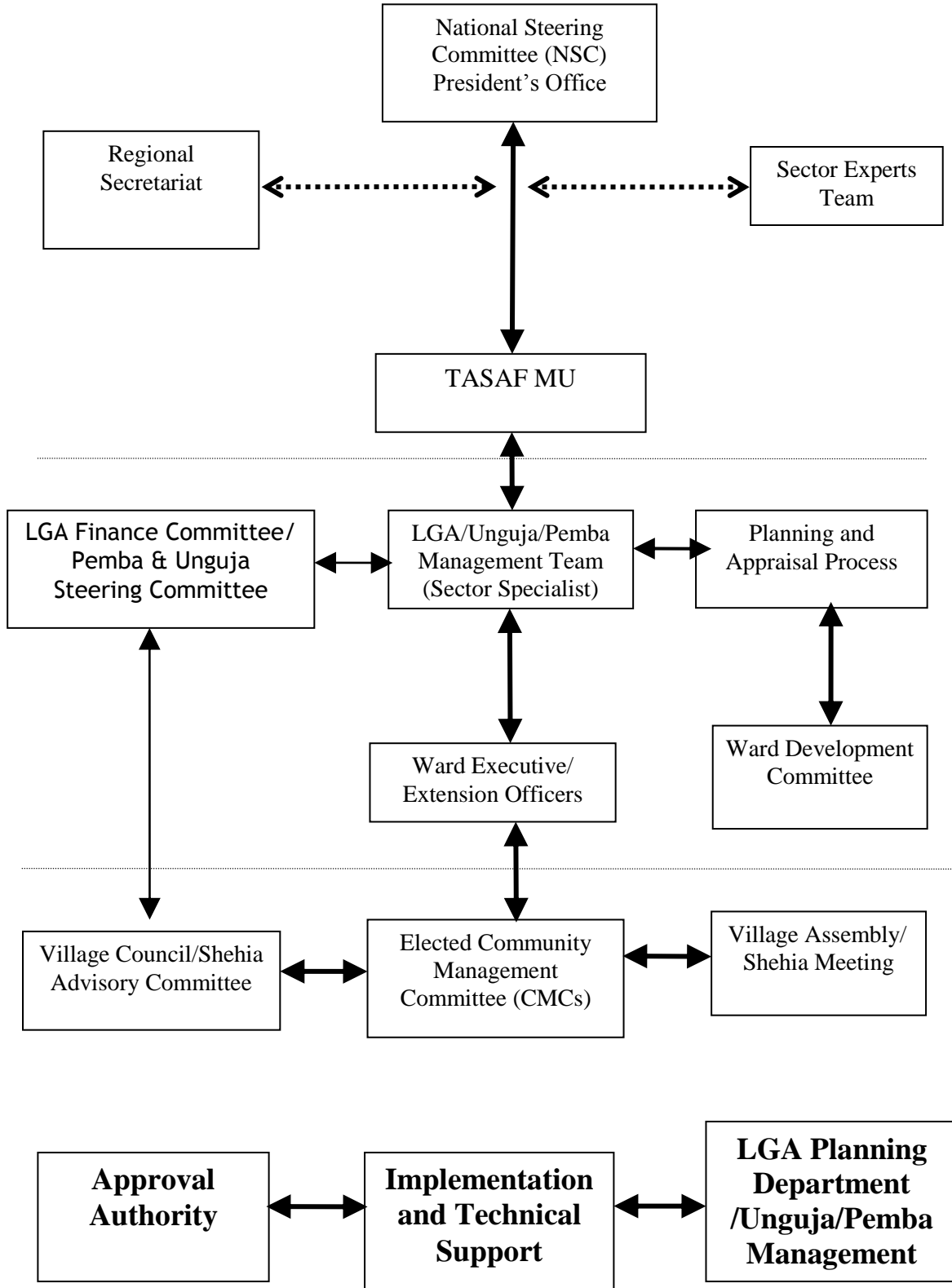
Level 3



(b) Zanzibar

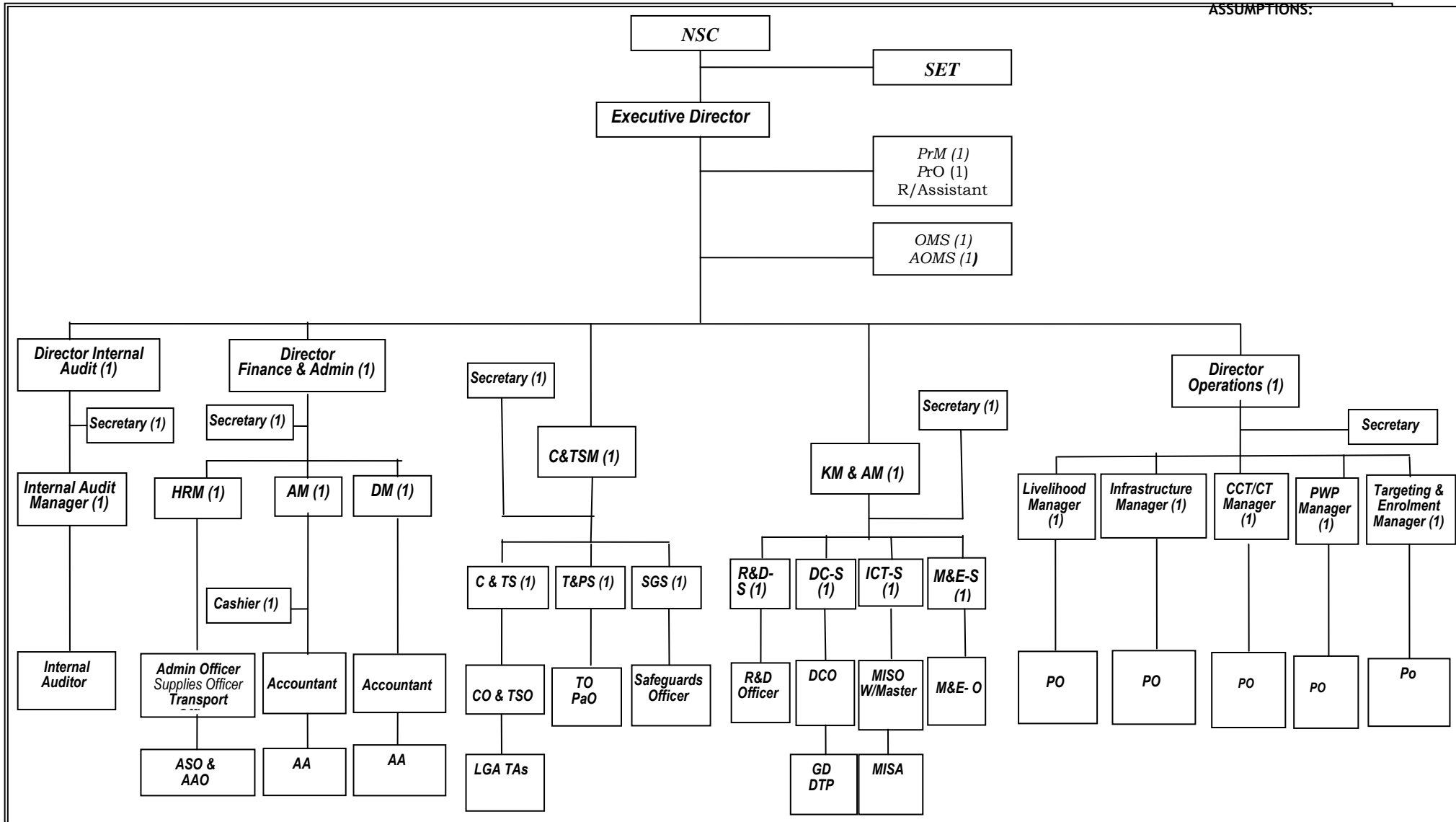


(c) – Institutional Set-up



TASAF Organization Chart

ASSUMPTIONS:



NSC- National Steering Committee
 CM- Coordination Manager
 R&D-S- Research and Development Specialist
 SET- Sector Expert Team
 HRM- Human Resources Manager
 PrM- Procurement Manager
 PrO- Procurement Officer
 OMS- Office Management Secretary
 AOMS- Assistant Office Management Secretary
 GD- Graphic Designer
 KM&AM - Knowledge & Advocacy Manager
 ASO- Assistant Supplies Officer
 AM- Accounts Manager

DC-S - Development Communication Specialist
 TSM - Technical Support Manager
 ICT-S - Information and Communication Technology Specialist
 T&PM - Training and Participation Manager
 TSS- Technical Support Specialist
 M&E-S - Monitoring and Evaluation Specialist
 CCT/CT- Conditional Cash Transfer/ Cash Transfer
 PO - Program Officer
 DCO - Development Communication Officer

 WM - Website Master
 COs- Coordination Officers

 AAO- Assistant Administrative Officer
 DM- Disbursement Manager

PWP- Public Works Program
 SGS- Safeguards Specialist
 M&E-O- Monitoring and Evaluation Officer

 R&DO- Research and Development Officer
 T&PS- Training & Participation Specialist
 TO- Training Officer
 PaO- Participation Officer
 MISO- Management Information Systems Officer
 MISA- Management Information Systems Assistant
 RRT- Rapid Response Team
 C&TSM- Coordination & Technical Support Manager
 AA- Assistant Accountant
 LGA TA - LGA Technical Assistant

1. Strong link between Finance and HR to control costs
2. Staffing/skills aligned to the related functions
3. HRM reports to DFA to minimize # reporting to E
4. Lined up to offer services to others, e.g. URB
5. Minimum position of Senior staff
6. Targeting and Enrolment Manager will be In-charge of the URB

Financial Management, Disbursements and Procurement

Financial Management

201. **Budgeting Arrangement.** Annual Work Plans and Budgets (AWPB) will be prepared and approved based on the MTEF. The TASAF has a strategic plan prepared on a yearly basis, which details out its budgeting requirements. The Business Plan is approved by the National Steering Committee (NSC) whose membership includes a representation from all implementing Ministries. During the preparation of the Annual Work Program, PAAs and Villages will be more involved in the overall planning and budgeting process, the timetable will be harmonized for all implementing entities.

Accounting and staffing Arrangements

202. **Accounting System.** The project shall maintain adequate financial records in accordance with the accepted international accounting standards and practices. It will continue to use the current newly updated computerized EPICOR accounting system. A detailed review of EPICOR was undertaken by the government and some concerns were raised regarding the limitations of the software, as well as inadequate training of the PAA staff on the use of the software. A new EPICOR version has been developed to address some of these limitations and implementation is now underway including training. The new version is more user-friendly, it has interface with plan rep (budgeting software) and has commitment control.

Staffing. The TASAF Management Unit takes full fiduciary responsibility of the project

203. The existing Fiduciary team within the TMU has adequate skills and has been working for TASAF-I and TASAF-II since its inception. They received various trainings as part of capacity building on IDA financial and disbursement procedures and guidelines. It is suggested that one additional accountant will be recruited at the central level to be in charge of the overall project disbursement aspects.

204. At PAAs level, PAA Treasurers will be the overall in charge, overseeing projects funds to be transferred to the communities. The recent FM assessment completed in 10 PAAs indicated that there is an adequate and qualified accountant appointed to manage TASAF II financial operations. However, limited capacity was noted in the areas of internal audit function, and computerized accounting system –EPICOR. The government has already provided computers and printers to most of PAAs, and training is underway. Training on fiduciary procedures including the new EPICOR version will be provided to all FM staff throughout the life of the project.

205. **Internal Controls including policies and procedures. The financial management risk was rated high during the assessment at Appraisal.** However, the financial accounting policies and procedures in place are sufficient to ensure that the project complies with the relevant Bank policies (OP/BP 10.02). These include the internal controls and proper accounting procedures which are documented in the current project Financial Manual. In addition, social accountability mechanisms will be incorporated as part of the updated Project FM Procedures Manual. Social accountability arrangements will include public reporting of financial and non-financial reports/information, independent complaints handling, corruption reporting, and community participation in the activities of the Project involving the beneficiary communities.

Internal Audit function:

206. TMU has established adequate internal audit function which is headed by the Director of Internal audit. The unit has an audit strategy and plan based on risk assessment. The audit unit is comprised of 3 qualified internal auditors. The unit issues out reports on a quarterly basis based on their review of the internal control system of the project and the management at the central level takes action on the report.

207. The PAA internal auditors are weak and inadequate. Strengthening of Internal Audit functions across government including PAAs is underway under Public Financial Management Reform Program. This includes capacity building of internal auditors in modern audit techniques and operationalizing the new and independent Internal Audit department to be managed by Internal Auditor General. The Government has established a position of Assistant Internal Auditor General Local Government (AIAG (LG) at the Ministry of Finance. AIAG (LG) is responsible for overall Local Government Internal Audit functions. According to the AIAG (LG) FY 12 work-plan, the activity of reviewing Internal Audit Report format is planned in March 2012 which will be preceded by the training to all Internal Auditors at PAAs.

208. Given the complex nature of the Project design and intricate procedures for the flow of funds to the facility/community/beneficiary level, it is necessary to have regular internal audit reviews of the Project from the national, PAA and facility/community/beneficiary levels. The implementing agencies' internal auditors will perform semi-annual risk-based internal audit reviews and their internal audit reports will be acted upon by the respective heads of the implementing entities and audit committees. To meet the LCDG minimum requirements which enables them get a capital grant, Local government internal auditors will be required to conduct four audits in such a local government which shall include this project. The program intends through its internal audit unit introduce risk based internal audit by training internal auditors in each PAA on this framework over a period of two years. In addition, independent financial management reviews will be undertaken to complement implementation support missions.

209. **Financial Reporting Arrangements:** The quarterly Interim Financial Reports (IFRs) will be prepared at the end of each quarter and submitted to the Bank not later than 45 days after the end of the quarter. This IFR shall cover all sources of funds to the program. The format and content of the IFRs were discussed during appraisal mission. These were agreed upon during negotiations. The proportionate percentages to be agreed amongst the donors for financing various components shall be applicable in a separate apportionment table to be part of the IFR.

210. **External Audit Arrangements:** The project will be audited by NAO (the current auditors of TASAF II). The external audit terms of reference were discussed during appraisal mission and were agreed upon during negotiations. The audit report together with the management letter will be submitted to the Bank not later than six months after the end of the financial year. TASAF is required to disclose the audited financial statements in a manner acceptable to the Bank. Following the Bank's formal receipt of these statements from TASAF, the Bank makes them available to the public in accordance with *The World Bank Policy on Access to Information*.

211. **Supervision Arrangements:** A FM supervision review mission will be conducted at least twice every year based on the current risk assessment of the project. This will include also the regular review of IFRs and annual audit reports. The main FM mission objective is to ensure that strong financial management systems are maintained for the project throughout its life. The Implementation Status Report (ISR) will include a financial management rating for the project that will be arrived at by the Country Financial Management Specialist after an appropriate review.

Funds Flow and Banking arrangements:

212. After establishing respective Administrative Agreements with DFID and USAID, the World Bank shall establish a recipient executed Multi Donor Trust Fund (MDTF) into which funds to be received periodically from the two donors will be deposited. MDTFs are a funding mechanism which combines the contributions of multiple donors for multi-donor financed programs like TASAF to be implemented over a number of years. The respective Administrative Agreements shall specify governance procedures covering the MDTF management, operational and financial reporting, and the allocation and uses of funds. Under this arrangement, earmarking of funds by participating donors to specific activities or to specific recipients will not be allowed. However, DFID and USAID will state a non-binding preference that their contributions can be used to finance one or more specific themes within the program but without a legally binding commitment by the Bank.

213. In its banking and administrative role, the Bank shall disburse these funds in accordance with OP12.00 using the variant disbursement methods upon request from the Government of Tanzania for execution of the program activities. These funds shall be disbursed into a Designated Account of the program maintained by TASAF MU. Disbursements there from shall follow procedures outlined in the program's financial management manual and the POM. Upon agreement on proportionate percentages for each of the donors for financing program activities, the government of Tanzania shall in writing inform the disbursement Processing of the agreed percentages so that it uses the same to calculate and attribute respective percentages of reported expenditures to the respective donors.

214. **Disbursement Arrangements.** PSSN will continue using the SOE disbursement method as it has been doing in TASAF-II. It will initially submit a cash flow forecast projection for 6 months to receive the initial deposit in the designated bank account. The six month projection will be based on an agreed 'Work Program' based on expected works, transfers and cash transfers to beneficiaries (basic, variable conditional cash transfers and wages) and other expected payments under component 2 of the Project. Further, subsequent advances to the DA will not only be based on the cash forecast but also on the amounts justified from the previous quarter's advance. The DA documentation of eligible expenditures and cash forecasting will be based on a quarterly basis. Release of funds from the central level to PAAs and Zanzibar will also be released on a quarterly basis to be in line with the reporting cycle. The detailed procedures will be included in the Financial Management Manual.

215. Apart from the Advance method of payment described above, reimbursements can be requested from the Bank for eligible costs incurred by the Ministry. The third method is the direct payment that may be used for payments to contractors or service providers upon

recommendations of their satisfactory performance by the project authorized officials. Payments may also be made to the commercial bank for expenditures against IDA special commitments covering the commercial bank's Letter of Credit. All these options are detailed in the World Bank disbursement guidelines for projects dated May 2006.

Category	Amount of the Financing Allocated	Amount of the Financing Allocated (expressed in SDR)	Percentage of expenditure to be financed (inclusive of Taxes)
(1) Cash Transfers for Safety Net Program under Part 1 (a) (i) of the Project	70,207,500	45,300,000	100%
(2) (a) Labor Payments for Subprojects under Part 1 (a) (ii) (A) of the Project	46,323,500	29,800,000	Such percentage of Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the recipient in a confirmation letter
(b) Goods, works, non-consulting services, consultants services and Operating Costs for Subprojects under Part 1 (a) (ii) (B) of the Project	17,077,500	11,000,000	
(3) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Part 1 (b) of the Project	1,581,250	1,000,000	100%
(4) Goods, non-consulting services, consultants' services, audits, Training, and Operating Costs under Part 2 of the Project	79,970,177	51,600,000	Such percentage of Annual Expenditures as the Association may determine for each Fiscal Year and communicate to the recipient in a confirmation letter
(5) Unallocated	4,931,073	3,200,000	
TOTAL AMOUNT	220,000,000	141,900,000	

216. If ineligible expenditures are found to have been made from the designated and/or operating bank accounts, the Government will be obligated to refund the same. If the designated account remains inactive for more than six months, the Ministry of Finance may be requested to refund to the IDA amounts advanced to the designated account.

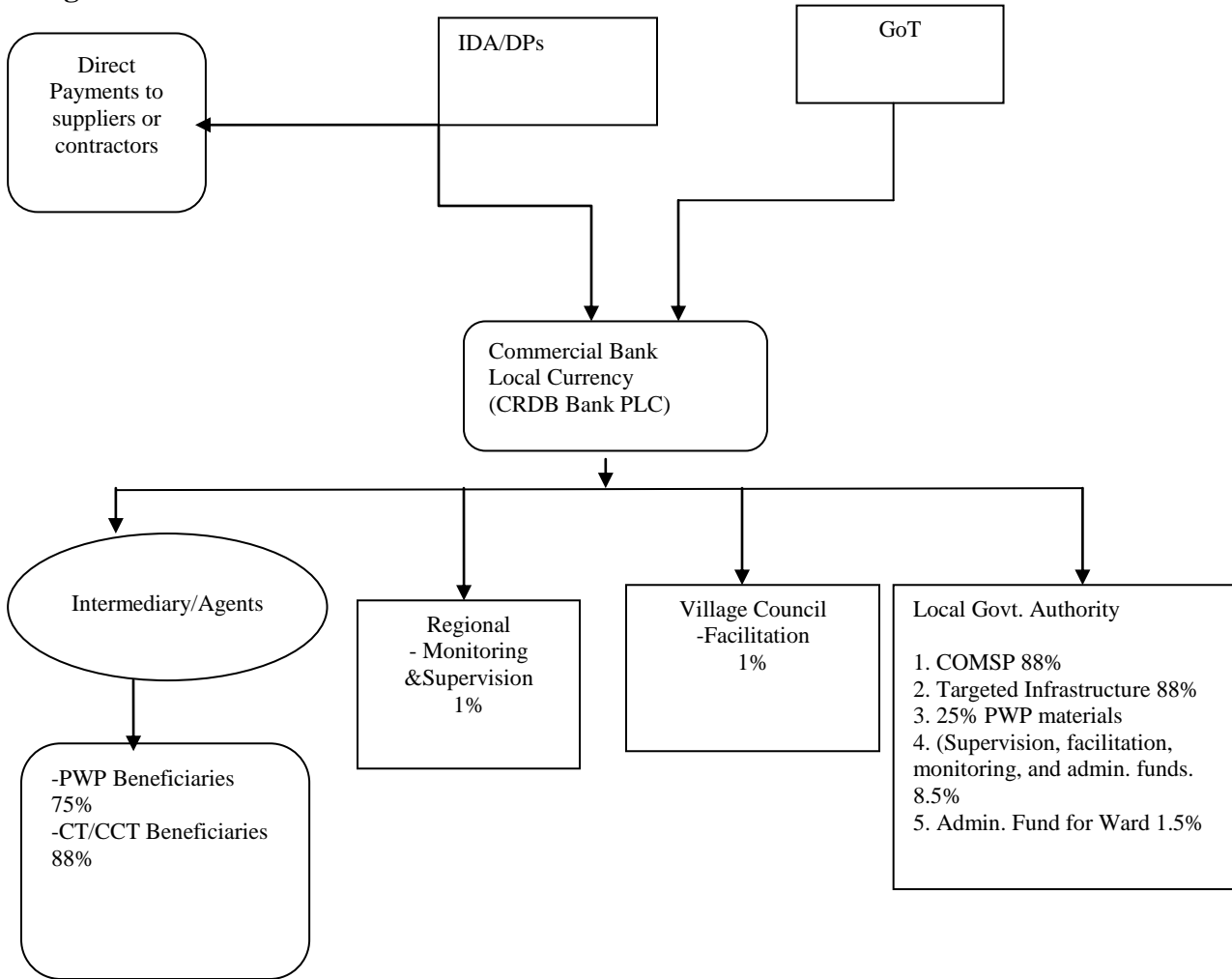
217. The project will maintain two bank accounts namely the US dollar Designated Account (USD DA) and the TZS project bank account for the purposes of implementing the projects. The USD DA will be opened at the BoT while the TZS project bank account will be at the Cooperatives Rural Development Bank (CRDB); the TMU will assess the rationale to continue using CRDB for this account. The need to conduct this assessment is to determine whether it meets World Bank requirements applicable to Designated accounts vis: (a) that the Bank is financially sound (b) audited regularly (c) review its ability to perform a range of banking transactions and determine whether it has satisfactory banking network. . Transfer from IDA credit will be made into the USD DA to make payments in US dollars. Transfers will also be made from the USD DA to the project account to finance transactions in TZS (see Figure 1 below on Flow of Funds in the PSSN). The project will initially submit a cash flow forecast projection for 6 months to receive the initial deposit in the US dollar designated bank account. Subsequently, withdrawal requests will be made depending on the need and utilization of funds in this account. For the infrastructure works transfers will be from the project account to PAAs and the village council accounts and other beneficiaries will be done based on the approved program of work or approved list of cash transfer beneficiaries. Overall, under the PSSN the Regions will access a maximum of 1 percent for monitoring and reporting, the PAAs/Zanzibar will access a maximum of 8.5 percent, the ward level a maximum of 1.5 percent and village council a maximum of 1 percent of the total subproject budget.

218. Payment Agents: The TMU will explore the use of Payment Agents who are close to the beneficiaries for fund transfers, such as commercial banks with wide coverage network, community banks, CBOs, Mobile phone companies, post offices etc.

- (a) **For the PWP component**, at the PAA level, 25 percent of subproject funds for PWP materials and other administrative costs will be transferred through the PAA. The 75 percent will be managed by the CMCs for payment of wages for beneficiaries. The 75 percent will be transferred by TMU directly to the beneficiaries through the agent after receiving the payroll from PAA. Elaborate details on this PWP labor intensity ratio will be in the Project Manual. The CMCs will be responsible for maintaining the attendance register and prepare a payroll in pre-designed forms that will be forwarded to PAA for verification by the accountant.
- (b) **For the CCT component**, beneficiaries registered for Cash Transfer will receive payments through the agent. The CMCs will be responsible for completing Payments Forms that will be forwarded to PAA for verification by the Coordinator/Accountant. The TA will be responsible for ensuring data entry into the MIS system at the PAA. TMU will analyze this information and proceed with disbursement of funds to the payment agent for transferring the money to beneficiaries.

219. Early experience of using payment agents will be closely monitored, so that lessons learned can inform the scale-up of the program.

Figure 1: Flow of Funds in the PSSN



220. CB-CCT and PW beneficiaries. TMU will ensure that this method of transfer creates audit trails (tracking transactions) so as to provide evidence to external auditors. In addition, the cost of transaction will be assessed. The release of funds from commercial banks to beneficiaries for PW will continue to be done as for TASAF-II with the exception that for –the PSSN only 50% of the amount will be sent to PAAs and the remaining 50% will be released after justification of at least 70% of the initial transfer. Once use of payment through agents is established, the PW resources for wages will not be transferred to the PAA, the resources will be transferred from the TMU to the commercial Banks and then the agents who will pay the beneficiaries. The detailed procedures will be contained in the Financial Management Manual.

221. The government of Tanzania has issued a circular requesting all treasurers at the PAA level to maintain limited Bank Accounts (not more than five) at their level; TMU in coordination with DPs will have to negotiate with PMO-RALG and MoF to seek exemption in order for TASAF-PSSN funds to have separate Bank Account until when the system will works properly.

Procurement

222. Procurement for the proposed project will be carried out in accordance with the World Bank Guidelines: Procurement of Goods, Works, and Non Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, dated January 2011, and Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, and Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised in January 2011 and the provisions stipulated in the Financing Agreement.

223. Implementation arrangements with regards to carrying out of procurement activities will be at four levels – National/TMU, Regional Secretariats, PAAs, and Communities. Procurement activities to be carried out at the National/TMU level will be for those packages to be processed through ICB, NCB, shopping and the ones involving selection of consultants as well as incremental operating costs. At the Regional and PAA levels, procurement will involve NCB and shopping procedures for the items required at those levels for implementation of the project. Various procurement activities will be undertaken at the village/community level for the items to be used in the implementation of subprojects through Community Driven Development (CDD).

224. A procurement capacity assessment of the TMU, a sample of PAAs, Regional Secretariats, was finalized during appraisal. The procurement risk for the project is assessed as “substantial” and the following measures were agreed to mitigate the risks:

- (a) Procurement staff to be trained on World Bank procurement procedures and processes during project implementation;
- (b) Prepare Project Manual (including Procurement Manual, and Community Procurement Handbook) by Effectiveness;
- (c) CMCs to be trained on Community Participation in Procurement with regards to CDD subprojects during implementation of the project;
- (d) Train staff in data management and establish acceptable procurement filing and record keeping system within six months of implementation of the project; and
- (e) A procurement plan for the first 18 months was prepared and approved at Negotiations.

225. Details of Procurement Arrangements Involving International Competitive Bidding and Other Methods.

Goods, and Non Consultant Services

1. PROCUREMENT PACKAGES WITH METHODS AND TIME SCHEDULE

Ref. No.	Contract (Description)	Estimated Cost in US \$	Procurement Method	Prior/Post Review	Prequalification (Yes/No)	Domestic Preference (Yes/No)	Expected Bid Opening
IE/011/2012-13/HQ/G/01	Supply of Motor Vehicle	413,841.60	NCB	Post	No	No	15-Sep-12
IE/011/2012-13/HQ/G/02	Supply of ICT and Office Equipment (Two lots)	383,383.17	NCB	Post	No	No	15-Sep-12
IE/011/2012-13/HQ/G/03	Supply of Information Education and Communication Equipment	99,000.00	NCB	Post	No	No	15-Sep-13
IE/011/2012-13/HQ/G/04	Supply of Software Licenses	54,769.02	NCB	Post	No	No	15-Sep-12
IE/011/2012-13/HQ/G/05	Supply of ICT Supplies	82,153.54	NCB	Post	No	No	20-Nov-12
IE/011/2012-13/HQ/G/06	Supply of Stationery	100,000.00	NCB	Post	No	No	20-Nov-12
IE/011/2012-13/HQ/G/7	Supply of Furniture	170,000.00	NCB	Post	No	No	20-Nov-12
IE/011/2012-13/HQ/G/8	Supply of Motor vehicle Spare parts	87,941.34	NCB	Post	No	No	20-Nov-12
IE/011/2012-13/HQ/N/01	Service and maintenance of Vehicles	15,519.06	Shopping	Post	No	No	20-Nov-12
IE/011/2012-13/HQ/N/02	Service and maintenance of Office Equipment	27,384.51	Shopping	Post	No	No	20-Nov-12
IE/011/2012-13/HQ/N/03	Air TV Programs for Awareness Creation	50,000.00	Shopping	Post	No	No	15-Oct-12
IE/011/2012-13/HQ/N/04	Air Radio Programs for Awareness Creation	30,000.00	Shopping	Post	No	No	15-Oct-12
IE/011/2012-13/HQ/N/05	Provision of Payment Services Agency	100,000.00	NCB	Prior	No	No	10-Apr-13
IE/011/2012-13/HQ/N/06	Internet Services and Website Hosting	100,000.00	NCB	Post	No	No	25-May-13
IE/011/2013-14/HQ/G/01	Supply of ICT Supplies	80,000.00	NCB	Post	No	No	25-Nov-13
IE/011/2013-14/HQ/G/02	Supply of ICT and Office Equipment	16,724.39	Shopping	Post	No	No	15-Sep-13
IE/011/2013-14/HQ/G/03	Supply of Stationery	100,000.00	NCB	Post	No	No	25- Nov-13
IE/011/2013-14/HQ/G/04	Supply of Motor vehicle Spare parts	78,430.69	NCB	Post	No	No	20-Nov-13
IE/011/2013-14/HQ/G/05	Supply of Motor Vehicle	369,085.60	NCB	Post	No	No	15-Sep-13
IE/011/2013-14/HQ/N/01	Service and maintenance of Vehicles	15,000.00	Shopping	Post	No	No	25- Nov-13
IE/011/2013-14/HQ/N/02	Service and maintenance of Office Equipment	50,000.00	Shopping	Post	No	No	25- Nov-13
IE/011/2013-14/HQ/N/04	Printing of Information Education and Communication Materials	100,000.00	NCB	Post	No	No	18-Nov-13

226. Selection of Consultants

List of consulting assignments with short-list of international firms and other selection methods

Ref. No.	Description of Assignment	Estimated Cost in US\$	Selection Method	Review by Bank (Prior/ Post)	Expected Proposals Submission
IE/011/2011-12/HQ/C/10	Development of systems – MIS, IFMAS, URB	994,415.00	QCBS	Prior	25-Sep-12
IE/011/2011-12/HQ/C/11	Preparation of IEC Strategy and Implementation Plan	50,000.00	CQS	Post	06-Apr-12
IE/011/2011-12/HQ/C/12	Preparation of Training Program	50,000.00	CQS	Post	22-Apr-12
IE/011/2011-12/HQ/C/09	Management Facilitator	100,000.00	IC	Post	15-Jan-13
IE/011/2012-13/HQ/C/01	Baseline and follow up surveys	1,155,000.00	QCBS	Prior	12-Dec-12
IE/011/2012-13/HQ/C/02	Technical Audit	100,000.00	LCS	Post	25-Apr-13
IE/011/2012-13/HQ/C/03	Process evaluation	150,000.00	CQS	Post	15-Dec-13
IE/011/2012-13/HQ/C/04	Beneficiary survey	60,000.00	CQS	Post	15-Dec-13
IE/011/2012-13/HQ/C/05	Technical Staff *	3,388,320.00	IC	Prior	15-Jul-12
IE/011/2012-13/HQ/C/06	Develop Research Agenda	50,000.00	CQS	Post	12-Oct-12
IE/011/2012-13/HQ/C/07	Develop Participation Strategy	30,000	CQS	Post	12-Oct-12
IE/011/2013-14/HQ/C/03	Technical Staff *	202,800	IC	Prior	15-Jul-13

NOTE: *The positions of the various Technical Staff to be approved by IDA

227. Prior-Review Thresholds:

Goods and Works and non-consulting services: Procurement Decisions subject to Prior Review by the Bank as stated in Appendix 1 to the Guidelines for Procurement:

Selection of Consultants: Selection decisions subject to Prior Review by Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants.

Expenditure Category	Contract Value Threshold (US\$)	Procurement/ Selection Method	Contracts Subject to Prior Review
Works	>5,000,000	ICB	All
	<5,000,000	NCB	None (Post review) unless specified in the PP
	<50,000	Shopping	None (Post review)
	All values	Direct Contracting	All
Goods	>500,000	ICB	All
	<500,000	NCB	None (Post review) unless specified in the PP
	<50,000	Shopping	None (Post review)
	All values	Direct Contracting	All
Consulting Services - Firms	> 300,000	QCBS/ Other (QBS/FBS/ LCS)	All
	≤ 300,000 > 200,000	CQS/ Other (QCBS/QBS/ FBS/LCS)	All
	< 200,000	CQS/ Other (QCBS/QBS/ FBS/LCS)	None (Post Review)
	All values	SSS	All
Consulting Services - Individuals (IC)	>100,000	IC – Qualification	All
	<100,000	IC – Qualification	None (Post review)
	All Values	IC – SSS	All

NOTES:

General – Terms of Reference for all contracts shall be cleared with the Bank

- Shortlists for consultancy services for contracts estimated to be less than US\$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.
- Consultancy services for contracts estimated to cost more than US \$ 300,000 equivalent per contract shall be advertised in UNDB online, in addition to advertising in national news paper(s) in accordance with the provisions of paragraph 2.5 of the Consultants Guidelines.
- QBS, FBS, and LCS for assignments meeting requirements of paragraphs 3.2, 3.5, and 3.6 respectively of the Consultant Guidelines.

Environmental and Social (including safeguards)

228. PSSN is expected to generate significant social benefits through provision of employment and livelihood opportunities to target communities nationwide. The project will target people living under the food poverty line (currently 16 percent of the population). In particular, the project will smooth consumption of poor and vulnerable households during lean seasons. This will be achieved by providing a source of income through labor intensive public works while creating community assets, increasing consumption of the same group of households and investing in the education, health and nutrition of their children and pregnant women in order to reduce vulnerability and poverty in the mid- and long-term. The project will be gender sensitive in targeting women in the public works. Moreover, the PSSN will enhance government capacity to build the institutional and implementation blocks for a permanent and effective social safety

net. Overall, the project is expected to contribute positively to employment and livelihood opportunities, and provide a conducive environment for the expansion of rural economic activity through the cash injection from the transfers and wages from public works.

229. The PSSN is also expected to contribute to positive environmental benefits. Not only will the menu of potential public works sub-projects prioritize environmentally beneficial activities, but Disaster, Risk and Climate Change Adaptation (DRCCA) will be integrated into public works sub-projects so as to have them shielded from related risks which could erode benefits of the social safety net in the medium and long term. This will involve encouraging and promoting climate change adaptation, green public works and gender mainstreaming.

230. Despite these obvious benefits, some of the subprojects under PSSN will require land and some other assets which could potentially have some adverse social impacts; and public works need to be appropriately sited and constructed otherwise there are risks of exacerbating problems such as erosion.

231. To address the potential adverse impacts associated with the proposed subprojects to be financed under PSSN and to provide mitigation measures, the Government has updated the existing safeguard documents which include: an Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF) that were prepared for TASAF II in 2004. A Resettlement Action Plan (RAP) could not be prepared at the time of appraisal since subprojects will only be identified during the implementation. The updated documents were resubmitted to the Bank on October 21, 2011 after consultations with stakeholders which took place on October 11, 2011. The documents were reviewed and cleared by the Bank. The ESMF was disclosed in-country on November 14 and at the Infoshop on November 15; while the RPF was disclosed was on January 18, 2012 both in-country and at the Infoshop. These two key documents will provide step-by-step description on how to identify those subprojects that have potential environmental and/or social risks (e.g. those under sub component 1B –Labor Intensive Public Works Plus), and plan, implement and monitor the necessary mitigation and/or preventive measures. The updated RPF includes a compensation matrix that is translated into Kiswahili (in 1 or 2 pages) and made available to the affected people. Once subprojects are identified, if they include land acquisition/involuntary resettlement and/or lead to a loss of access to resources or livelihoods, subproject specific Resettlement Action Plan (RAPs) or Abbreviated RAPs where less than 200 persons will be affected, will be prepared and disclosed.

232. PSSN is a nationwide project; therefore, the Indigenous People Policy is triggered. However, since sub-projects' locations are not determined at the time of the appraisal, an Indigenous People Policy Framework (IPPF), instead of a plan, has been prepared. The IPPF was discussed with stakeholders on October 11, 2011, and submitted to Bank on October 21, 2011. The IPPF was cleared by the Bank; and disclosed in-country on January 18, 2012 and at the InfoShop. The IPPF outlines the steps needed to be taken if a subproject under the PSSN is located in an area where any of the known Indigenous Peoples (IP) in Tanzania live, based on recent analysis of areas where IPs are located. The main aim of the IPPF is to ensure that the development process fully respects the dignity, rights, economies, and cultures of these communities and that the project is able to gain broad community support of the affected

indigenous peoples and other vulnerable marginalized groups. Subprojects to be financed under PSSN will be screened and if Indigenous Peoples are in the subproject area, a subproject specific Indigenous Peoples Plan (IPP) will be prepared. These subprojects will not be implemented until the associated IPP has been developed in agreement with the affected Indigenous Peoples' communities, cleared and disclosed.

233. Experience from the implementation of TASAF II requires improvements to the safeguards process to address a number of key issues that may undermine the effective and efficient delivery of environmental and social management and protection under PSSN. These issues hinge on the capacity to facilitate completion of the safeguards process and the specific procedures used including sub project screening to identify those subprojects that may have negative environmental and social impacts. There is need for building capacity for effective and efficient environmental management of environmentally riskier subprojects, as well as monitoring of and reporting on safeguards compliance at all levels.

234. The following will be required: (i) subproject screening process should be refined by streamlining and clarifying guidance. This would involve revising the screening checklist to be much simpler and sector specific rather than the generic checklist used during TASAF II; (ii) ensuring presence of a dedicated and well-trained safeguards team within TMU for coordinating safeguards implementation, monitoring and reporting. This will be done through enhancing the capacity of the existing team; (iii) developing and enhancing capacity in implementing PAAs to facilitate implementation of the safeguards process; (iv) ensuring that principles of the ESMF and RPF are followed at the subproject level and needed instruments, if necessary are prepared; and (v) monitoring indicators for safeguards implementation and compliance are prepared.

235. Final discussions with government have concluded that PSSN subproject investments will not affect international waterways thus; the policy on Projects on International Waterways will not be triggered.

Safeguard Policies

236. PSSN has been assigned an environmental category B, because it has potential adverse environmental impacts on human populations or environmentally important areas – including wetlands, forests, grasslands, and other natural habitats. However, the likely negative impacts are site-specific, and their mitigation measures can be designed more readily. These include measures needed to prevent, minimize, mitigate, or compensate for adverse impacts; and improve environmental and social performance. Safeguard Policies, which apply to PSSN, are shown in the table below.

Table 9: List of Safeguard Policies

Safeguard Policies Triggered by PSSN	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
Natural Habitats (OP/BP 4.04)		X	
Forests (OP/BP 4.36)		X	
Pest Management (OP 4.09)		X	
Physical Cultural Resources (OP/BP 4.11)		X	
Indigenous Peoples (OP/BP 4.10)	X		
Involuntary Resettlement (OP/BP 4.12)	X		
Safety of Dams (OP/BP 4.37)		X	
Projects on International Waterways (OP/BP 7.50)		X	
Projects in Disputed Areas (OP/BP 7.60)		X	

237. Environmental Assessment (OP/BP 4.01): This policy is triggered if a project is likely to have potential environmental risks and impacts in its area of influence. The policy covers impacts on the natural environment (air, water and land); human health and safety; physical cultural resources; and trans-boundary and global environment concerns. The core requirements include: screening early for potential impacts and selecting appropriate instruments to assess, minimize and mitigate potential adverse impacts.

238. Indigenous Peoples (OP/BP 4.10): The policy is triggered when the project affects the Indigenous Peoples in the project area. The policy requires that task teams should pay particular attention to indigenous peoples' concerns when a Bank-assisted project: (i) Affects isolated or marginalized groups of Indigenous Peoples who lead traditional way of life or whose social organization and cultural practices are significantly different from those of the dominant society; (ii) Affects lands and resources—natural and cultural—owned, occupied or used by Indigenous Peoples; and (iii) Causes physical relocation of households or impose restriction of access to natural resources.

239. Involuntary Resettlement (OP/BP 4.12): The policy covers not only physical relocation, but loss of land or other assets resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; (iii) loss of income sources or means of livelihood, whether or not the affected people must move to another location. Core requirements include; assisting displaced persons in their efforts to improve or at least restore their standard of living; avoiding **resettlement** where feasible or minimizing it; ensuring that project benefits reach the displaced persons.

Monitoring & Evaluation

240. The Government has established a single monitoring and evaluation system for the second National Strategy for Growth and Reduction of Poverty for Tanzania Mainland and Zanzibar. The PSSN is linked to the national monitoring system. The primary data will be collected by the Village Council, with technical assistance from the extension workers at the Ward and PAA levels, as well as the specialized non-governmental organizations working in the PAA areas. Data will be consolidated at the PAA for analysis and shared with the regional and national levels for further aggregation and dissemination.

241. The data analysis will be done at two levels, first at the PAA level and at National level. At the PAA level all data will be captured into a simple computerized MIS by the PAA Coordinator. The necessary computing capacities and the technical know-how will be strengthened through the capacity building program under the LGSP II complemented by the PSSN. However, a village level paper-based system will be strengthened by the Institutional Support Component. Regular monitoring of data will be augmented by data from other sources such as process monitoring that will inform if the activities are happening at the expected standard time.

242. Independent technical audits will be undertaken to ascertain the quality of the works. In addition, the project will carry out financial audits through the TASAF and PAA internal audit functions. Once a year, a mandatory audit will be carried out by the National Audit Office for accountability. From time to time, the Project will commission independent studies and reviews to assess progress towards achievement of the planned outputs. An impact evaluation will be commissioned at project inception with the purpose of informing the stakeholders if the intended impacts have been realized. In order to deepen the social accountability practice that was started in TASAF I and II, the Project will commission community score cards, citizen report card exercises and reporting by mobile phones in order to empower communities to exact accountability from the PAA level staff. Annual and quarterly reports will be prepared by TASAF MU as an accountability requirement. In addition, TASAF MU will prepare the MTR report and submit to IDA one month before the MTR is undertaken.

243. Process evaluation, impact evaluation and spot checks will be fielded as program evolves to inform policies and potential changes in program design. In addition potential complementary programs can be piloted and evaluated alongside VCT program such as the Conditional Cash Transfer for Promoting Girls Secondary Education or trialing the choice of incentive-based versus developmental program co-responsibilities (Under the incentive-based approach, households receive bonuses or penalties for compliance non-compliance with program co-responsibilities. Under the developmental approach, the program intervenes in cases of non-compliance to correct the underlying bottlenecks) or trialing changes in wage rates or labor intensity targets. The internal monitoring and evaluation unit within TASAF MU will work with the independent assessment team to coordinate implementation in identified communities with the required assessment activities.

Role of Partners

244. The World Bank has been the lead Development Partner (DP) throughout the project preparation process. However, they have worked with the Government to engage other Development Partners who have participated actively in project preparation missions. At present, commitments to the PSSN have been received from the following development partners: the World Bank, DFID, UNICEF, USAID and WFP. These DPs have agreed to work together as a sub-committee of the Social Protection Technical Working Group. This will nest the PSSN in the formal dialogue structure with the Government for Social Protection. The Sub Group will receive reports from TASAF and provide feedback. The Group together with the Government will conduct joint implementation support missions of the PSSN.

245. The World Bank will support the Project with US\$220 million for the first APL (five years) to finance the two program components outlined in this document. DFID would provide up to £10 million (US\$16 million equivalent) in the first three years of program implementation, including funds for the independent impact evaluation, and background studies, Technical Assistance and program implementation. Subject to the outcome of the evaluation and adjustments to design based on evidence, DFID may provide additional financing in the two outer years of program implementation.

246. USAID will make available US\$450,000 for two years in FY 2013 and 2014 (totaling US\$900,000), as support towards systems development and strengthening of psychosocial support to Most Vulnerable Children in the Ministry of Health and Social Welfare. This will enable United States of America International Development (USAID) to support a government led program that aims at building a national social protection system.

247. WFP will support the PSSN through technical assistance and the integration of WFP's safety net activities into a broader national framework. WFP will seek harmonized approaches to beneficiary and project selection as well as to operational procedures at the PAA level. WFP will continue to deliver social safety net transfers in form of food rations but may complement or replace them with other transfer modalities, such as cash or vouchers if these prove to be appropriate in the specific context. Biannual meetings at national and PAA level will facilitate coordination of WFP activities (and relevant interventions of other agencies). WFP will act as convener of these meetings.

248. UNICEF and the TMU will meet to explore possible areas of complementarities between UNICEF's program and the PSSN. The complementarities will likely include areas of common technical interest such as development of IEC materials and capacity building. Like other development partners, UNICEF will also include support to coordination, with a view to forging strong linkages between PSSN, line ministries and other social protection interventions in the country.

249. All donors will put their resources in the MDTF administered by the Bank once they are ready. WFP and UNICEF will use parallel funding modalities.

250. Under a complementary project within the sector, the Government of Spain through the Plan Africa Trust Fund has made available US\$6,078,243, for construction of teachers' houses and water facilities (details of the project activities are in Annex 12). Out of the US\$6,078,243, US\$900,000 is part of the PSSN in Component 2 for capacity enhancement.

251. The Government of the United Republic of Tanzania has wider TASAF program through which it has provided US\$30 million for a complementary project. The Government's project includes the construction of health, education and water and sanitation infrastructure for closing service gaps in the villages that will be reached by the PSSN. The aim is to provide support to communities who need such public infrastructure to have better access to improved basic services in education and health so the children can attend school; and enable pregnant women, the elderly, and children attend clinics. In this regard, the infrastructure will be complementary to Sub-component 1A for the co-responsibilities. US\$4.0 million out of the US\$30 million will be

part of the APL 1 for contingencies. It is anticipated that there will be other donors coming in at a later stage who might also be interested in funding this infrastructure together with the Government.

252. It has been agreed that all the DPs will participate in the supervision of the PSSN through joint annual reviews and mid-term reviews together with Government. The DPs group further agreed that the WB lead all missions from identification to the time the Project will be launched after Effectiveness. Thereafter, the mission leadership will alternate among those that have made substantial resources available for the PSSN.

Annex 4: Operational Risk Assessment Framework (ORAF)

Tanzania: Tanzania Productive Social Safety Net (P124045)

1. Project Stakeholder Risks					
1.1 Stakeholder Risk	Rating	High			
Description: Possible elite capture and given the political popularity of TASAF, preference for nationwide roll-out of the program could jeopardize the capacity to effectively implement the project. There could be high levels of errors of inclusion at targeting stage as TASAF is a popular project within the Government and in the communities.	Risk Management:				
	Stakeholders' workshops will be held as part of the roll out strategy to continue educating them				
	Resp: Client	Stage: Implementation	Due Date: 31-Dec-2012	Status: Not Yet Due	
	Risk Management:				
	The project will start with a thorough community-based targeting of beneficiaries by groups				
	Resp: Client	Stage: Implementation	Due Date: 31-Dec-2012	Status: Not Yet Due	
	Risk Management:				
	The PSSN will have a robust registry and grievance mechanism and a system of responses to grievances in place at the beginning of the project implementation				
	Resp: Client	Stage: Implementation	Due Date: 31-Dec-2012	Status: Not Yet Due	
	2 Implementing Agency (IA) Risks (including Fiduciary Risks)				
	2.1 Capacity	Rating	Substantial		
	Description: Low procurement capacity Inadequate implementation capacity may lead to delays in implementation of the project	Risk Management:			
The design included an assessment of the capacity function at the regional and LGA levels					
Resp: Client		Stage: Implementation	Due Date: 31-Dec-2014	Status: Not Yet Due	
Risk Management:					
The project design has included a capacity building components at national, regional and LGA levels					
Resp: Client		Stage: Implementation	Due Date: 31-Dec-2014	Status: Not Yet Due	
3. Governance	Rating	High			
Description: The Government may fall short of ensuring adequate, sustainable and predictable funding for MKUKUTA priorities	Risk Management:				
	Strengthen social accountability - Project funds will be allocated to districts using formulas the project will put information on the allocation of resources in the public domain, all funded activities will be made public in the electronic and print media. Social accountability initiatives at community level will be strengthened including the				

	involvement of the CSO and NGOs; engage a naming and shaming approach to poor management, and use of mobile phones by communities for whistle blowing. The project will sign MOUs with each LGA which agrees to implement the project in accordance with the set procedures as per the operational manual			
	Resp: Client	Stage: Implementation	Due Date: 30-Jun-2013	Status: Not Yet Due
4. Project Risks				
4.1 Design	Rating	High		
Description: There will be a major shift in the design of the proposed TASAF III The Government want to turn TASAF into a legal entity	Risk Management: The Resources have been allocated for capacity building under the Institutional Strengthening component. Capacity building will be for all levels - national, regional and LGA. The capacity building includes all the workshops that have taken place during the preparation process			
	Resp: Client	Stage: Implementation	Due Date: 31-Dec-2012	Status: Not Yet Due
4.2 Social and Environmental	Rating	Moderate		
Description: Environmental and Social Safeguards policies are not adhered to fully; not all district have professional staff for the safeguards. Staff are merely designated to act as environment and social persons; and they lack training	Risk Management: The design of the project has specified required safeguard staff for participating districts; include capacity building through orientation of a number of implementing staff at LGA level, in order to build a core team in each district to take charge of the environmental and social issues; the project operational manual will include a clause that no activity will be funded unless there is demonstrable evidence on the inclusion of safeguards aspects in planning processes and monitoring during project implementation. The staff need to make monitoring of the safeguards as their job and document all that happens. The ESMF and RPF for TASAF II have been updated to provide guidance on managing environmental and social impacts. An IPPF has also been prepared should the subprojects affect Indigenous Peoples or be implemented in areas where Indigenous Peoples are present.			
	Resp: Client	Stage: Implementation	Due Date: 31-Dec-2013	Status: Not Yet Due
4.3 Program and Donor	Rating	Low		
Description: -Development Partners not meeting their pledges and during implementation delaying in funding release due the members' different requirements in reporting	Risk Management: The Bank will indicate upfront which activities will be funded by the IDA Credit so that there is no undue scale down of the project activities in the middle of implementation.			
	Resp: Bank	Stage: Implementation	Due Date: 31-Dec-2013	Status: Not Yet Due
	Risk Management: Reporting requirements will be uniform.			
	Resp: Bank	Stage: Implementation	Due Date: 31-Dec-2013	Status: Not Yet Due
4.4 Delivery Monitoring and Sustainability	Rating	Substantial		
Description: Inadequate funding from the center leading to inadequate staffing levels at district level	Risk Management: - An assessment of the staffing levels will be undertaken for districts and ward levels. - The program design has allowed use of local service providing (private sector)			
	Resp: Client	Stage: Implementation	Due Date: 31-Mar-2013	Status: Not Yet Due

5. Project Team Proposed Rating Before Review			
Preparation Risk Rating:	Substantial	Implementation Risk Rating:	Substantial
Description: The innovative nature of the program and the capacity limitations in a CDD operation and in an environment of corruption and fraud could disorient the program		Description: Managing expectations from ramped up program and possible elite capture and economic status of the country coupled with the innovative nature of the program and capacity limitations in a CDD operation could negatively affect the anticipated implementation speed	
6 .Overall Risk			
Preparation Risk Rating:	Substantial	Implementation Risk Rating:	Substantial
Description: The PSSN is a new approach and there is inadequate capacity at all levels.		Description: The new approach will need a lot of capacity building in the wake of poor governance at the PAA levels.	

Annex 5: Implementation Support Plan
TANZANIA: Productive Social Safety Net APL I

Strategy and Approach for Implementation Support

Implementation Support Plan

253. The Implementation Support Plan (ISP) takes into consideration the fact that PSSN marks a significant shift in objectives and procedures, the need to support the government through this transition, and other identified program risks. As such it recognizes that the Government will benefit from increased interaction with development partners which will enable a constructive dialogue to address emerging issues as the program is rolled-out. While the Government and its implementing agencies remain responsible for program implementation, responsibility for resolving challenges constraining achievement of the PDO will be shared by all stakeholders including the Government and the development partners.

254. The World Bank Task Team Leader will handle the day-to-day matters of the project which will include IDA support, adherence to World Bank policies and Trust Fund policies for funds administered through the Bank.

255. Development partners will participate in the Social Protection Working Group sub-committee focused on the PSSN. Government members of this sub-committee will be made up of the Chair of the SPWG, the Executive Director and required technical staff of the TMU, and the Chair of the NSC or his/her delegate. For the first eighteen months of implementation, this sub-committee will meet monthly in order to support the effective roll-out of the PSSN, thereafter, the meetings will be at quarterly intervals.

256. Development partner, will have the opportunity to comment on the TOR for the various process evaluations and spot checks programmed for the early years of implementation, as well as having the opportunity to hear and discuss their findings. Furthermore, they will have the option of participating in the regular Rapid Response Team visits which aim to provide troubleshooting support to PAAs and communities during the early years of implementation.

257. The Development Partners and the Government will conduct yearly Joint Implementation Support Missions twice a year. Initially these missions will likely focus on roll-out and implementation issues, but in later years will also attempt to review progress towards achieving intermediate outcomes. Since most personnel involved in the PSSN are based in Tanzania or within the region, the Government and partners will facilitate missions that will be carried out to deal with issues requiring urgent attention on financial management, procurement, safeguards and governance.

258. In addition to the joint implementation support missions, a Mid-Term Review will be carried out during the implementation of first phase to assess if the project design assumptions are still valid. Missions and reviews will be complemented by external reviews that will include

the following areas: financial management, procurement, monitoring and evaluation, and technical audits.

Main areas of focus in terms of support to implementation:

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First twelve months	- Capacity building for systems development and initial roll out interventions - Financial management for capacity building -Procurement	- Knowledge in establishing a unified registry of beneficiaries - FM Procurement	US\$50,000 US\$20,000	TA
12-48 months	Systems maintenance	Systems development and Management	US\$25,000 per year	TA
Other	Institutional Development	Organization development	US\$25,000 per year	

Skills Mix Required

Skills mix required is summarized in the table below

Skills Needed	Number of Staff Weeks per year	Number of Trips per year	Comments
Procurement	4	2	Country Office based
Social Specialist	first 4 years 3 subsequent years	2	Country Office Based
Environment Specialist	first 4 years and 2 subsequent years	2	Country Office based
Financial Management Specialist	8	2	Country Office based
ICT Support	3	1	HQ based
Nutrition Specialist	4		Country Office based
Monitoring and Evaluation Specialist	4	2	HQ Based
Sector Specialist	3	2	HQ based
Sector Specialist	4	2	Based in the Region
Sector Specialist	4	1	Region based
Evaluation Specialist (from DEC)	4	1	HQ based
Task Team Leader	8	2	Country Office based

Partners

Name	Institution/Country	Role
WB	Tanzania	Fiduciary, safeguards and program management, monitoring and evaluation; Systems development cash transfers and public works and community savings promotion
Department for International Development (DFID)	UK	Climate change adaptation; monitoring and evaluation, cash transfers
USAID	USA	Systems development
WFP	Italy	Harmonization of procedures and processes
UNICEF		Capacity building, IEC, monitoring and evaluation

Annex 6: Team Composition

TANZANIA: Productive Social Safety Net APL I

World Bank Staff and Consultants who worked on the project

Name	Title	Unit
Ida Manjolo	Sr Social Protection Specialist	AFTSP
Manuel Salazar	Sr Social Protection Specialist	AFTSP
Phillippe Leite	Economist	HDNSP
Bella Lelouma Diallo	Sr Financial Management Specialist	AFTFM
Mercy Mataro Sabai	Sr Financial Management Specialist	AFTFM
Krishna Pidatala	Senior Operations Officer	TWICT
Helen Z. Shahriari	Sr Social Scientist	AFTCS
Anush Bezhanyan	Lead Social Protection Specialist	AFTSP
Philip Beauregard	Senior Counsel	LEGAF
Christine Makori	Counsel	LEGAF
David Mulongo	Urban Specialist	
Rasmus Heltberg	Senior Technical Specialist	SDN
Cecilia Costella	Consultant	HDNSP
Jannake Jorgensen	Specialist	AFTHE
Ann Jeannette Glauber	Sr Natural Resources Mgmt. Spec.	AFTEN
Suleiman Namara	Sr Social Protection Specialist	AFTSP
Donald Paul Mneney	Senior Procurement Specialist	AFTPC
Alex Kamurase	Social Protection Specialist	AFTSP
Cecilia Valentina Costella	E T Consultant	HDNSP
Muderis Abdulahi Mohammed	Sr Social Protection Specialist	AFTSP
Mwanaisha Kassanga	Program Assistant	
England Maasamba	Program Assistant	AFCE1
Rehema Mercy Mashayo	Temporary Team Assistant	AFCE1
Enngland Maasamba	Program Assistant	AFCE1
Juma Kayonko	Consultant	
Judith Sandford	Consultant	
Christophe Ribes Ros	Consultant	

Annex 7: Technical Assessment
TANZANIA: Productive Social Safety Net APL I

259. The government of Tanzania has decided to create and consolidate a productive social safety net. The entry point of the safety net is the combined interventions of labor intensive public works program and targeted cash transfers to maximize the impact of the safety net to reduce vulnerability, increase households' well being, and promote utilization of available schools and health facilities by children and pregnant women. As suggested by existing evidence from other countries in Africa and other regions, the combination of the two interventions seems to be an adequate mechanism to sustained poverty and vulnerability reduction in the country by: (i) alleviating the impact of chronic poverty on an ongoing basis; (ii) mitigating the effects of regular and unpredictable shocks and thus ensuring food security; and (iii) promoting mid-term human capital accumulation to reduce future vulnerabilities and boost productivity. This approach is envisioned to build the institutional and operational blocks of a safety net system in the country.

260. The intensive labor public works intervention is intended to be a timely and predictable source of income to smooth consumption of beneficiary households. Participation in public works seeks to support households during the annual lean seasons or during unpredictable shocks to prevent them from falling further into food insecurity, reduce their vulnerability to future shocks, and promote asset accumulation. The targeted cash transfers have the two-fold goal of improving household consumption on an ongoing basis and creating incentives for beneficiary households to invest in the human capital of their children by using health facilities regularly, sending children to school, improving the nutrition status of young children, etc. Recent evaluations and assessment over the last 10 years have demonstrated that well designed and implemented cash transfers, including conditioned transfers, are an adequate instrument for achieving these goals²⁰.

261. The implementation of both interventions builds on lessons learned from international experiences (in MIC and LIC and also specific for the Africa region) and from TASAF I and II experience of public works and CCTs. The main features of both programs under the PSSN are consistent with international best practice, but well adapted to the specific context of Tanzania. The PSSN follows a more innovative approach when compared with other experiences in Africa and other regions as the proposed safety net will target the same group of households with three different cash benefits to address not only chronic poverty but also seasonal shocks.

Labor-intensive public works program

262. Intensive labor public works programs in low income countries have not been widely evaluated. However, some recent assessments in Africa and other low income countries show

²⁰ *Conditioned* cash transfers are those in which, in addition to satisfying selection criteria (e.g., extremely poor households), beneficiaries are required to regularly undertake some pre-specified actions (e.g. sending children to school regularly, taking children to regular health and nutrition checkups).

Cash transfers (*not conditioned*) are those in which, beneficiaries have to satisfy selection criteria only; usually accompanied with assistance and counseling to improve household consumption, child care and invest in human capital (soft-conditions).

that they are adequate instruments for addressing shocks, and particularly for achieving similar goals as those set by the Tanzania PSSN. In Africa and other countries out of the region, an important instrument for mitigating the impact of the recent economic slowdown as well as the food and fuel price increases was the implementation of public works programs. In Ethiopia, the PSNP, a seasonal intensive labor public works program, has shown that through an adequate cash payment is a good instrument both for reducing the severity of food gap (“the time in the past year that a household reports that it had problems satisfying food needs”), and for preventing households from reducing their assets base²¹.

263. Furthermore, assessments from the Ethiopia’s PSNP and India’s Employment Guarantee Scheme found that both interventions played an important role in reducing seasonal malnutrition and hunger by addressing income volatility among extremely poor households affected by seasonal shocks²².

264. The basic parameters of the labor-intensive public works program within the Tanzania PSSN follow lessons learnt from international experience and good practice, as well as lessons generated within Tanzania. The new scheme of the public works program shifted from past experience in the country in several aspects:

- (a) The program will be a labor-intensive scheme in which, on average, 75 percent of funds for each sub-project will finance cash to pay benefits to participating workers.
- (b) Although the main system for selecting beneficiaries will be through the common targeting approach, the daily wage rate for public works, US\$1.35, has been carefully calibrated to ensure that it will only attract the neediest (and therefore add a self-targeting element to this sub-component) and be high enough when combined with the cash transfer intervention (see the Economic Analysis Annex). As learnt from other experiences, the program will operate counter-cyclically to smooth consumption in the presence of shocks affecting income of vulnerable households.
- (c) The scheme will be flexible enough to respond to particular conditions in different regions of the country. In particular, the PW activities will be adapted to the particular climate and agro-economic conditions of the areas of implementation.

265. Through the implementation of the labor-intensive public works program, the GOT expects to support households affected by regular and unpredictable shocks by offering a predictable and timely source of income. Beneficiary households are expected to avoid bad decisions during the lean seasons or other shocks, such as reducing the number and quality of meals, selling valuable assets, and withdrawing children from school, among others. Thus, the program would work to prevent food insecurity especially among young children, protect

²¹ Gilligan, D.O., J. Hoddinott, N.R. Kumar and A.S. Taffesse, 2009 “An Impact Evaluation of Ethiopia’s Productive Safety Net Program”, IFPRI, June 30, 2009; Devereux, S. and M. Tefera (2010) “ETHIOPIA’S PRODUCTIVE SAFETY NET PROGRAMME (PSNP) -Trends in PSNP Transfers Within Targeted Households” – Final Report, IDS, INDAK.

²² Barrientos, A. and M. Niño-Zarazúa (2011) “Social Transfers and Chronic Poverty. Objectives, design, reach and impact”, Chronic Poverty Research Centre.

beneficiary households from falling deeper into extreme poverty, and promote some asset accumulation by working along with the cash transfer intervention.

266. The abovementioned approach requires additional efforts at the institutional level with the Government and specifically in TASAF. Even though TASAF has large experience in implementing public works, the proposed approach requires a shift from infrastructure focused interventions (social fund) towards a beneficiary focused support (safety net). Therefore, very specific operational features in TASAF need to be modified, including identification, evaluation and supervision of activities, selection and registration of beneficiaries. Furthermore, adjustments within TASAF will require not only administrative shifts but staff strengthening and some new profiles. The institutional strengthening component of the proposed project seeks to support Government in addressing this aspect.

Targeted Cash Transfers

267. Targeted cash transfers have been among the most evaluated programs. The majority of such studies show that well designed and implemented cash transfer programs have proven to be effective in terms of: (i) reaching the poorest and most vulnerable; (ii) increasing household consumption, particularly of food and proteins; (iii) increasing enrollment, attendance and completion rates in primary and secondary schools while reducing dropping out and repetition; and (iv) increasing utilization of health services and thus reducing morbidity (anemia, sick days) and chronic malnutrition (stunting). The Government of Tanzania has the advantage of having been piloting Conditional Cash Transfers for the last two years including the completion of several evaluations and assessments²³ which have informed the decision to scale up the program nationwide. Therefore, the proposed scheme is coherent with international good practices; assessments and evaluations of the pilot ensure that such best practices are well adapted to the Tanzanian context.

268. Available evidence from rigorous evaluations shows that well designed cash transfer programs are directly associated with lower poverty headcount, lower poverty gap and inequality, higher household consumption, improved quality and number of meals and thus lower food insecurity and lower chronic malnutrition. From this perspective, cash transfers contribute not only to alleviating immediate poverty but, even more importantly to reducing risk and vulnerability among young children, something which eventually will positively affect learning capacity and school performance. A few evaluations have shown evidence that benefits transferred upon enforced conditions have a higher impact on utilization of education and health facilities when compared with programs where transfers are unconditioned or linked to “soft conditions”.

269. Poverty and Consumption. The ultimate goal of the PSSN in Tanzania is to contribute to the reduction of poverty and vulnerability in the country. Well targeted, designed and implemented CCTs have demonstrated to be effective instruments in contributing to governments’ efforts in reducing poverty headcount and especially in reducing the poverty gap.

²³ The CB-CCT program has been subject of a rigorous impact evaluation, a full process evaluation, a targeting mechanism assessment, and qualitative evaluations and assessments through focus groups and community score cards (Annex 11).

International evidence shows that such results can be found in both MICs and LICs. As the table below illustrates it, well targeted cash transfer programs have been successful in reaching the poorest and thus reducing the poverty headcount and the poverty gap. Furthermore, a Bank study (mostly for the LAC region programs) shows that conditional cash transfer programs has been more effective in reaching the poor when compare with other demand-side interventions such as school feeding, food distribution, scholarships and other transfers²⁴.

	Poverty reduction (%)	
	Incidence	Gap
South Africa 2003	-12.5	-47.0
Namibia 2004		-18.4
Nicaragua 2001	-6.7	-13.8
Mexico (urban) 2002	-9.7	-18.7
México (rural) 2002	-2.6	-4.9
Colombia 2006	-3.0	-6.6
Jamaica		-9.1
Brazil 2003-08	-12.0	-21.0

Sources: Fiszbein and Schady, 2009, (Nicaragua and Colombia), Levy, 2006 (Mexico), Sampson 2004 (South Africa), Levin, van der Berg and Yu 2009 (Namibia), Páes de Barros and de Carvalho (IPEA), 2009 (Brazil), DFID, 2011 (Jamaica)

270. A direct impact of well-targeted cash transfer programs is increased household consumption. This is not only a key determinant of the poverty alleviation result of well designed CTs and CCTs, but also a central element for lower levels of food insecurity and child malnutrition. Higher consumption level triggered by targeted cash transfer programs is well documented (Fiszbein and Schady, 2009; ILO, 2010; DFID, 2011). In general, there is evidence that food consumption increases more than the average consumption generated by the cash transfer. For example, in Brazil and Nicaragua food consumption grew between 23 and 48 percent more than total consumption as a result of the cash transfer program. In Kenya, per capita consumption and food consumption grew both about 19 percent as a result of the CT program²⁵.

271. The quality of expenditure that additional consumption generates is equally important. For instance, in Malawi about 75 percent of the transfer was spent in groceries; or in Zambia 12 percent more households consume proteins and 35 percent oil if they receive the transfer²⁶. In Colombia, the impact evaluation showed not only higher levels of proteins and children clothes among beneficiaries, but also that there is no evidence that the cash benefit have increased spending in alcohol, adult clothes or other goods²⁷. In Kenya, some beneficiary households acquired durable goods, including mosquito beds²⁸. Even cash transfers program targeted to the elderly population have shown to be an effective mechanism to improving food consumption and

²⁴ Lindert, K. et. al

²⁵ Zezza, de la Brière, and Davis, 2010. ; Kenya CT-OVC Evaluation Team (2011) “The impact of the Kenya cash transfer program for orphans and vulnerable children on household spending”.

²⁶ Vincent, K., and T. Cull, 2009.

²⁷ IFS, 2003

²⁸ Zezza, et al. 2010

reducing of chronic malnutrition among children living in the same household, such as illustrated by the cases of Brazil, South Africa and Bolivia²⁹.

272. A critical element for a cash transfer program to reduce poverty and increase household consumption is the combination of both an accurate targeting mechanism to select the poorest and most vulnerable as beneficiaries, and a carefully calibrated benefit. In this regard, the Government has carried out a thorough assessment of the current targeting tool and has already tested a revised mechanism to select beneficiaries. The adjusted targeting mechanism combines geographical, community and proxy means test in an effective way. The geographical targeting seeks to select the poorest villages of all PAAs in the country. The community targeting is the main instrument to ensure that the poorest and most vulnerable are registered in the program, minimizing exclusion errors. Finally, the proxy means test is designed as a verification mechanism to minimize inclusion errors. Such a new process is already completed and tested with promising results.

273. As a result of a benefit equivalent to up to 35 percent of targeted households' consumption (when combined with the cash transfer resulting from the participation in the public works), the program is expected to significantly increase household consumption while making a considerable contribution to poverty reduction (Annex 2 for more detail on benefit structure and the Annex 8 for ex-ante simulations of the effect of the program with such benefit).

274. Another element of cash transfer programs to improve quality of household consumption is that the benefit is transferred to the mother of the house. This feature has been seen as a critical element of CCTs and CTs to ensure that cash is used mainly in food and other expenditures for children, such as school uniforms and materials. The pilot CB-CCT in Tanzania also transfers the benefit to mothers when appropriate, although sometimes benefits are collected by elderly males as a result of the eligibility criteria. Under the PSSN, TASAF will reinforce the policy of transferring benefits to mothers.

275. Human Capital. The targeted cash transfer intervention of the PSSN also involves a second set of objectives, namely creating incentives for households to invest in the human capital of their children by boosting demand for basic social services like basic education, health and nutrition. This provides a direct link between cash transfers and human development outcomes.

276. *Nutrition and Food Security*. Probably one the most important impacts of targeted cash transfers is its contribution to the prevention of chronic malnutrition in young children with subsequent increases in their learning capacity, future productivity and earnings as adults. The Tanzania PSSN explicitly seeks to improve children and pregnant women's health and nutrition (as low weight at birth constitutes one of the most important causes of chronic malnutrition) to reduce the incidence of malnourished children in the country, as well as maternal mortality, perinatal and neo-natal deaths.

²⁹ Martinez, S. (2005) "Pensions, Poverty and Household Investments in Bolivia". Mimeo, for Bolivia; and Barrientos, A. and J. DeJong (2004) "Child Poverty and Cash Transfers", Childhood Poverty Research and Policy Centre, CHIP Report No.4, for Brazil and South Africa.

277. Even though few programs are explicitly linked to nutrition outcomes, several CCTs have shown themselves to be effective in reducing chronic malnutrition (height for age) among beneficiary young children. In Latin America, in México, beneficiary children are 1cm taller than non-beneficiaries after 2 years; in Colombia the probability of chronic malnutrition for children younger than 2 years of age is 6.9 percentage points lower among registered children compared with those out of the program³⁰. In Brazil, after two years of exposure to Bolsa Familia, birth weight is approximately 200 gms more among beneficiaries. In Nicaragua, stunting among beneficiaries were 5.3 percentage points lower than among the non beneficiaries; even more important, the evaluation also showed that even after the benefit was suspended, the behavior of the households and the impact on chronic malnutrition remained³¹.

278. Cash transfers not attached to conditions have also shown to be effective in helping to prevent chronic malnutrition. In South Africa, the CSG has been a key element in reducing chronic malnutrition incidences among children younger than 36 months (considered the nutritional window of opportunity beyond which malnourished children are likely to be permanently affected with consequences in their capacity to learn in school and lower wages as adults). An evaluation of the program³² shows that children who have been exposed to the program for about two thirds of the nutritional window of opportunity are up to 3.5cm higher than children without exposure. The evaluation also found two additional issues: First, the sooner the exposure starts the larger the impact. Second, improvement in reducing the incidences of chronic malnutrition is no longer significant when exposure to the program is less than 50 percent of the nutritional window of opportunity. In other words, for a cash transfer to be effective in reducing chronic malnutrition, the interventions should be ongoing and should ensure that children within the nutritional window of opportunity are targeted. Therefore, the proposal to target pregnant women along with young children up to age 6, as the Tanzania PSSN has done, is an adequate decision.

279. In Zambia, households living on one meal a day fell from 19 to 13 percent while those with three meals a day increased from 18 to 24 percent, under the Kolomo Social Cash Transfer scheme. Households feeling hungry after a meal fell from 56 to 35 percent and households reporting that they had enough food grew from 43 to 65 percent³³. Similar results were found in South Africa. As a consequence of the CSG, children who had gone hungry over the year previous to the study fell between 7 and 14 percent depending on the age, place of residence and level of poverty³⁴.

280. *Access to Education and Health Services.* The primary goal of Conditional Cash Transfers interventions in boosting the demand for social services, especially education and maternal and infant health and the impact has been widely assessed and demonstrated. In general, Conditional Cash Transfers have helped countries to significantly increase enrollment

³⁰ Lagarde, M. A. Haines, and N. Palmer (2009) "Conditional Cash Transfers for Improving Uptake of Health Interventions in Low- and Middle-Income Countries".

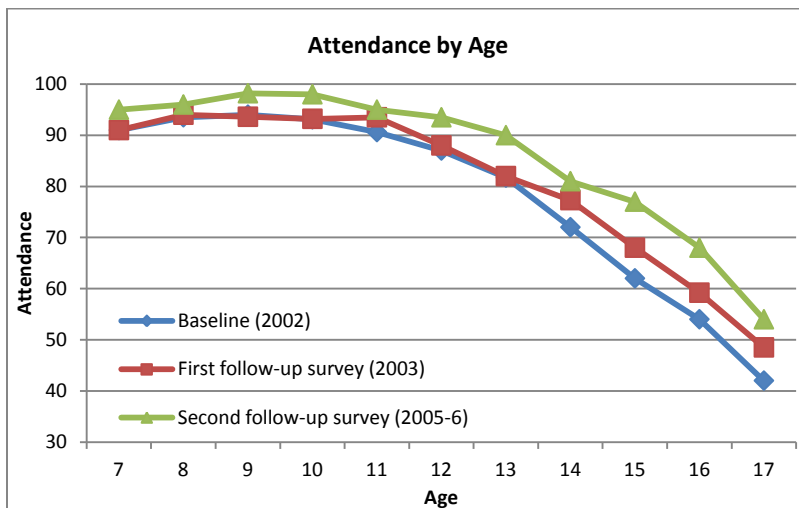
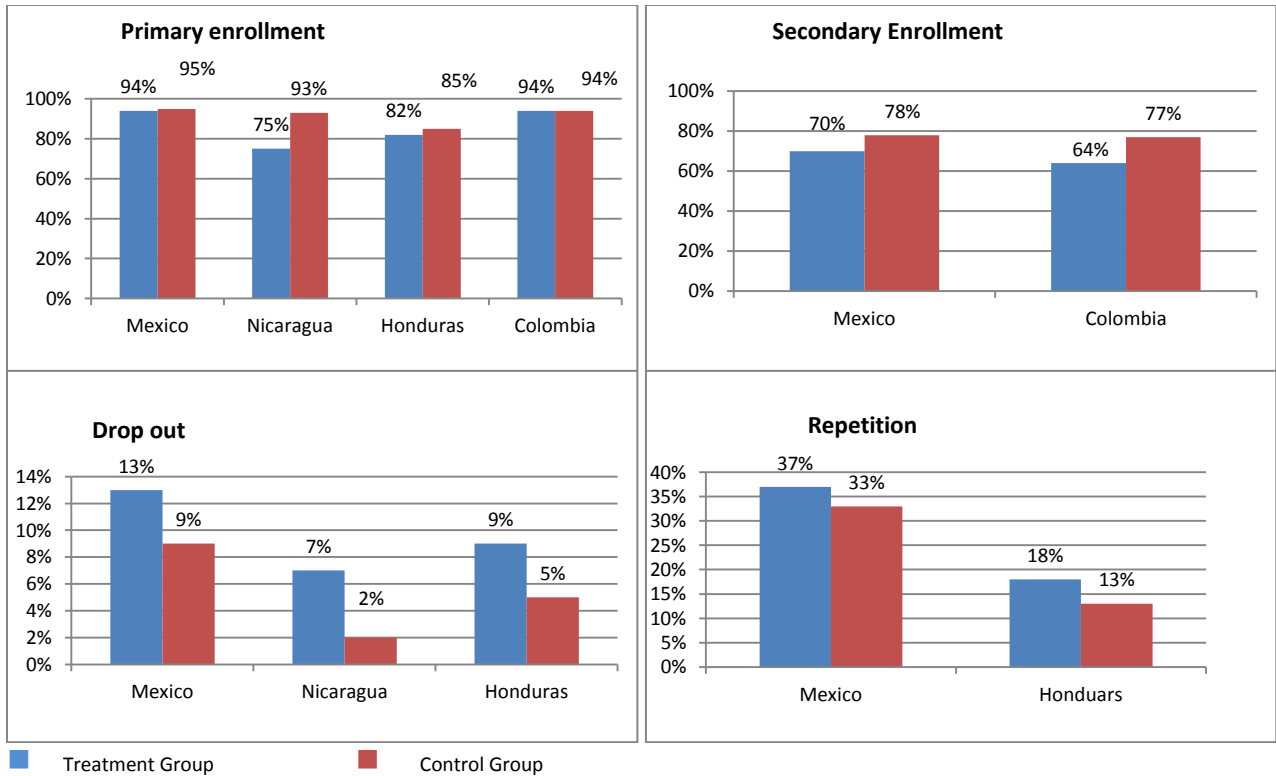
³¹ Maluccio, J.A and R. Flores (2004) "impact evaluation of a conditional cash transfer program: the Nicaraguan Red de Proteccion Social", IFPRI FCND Discussion Paper no. 184, July 2004.

³² Agüero, J.M., M.R. Ctwarter and I. Woolard, 2006

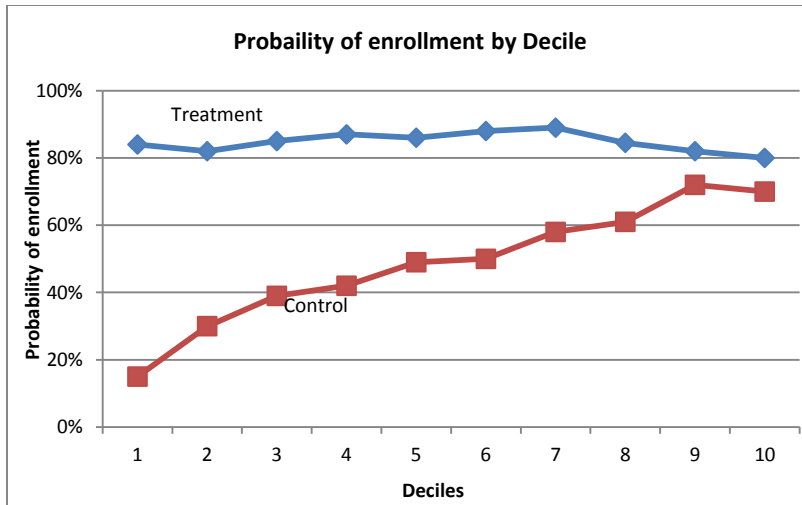
³³ GTZ (2006) Evaluation Report: Kolomo Social Cash Transfer Scheme, mimeo

³⁴ Williams, A. (2007) The social and Economic Impacts of South Africa's Child Support Grant, Economic Policy Research Institute Working Paper No. 40.

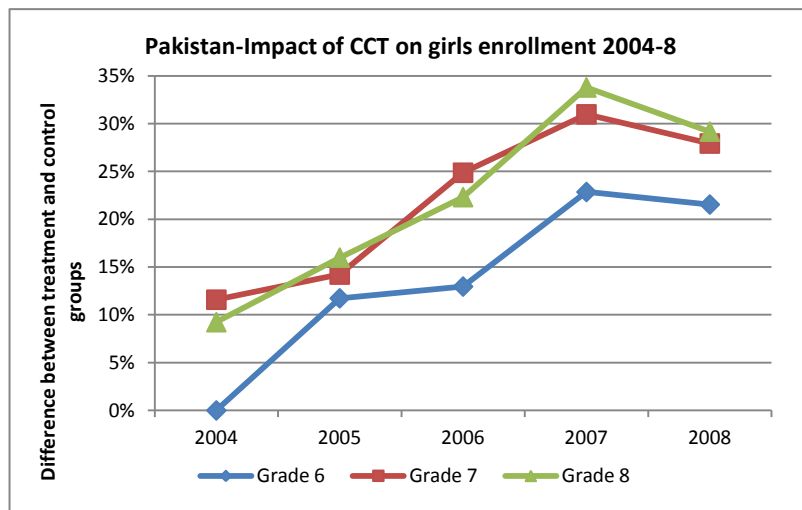
and regular attendance to basic education (including completion, transition from primary to secondary schools and graduation); reduce school dropout and repetition. Available evidence shows that the impact is higher in countries where enrollment is lower, among the poorest and in the long term.



1. Source: IFS, Econometria, SEI (2006) Evaluación de Impacto del Programa Familias en Acción –Informe Final



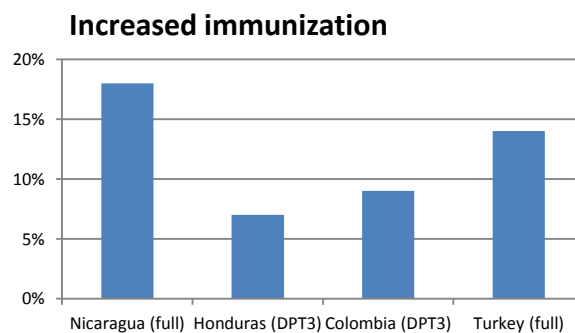
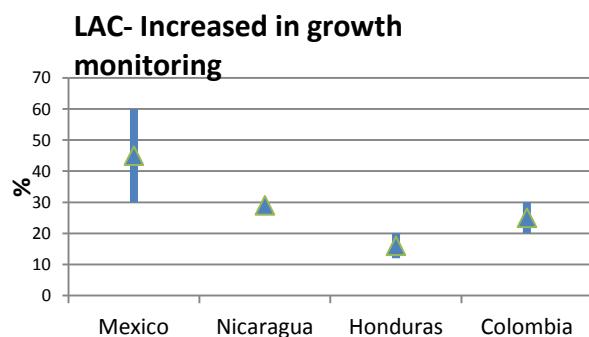
2. Source, Fiszbein and Shady, 2007



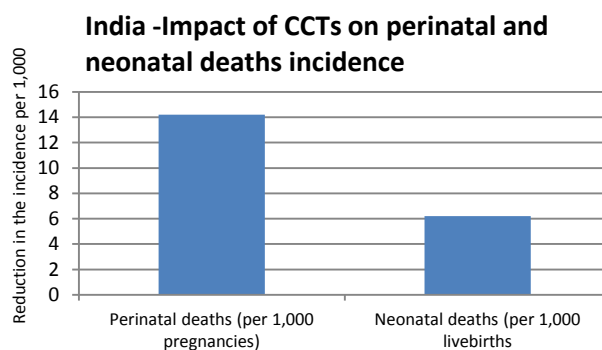
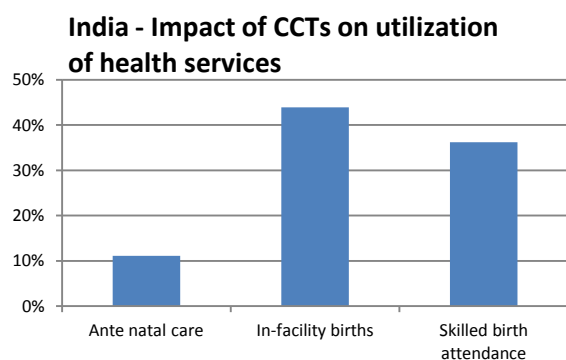
3. Source: Hasan, A. (2010) "Gender-targeted Conditional Cash Transfers", World Bank, PRWP 5257

281. Conditional Cash Transfers have proven to be effective in boosting utilization of health services especially infant and maternal health services, including regular checkups, delivery in institutional facilities or attended by skilled staff, and immunization. Measured outcomes include higher schooling years, less days of illness, lower incidences of chronic malnutrition, and higher rates of fully immunize children³⁵.

³⁵ Fiszbein and Schady, 2009, DFID, 2011, ILO, 2010, among many others



Source: Fiszbein and Shady, 2009



Source: Lim, SS, L. Dandona, JA Hoisington, MC Hogan, E Gakidou (2010) "India's Janani Suraksha Yojana, a conditional cash transfer program to increase births in health facilities: an impact evaluation" *The Lancet*, Vol. 375

282. Assessments of the CCT programs which have had positive results in human development outcomes show that, in addition to the availability of social services linked to the co-responsibilities, there are four key implementation elements that need to be carefully in place: eligibility criteria (targeting the adequate population –not only poor households but also the right age group to comply with conditions); conditions (they should be clearly defined, simple, easy to understand by beneficiaries and easy to comply with); benefits (high enough to be an incentive and low enough to avoid interfering with household decisions regarding income generating activities) with adequate and enforced management of benefits (clear procedures for households failing to comply with their conditions); and monitoring (rigorous and constant verification that beneficiaries comply with conditions and households aware that their behaviors regarding co-responsibilities are being monitored by the Program and that payments depend on compliance).

283. A revised program cycle has been developed to for the PSSN to ensure that all four requirements are well in place. After the assessment of the pilot, the program has made adjustments to the processes and implementation arrangements to ensure higher effectiveness, as follows:

- (a) In addition to the adjustment and revision of the targeting scheme, the program also revised the eligibility criteria to target only the appropriate members in each household (for the education condition: school age children (7-18) yet to complete primary school; and, for the health condition: children younger than 6 and pregnant women).

- (b) Co-responsibilities have been clearly defined, as explained in Annex 2. The program expects to enforce full co-responsibilities in at least half of the supported villages on the basis of current availability of education and health services. The education condition will be enforced in the majority of the villages, in villages without access to health services health and nutrition education sessions will be held. The program will define what conditions apply in which villages once it completed the first supply assessment.
- (c) The benefit size has also been assessed and simulations have been carried out to ensure: (i) that it is a well structured transfer to be an adequate incentive and support for higher consumption (it has two components: basic and variable), and (ii) that joined with the public works program cash transfer is still within an acceptable range (see Economic Analysis). Additionally, the size of the transfer in Tanzania as a proportion of the pre-transfer consumption of beneficiary households seems to be in line with other successful programs which have demonstrated that the benefit is high enough to be an adequate incentive for households invest in the human capital of their children, but low enough to avoid distortions in the labor market.
- (d) A thorough assessment was completed to improve the monitoring system within the program. This assessment has been complemented by qualitative evaluations and assessments and by a rigorous impact evaluation. All four analyses have shown positive and quite promising results for the CCT program in Tanzania, and has generated a comprehensive set of recommendations to improve effectiveness of the program. The system to monitor compliance with co-responsibilities is one the program processes which has been strengthened as a result of the process evaluation recommendations.

284. From the technical assessment perspective, there are two elements in which the Government of Tanzania needs to pay special attention for a successful implementation of the PSSN. Monitoring of co-responsibilities and payment mechanisms. The process evaluation that the COT commissioned for the CB-CCT showed that one of the weakest aspect of the program is the process of verifying that households comply with their conditions. There is evidence that there is a reporting problem and that coordination with education and health sectors is not always as smooth as required. The reporting issue is also related to the timing to gather information.

285. *Co-responsibility of the Intervention.* There is evidence that the impact of cash transfers is higher under schemes in which the benefit is subject to strict compliance with co-responsibilities. Evaluations in Mexico, Ecuador and Malawi show that school attendance and enrollment are higher when the program conditioned the cash benefit³⁶. A recent evaluation in Malawi clearly shows that school attendance among girls in secondary education is significantly higher when compared with girls that received transfers without conditions. Even more importantly, the

³⁶ Schady, N. and C. Araujo (2006) Cash transfers, conditions, school enrollment, and child work: Evidence from a randomized experiment in Ecuador, The World Bank, Impact Evaluation Series, No. 3, WPS3930-IE; de Braw, A. and J. Hoddinott (2008) The Impact of Conditioning Transfers on School Enrollment in Mexico, IFPRI, IFPRI Discussion Paper 00757; de Janvry, A. and E. Sautet (2006) When to use a CCT versus a CT approach?; Baird, S. C. McIntosh, and B. Özler (2011) Cash or Condition? Evidence from a Cash Transfer Experiment, The Quarterly Journal of Economics, Volume 126 Issue 4

evaluation also shows that once the program was stopped girls under the conditioned scheme continued attending school; under unconditional cash transfers there is no evidence of impact after the transfer is stopped.

286. However, there is also ample evidence that well targeted cash transfer programs linked to soft co-responsibilities have also significant impact in human development indicators providing that social services are reachable to beneficiaries. Several evaluations of the CSG and other cash transfers in South Africa show that they have a positive and significant impact in school enrollment and attendance. Similar results can be found in Zambia and Namibia. A recent evaluation in Malawi shows that even though conditioned cash transfers have a higher impact in attendance among secondary school girls, there is also a significant and positive (though lower) impact among those receiving the cash without any advice regarding attendance³⁷.

287. The targeted cash transfer interventions under both schemes (CT and CCT) will be scaled up nationwide using a community-based approach similar to that of the CB-CCT pilot has been implemented over the last 18 months. The decentralized institutional architecture in which the program is implemented needs to be strengthened and some processes streamlined. A recent evaluation of programs processes shows that sub-national levels are strong enough to implement the program. Specifically, PAA participation, focal points at PAA level and community management communities has demonstrated capacity, commitment and reliability. There are several aspects that need to be addressed including a fixed calendar for gathering information, improve used of MIS to generate forms and enter data, reliable means of transportation to reach villages and health and education facilities, insufficient involvement of the sectors, among others.

288. The other process that needs special attention is payments. Part of the payment processes will be improved as the verification of co-responsibilities is streamlined and fixed to a specific calendar. However, payment systems is still a process that needs to be streamlined itself. So far, the program has used the CMC to pay beneficiaries in cash. However, for security and capacity reasons such system is not a viable solution under a nationwide expansion. As explained above, the program is carrying out several assessments to introduce formal payment systems including commercial banking, electronic cards and mobile banking. It is expected that a combination of these three options will be the final solution and only in few and very marginal areas they will community-based payment system continue to be used.

289. Concluding remarks. As explained above, there is strong evidence that labor-intensive public works, as proposed by the Tanzania PSSN, are an adequate instrument for smoothing consumption during shocks affecting income and consumption of vulnerable and poor households. The Government of the URT is introducing significant reforms to current schemes to ensure that the adopted model addresses the goal of supporting extremely poor population during regular shocks and that in future; it will serve to help those affected by unpredictable shocks. Similarly, cash transfer programs have also proven to be effective in reducing poverty headcount and poverty gap and boosting demand for social services. The Government of the URT is in the

³⁷ Baird, S., C. McIntosh and B. Ozler (2011) Cash or Condition? Evidence from a Cash Transfer Experiment, mimeo

process of adopting good operational practices adequately adapted to the Tanzanian context to ensure that the cash transfer program is equally effective.

290. The impact of the combination of both interventions in the same villages and the same households (it is estimated that the overlap of both programs is over 90 percent) is expected to: (i) increase consumption on a permanent basis; (ii) smooth consumption during the lean seasons and other shocks; (iii) increase utilization of available and additional education and health facilities; and (iv) promote asset accumulation. This approach, however, is innovative and therefore has not been assessed yet. Therefore, the proposed operation will also provide support for carrying out rigorous assessments to measure the adopted approach and compare it with other possible options.

Annex 8: Economic Analysis

TANZANIA: Productive Social Safety Net APL I

291. This Annex presents the economic and financial analysis of the Program. The first section presents a brief **outlook** of the macro-economic situation of Tanzania. The second section outlines the economic rationale for establishing conditional and unconditional cash transfer programs, as well as labor-intensive public work programs. The third section includes the program description, followed by the description of the approach used to select beneficiaries. In the fifth section, we present the expected benefits of the Program and the impact on poverty reduction, considering the total costs, fiscal impact and sustainability.

A. Macro-economic Situation

292. As one of the fastest growing economies in Africa, Tanzania has shown a solid economic performance this past decade, with annual growth rates ranging from 5 to 7 percent - mainly enabled by sound macroeconomic policies, economic liberalization and public sector investments. Inflation is down by 5.3 percentage points, from 12.5 percent in 2009 to 7.2 percent, in 2010. In 2011, however, the increase in commodity prices³⁸ will pose a challenge to the government in reaching the 5 percent target inflation.

293. The recent financial crisis has modestly affected Tanzania's most vulnerable population, mainly through export channels – cash crops, tourism and manufactured exports - and by a decrease in the foreign capital inflows. Coupled with the rising food and fuel prices, the number of vulnerable poor seeking assistance is increasing, as they remain highly dependent on agriculture as their primary source of income and food source.

294. While Tanzania has been commendable in achieving macro-economic stability, which in turn underpins better development results, the 3 percent annual population growth undermines the impact of economic growth on poverty reduction. A comprehensive Household Budget Survey (HBS) in 2007 noted that while poverty has decreased marginally, by 2.2 percent between 2001 and 2007; given the growth in population, the actual number of the poor has increased from 11.4 million to 12.9 million during that same period³⁹. Income inequality is reflected by the unvarying poverty distribution in rural and semi-urban areas and the unaltered Gini coefficient of 0.33 since 2000/2001.

295. Overall, 31 percent of Tanzanians fall below the basic poverty line and 15 percent below the food poverty line in 2007. Yet, poverty continues to be overwhelmingly rural (given its weight on the population, 75 percent of population lives in rural areas, with approximately 36 percent of rural population below the basic needs poverty line (and 17 percent under the food poverty line)).

³⁸ Inflation will primarily remain vulnerable to external shocks of oil prices and agriculture production.

³⁹ Household Budget Survey 2007- Tanzania

296. The average household in rural areas remains higher than in urban areas, with 6.7 and 5.7 average members respectively, and with a higher proportion of dependents – that is, children under 15 years old and the elderly 61 years and older. Around 77 percent of Tanzanian households have at least one child under 16 years-old living in them. Breaking this share down by age groups, estimates show that 13 percent of households have children 0-5 years old; 59 percent have children 6-10 years-old; and 55 percent have children 11-15 years-old. Giving the weight of household size on poverty in Tanzania, these shares are bigger in poor households (18 x 10 percent for the 0-5; 70 x 54 percent for 6-10, and 66 x 49 percent for the 11-15 groups). Regarding the elderly, 20 percent of Tanzanian households have an elderly living into, and this share increases to 25 percent among poor households.

297. Overall, households with many members and a higher proportion of dependents in Tanzania are more likely to be poor. However, poor urban and rural household compositions differ significantly. Poor urban households are more likely to have children under 5 (22 percent) and elderly (28 percent) living into, than poor rural households (18 percent and 25 percent respectively), despite having large household size. In other words, rural poor households have more children in the age-range 6-15 and more adults in the age range 18-59 than poor urban households.

B. Rationale for a Social Safety Net program in Tanzania

298. Social Safety Nets (SSNs) programs have become the centerpiece of many middle income countries' social protection agendas. Recently, such programs have expanded their coverage in low income and fragile states too, not only as short term instruments helping the poor cope with economic shocks, but also as long-term poverty alleviation programs, supporting minimum consumption levels and promoting the accumulation of human capital.

299. Several evaluations (e.g. IEG, 2011) and other literature (e.g. Grosh et al., 2008) have demonstrated the impact of safety nets programs on poverty reduction and human development outcomes. However, SSNs are likely to absorb an important portion of governments' budgets, making its implementation dependent on donors in most of low income and fragile state countries.

300. To reduce fiduciary constraints, SSNs are designed as targeted interventions to poor and vulnerable population such, as poor households with children. Such targeted programs' budgets can account for up to 0.6 percent of GDP. Several countries also provide cash transfers to the elderly poor or to all the elderly, leading to a much higher share of public budget for SSN – up to 1.3 percent of GDP. These combined transfer programs targeted towards children and the elderly can account, in a country like Brazil, for up to 1.7 percent of GDP.

301. Despite the cost, SSN interventions - mainly through conditional and unconditional cash transfers and workfare programs- have achieved their primary objectives of raising households' immediate consumption and income, and as a result, reducing poverty. Some countries have also enhanced their abilities to mitigate the negative effects of shocks. Programs with explicit human development goals, such as conditional cash transfers, education fee waivers, and school feeding

schemes, consistently improve the use of educational and health services and reduce the burden of labor for children - important initial steps in enhancing human capital investment.

302. Therefore, global social policies targeted towards poor populations, allocate an increasing amount of resources for poorer and more vulnerable households, to maximize impact. In Tanzania, specifically, given that poverty is prevalent in poor rural areas –which also have a higher percentage of children and elderly-, SSN programs targeted towards the rural poor can help alleviate poverty –particularly in areas of program implementation.

303. Recently, the Tanzanian government launched the *National Strategy for Growth and Poverty Reduction (MKUKUTA)*, which placed “adequate social protection and rights to the vulnerable and needy groups” as one of the main goals in the country’s five-year development plan. Similarly, the National SP Framework, in line with the country’s needs, targets the extremely vulnerable groups living far below the poverty line and those with special needs, e.g., orphans, vulnerable children, unemployed youth, poor widows, single mothers, people with disabilities, poor elderly and people living with HIV and AIDS.

C. Project description

304. The PSSN project (Productive Social Safety Net) is being designed to support the poor and vulnerable section of the Tanzanian population, and is expected to significantly reduce the poverty headcount and poverty gap by 5 percent and 30 percent, respectively. To achieve the program objective of improving the incomes of poor rural and urban households, while smoothing consumption through a well-targeted safety net system, the operation will have different components. In addition to smoothing consumption, the PSSN is likely to improve nutritional status of children under age 5, increase inoculation among under-5 children and increase school enrolment (see Technical Assessment).

305. The PSSN will offer a mix of cash transfer schemes: (i) a Cash Transfer component comprised of both a basic transfer (BT) and a variable conditional transfer (VCT); and (ii) a labor intensive Public Works (PW) component in order to support both consumption and human capital accumulation of poor Tanzanian households. In addition the PW component will be complemented by a Community Savings Promotion sub-component which will support beneficiary households to develop a culture of savings. With little empirical evidence to demonstrate the long term impact of public works programs (as stand-alone programs) on poverty reduction and human capital accumulation, by offering a mix of approaches the PSSN will offer long-term support, even during lean seasons, in order to maximize the program’s impact. These three transfers will offer complementary benefits for the same targeted population. However, the total benefit amount per household will depend on household compositions, place of residence and pre-defined criteria.

The PSSN program components

306. The Basic Transfer is a continuous intervention, operated annually, and designed to increase household consumption. This component grants Cash Transfers of US\$5 a month to selected households. All poor households selected through the targeting process and registered in

the Unified Register of Beneficiaries (URB) are potential beneficiaries of the program. This component is expected to increase their consumption and improve health and nutrition conditions. Beneficiary households receive counseling regarding their rights.

307. The Variable Conditional Transfer⁴⁰ is a top-up transfer for households already selected under above who have eligible members. Households with Pregnant women and/or Children younger than 18 years-old can receive an additional US\$5 a month, conditional to 80 percent school attendance rate a month for all primary school aged children, pre and post-natal exams for pregnant women and regular check-ups at health services for all children younger than 5. This component is expected to reduce household monetary constraints on health and on education and as a result, improve human capital accumulation of the children.

308. The Public Works is a temporary labor-intensive program designed to support households during the lean seasons. The activities supported by the program are designed to contribute towards an enabling environment for development, through the creation of community assets. This component offers US\$1.35 a day as salary, for up to 60 days, for each poor household (already identified as above). Households may nominate up to two members to participate in the public works up to the maximum of 60 days between them.

309. The overall PSSN is expected to cover around 275,000 households across the country, with varying degrees of benefits. Within this framework, and subject to household composition, the eligible households may receive between a minimum of US\$60/year (the basic transfer) to a maximum of US\$200 per year (for households with labor capacity and children/pregnant women benefiting from all 3 transfers).

E. Cost-Benefit Analysis

310. A Project Simulation was conducted to ascertain which program combination would yield the maximum number of beneficiaries, and whether combinations of cash transfers and public work programs would result in the expected 5 percent decrease in the poverty rate, considering

⁴⁰ CCT eligibility rules vary but most programs seek to combine geographic targeting with some sort of household assessment mechanisms, such as proxy means testing (using multi-dimensional indicators that are correlated with poverty as a way to screen for eligibility). Co-responsibilities may also vary, but the minimum set includes: minimum daily school attendance, vaccines, prenatal care and growth monitoring of young children. Some programs also offer incentives for beneficiaries to reach specific goals such as bonuses for school graduation and participation in health-awareness seminars.

According to the World Bank PPA 2006, CCTs better target the poor than most social programs including utilities subsidies, social insurance and public spending on health and education. In most countries, their redistributive impacts are limited only by the relatively small size of the unit transfers (despite their effects on poverty sensitive measures as poverty gap and severity of poverty). Different experimental and quasi-experimental evaluations suggest that on health and nutrition CCT programs contribute to (a) increased total and food expenditures (Brazil Bolsa Alimentação (BA), Mexico, Honduras, Nicaragua); (b) increased calorie intake and improved dietary diversity (Brazil BA, Mexico, Nicaragua); (c) improved child growth (Mexico, Nicaragua, Brazil BA); (d) reduced health service costs; (e) increase in use of prenatal care and reduced maternal mortality (Mexico); (f) reduced incidence of smoking and alcohol consumption (Mexico); and (g) improved treatment of diabetes (Mexico). Results for education show that CCT programs contribute to (a) improved primary enrolment among the poor (Nicaragua, Honduras, Brazil); (b) increased secondary enrolment (Mexico, Colombia); (c) reduced drop-out rates and repetition (Brazil, Mexico, Nicaragua, Honduras); and (d) reduced child labor (Mexico-boys, Nicaragua, Honduras-boys, Colombia, Brazil).

the maximum monthly and annual benefit amount per intervention. The Simulation would, in turn, determine the total administrative cost to the government, the total number of beneficiaries actually covered and the overall effect on the targeted households' consumption.

311. Based on the HBS 2007 data, among the 900,000 food poor households in Tanzania, 20 percent have at least a child under 18 years-old and an elderly (60 years-old+), 62 percent have at least one child but not an elderly, 5 percent have no children but an elderly, and the remaining 12 percent is composed only of adults. When considering the poorest 5 percent of the population, the shares remain relatively the same.

312. As seen in the table below, among the poorest 5 percent of the population, 7.5 percent of households have no adult labor force capacity (elderly living alone or with children). Among them, 0.5 percent has 18 years-old or younger heads and no elderly; 2 percent have elderly and children younger than 18; and the other 5 percent have no children but an elderly. All other 92.5 percent of households have at least one adult with labor capacity, but only 11.5 percent of them have neither children nor elderly members.

Table 10: Poorest 5 percent of the population: Number of households & composition

	With adult labor force	Without adult labor force
With children and elderly	60,015 (22 percent)	6,221 (2 percent)
With children and no elderly	152,549 (56 percent)	1,301 (0.5 percent)
With elderly and no children	8,417 (3 percent)	13,330 (5 percent)
With neither children nor elderly	30,507 (11.5 percent)	

313. Therefore, by offering only cash transfers (either a combination of both, or one or the other) to households with children and/or elderly members (indicated by the gray highlighted cells in the table above), around 88 percent households of the poorest 5 percent of the population would be covered by this component alone. By offering public works to the households with adult labor capacity, 92 percent of the poorest would be covered (the gray cells plus orange cell), leaving 7 percent of households without adult labor force uncovered. Therefore, the provision of the mix of both programs would help the government to provide the needed assistance to all households, given the large overlap of households with adult labor force and children/elderly.

314. Applying an arithmetic simulation, and perfect targeting, that is, without behavioral models - assuming all children and pregnant women comply with the co-responsibilities and that we know who are the poorest households in the country, a mix of Cash Transfers and Public work programs would reach 275,000 households, when full coverage is achieved (100 percent of the households receiving the basic benefit and 92 percent receiving all benefits), at a cost of US\$44-50 million a year. The estimated impact of the program depends on the benefits, but can range from a poverty headcount reduction of 3 to 5 percent, and poverty gap reduction of 28 to 32 percent. The combined transfer would represent around 18 percent of Tanzania's household consumption (30-35 percent of beneficiary households).

315. Bearing in mind the maximum number of days allocated per program, a fixed administrative budget and a pre-determined benefit amount per program; we need to select the

scenarios with the maximum impact on poverty reduction and human capital accumulation, with the highest possible beneficiary coverage.

316. More important than the poverty reduction potentially achieved by this program, is the significant redistribution effect generated by the PSSN program. The PSSN program would lead to a Gini inequality reduction of 1 – 1.3, percent considering targeting errors. According to the 1991 data, HBS 2001 and HBS 2007, Gini inequality has increased from 0.343 to 0.359, and then up to 0.362.

Table 11: Simulation assuming Perfect Targeting

			Food Poverty Line		Gini	GDP (current US\$) 2010	# of beneficiaries (households)			
			FGT(0)	FGT(1)						
Actual			14.4%	3.8%	0.362	23,006,887,207	196,004			
(UCT + CCT)	PW		MAX transfer possible per YEAR US\$	Food Poverty Line		Gini	cost as % of GDP	Annual Cost in US\$ millions (with 15% ADM)	Average transfer per month in US\$	Transfer as share of total consumption
Max transfer a month	Daily Wage	Number or days		ΔFGT(0)	ΔFGT(1)	ΔGini				
7	1.5	60	174	-3.3%	-28.7%	-1.7%	0.171%	45	14.40	16.78%
7	1.5	65	181.5	-3.5%	-29.7%	-1.8%	0.180%	47	15.02	17.51%
7	1.5	70	189	-4.3%	-30.7%	-1.9%	0.188%	50	15.65	18.23%
7	1.75	60	189	-4.3%	-30.7%	-1.9%	0.188%	50	15.65	18.23%
10	1	60	180	-3.5%	-29.4%	-1.8%	0.167%	44	14.85	17.31%
10	1	75	195	-4.4%	-31.3%	-1.9%	0.184%	49	16.10	18.76%
10	1.25	60	195	-4.4%	-31.3%	-1.9%	0.184%	49	16.10	18.76%
10	1.25	65	201.25	-5.1%	-32.1%	-2.0%	0.191%	50	16.62	19.36%

317. However, targeting is never perfect. Assuming an error of 30-40 percent on the targeting used to identify the food poorest households, by using a Proxy Means Test (PMT), we would identify 170 thousand households for participation in the Program, meaning that 4.9 percent of Tanzanians would be covered by the Project (see Table below). Notice that coverage of the poorest 10 percent population (D1) is larger and the coverage decreases fast across deciles. Around 45.9 percent of beneficiaries (47.7 percent of benefits) would go to the poorest 10 percent of the population (D1), and that almost 70 percent of benefits (73 percent-D1+D3) would reach the bottom 20 percent of the poorest population. The transfer would represent 19.6 percent of the household expenditure, or 28.6 percent of the poorest 10 percent household expenditure. The simulation also indicates that a large majority of beneficiaries would be in rural areas.

PSSN	Total	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10
Coverage	4.9	22.4	11.2	7.2	3.1	2.5	2.0	0.2	0.0	0.0	0.0
Beneficiary incidence	100.0	45.9	23.0	14.9	6.4	5.1	4.2	0.5	0.0	0.0	0.0
Benefit Incidence	100.0	47.7	25.4	12.1	7.1	4.3	3.2	0.2	0.0	0.0	0.0
Generosity	19.6	28.6	20.9	13.6	15.1	10.9	7.6	4.6	n.a.	n.a.	n.a.

PSSN	Total	P	NP	Urban	Rural
Coverage	4.9	18.7	2.5	1.3	6.0
Beneficiary incidence	100.0	55.3	44.7	6.3	93.7
Benefit Incidence	100.0	57.3	42.7	6.5	93.5
Generosity	19.6	27.1	14.3	19.2	19.6

318. Such combination of US\$ 5 for BT, US\$5 for VCT and US\$1.35 per day for 60 days of PW, would lead to a poverty headcount reduction of 6 percent and a poverty gap reduction of 15 percent, at a cost of US\$45 million a year. In other words, for each US\$1 spent in the program, around US\$ 0.65 would go towards poverty gap reduction. These findings are promising, given that the targeting error is likely to decrease with the combination of geographical community based targeting.

319. In assessing the impact of the VCT component, we adapted the Bourguignon, Ferreira and Leite (2003)⁴¹ model, henceforth BFL (see Annex 1). The simulation of the VCT component to children 6-18 years old uses the PMT model to select beneficiaries. The component allows for individual co-responsibility, where the US\$ 5 transfer is divided by the total number of children, and a penalty of US\$5 / (#5-18) is applied for each child that does not attend school.

320. In other words, each selected household with children aged 6-18 years-old receives a fixed transfer amount for nutrition and health care co-responsibilities of US\$5 (BT component) and a Variable Conditional Transfer V_i (US\$5) if the household complies with the schooling co-responsibility. In this case, the penalty of not sending the children to school can equal V_i if the co-responsibility is collective, that is, all children must attend school. Suppose then a different scenario, where such collective co-responsibility is relaxed: the household receives some Variable Conditional Transfer if at least one child goes to school. Then, the penalty for each child not enrolled in school is equal to (V_i / N) , where N is equal to the number of children aged 6 to 18. This penalty decreases with the number of children, generating more incentives towards participation in more populated households. Final transfer under this “individual co-responsibility” scenario ranges between $\theta_1 + (V_i / N)$ and US\$10 if all beneficiaries comply with the nutritional and health co-responsibilities.

321. The simulation of the VCT component on school enrolment indicates that - among the children living in households selected by the PMT (145 thousand out of 170 thousand have at least one child 6-18 years old) - 70.4 percent of 674 thousand children would accept the Variable Conditional Transfers to go/stay in school. As a result, the enrollment rate would increase by 11.9 percent, reaching 84.4 percent. Breaking down the impact of this program by age groups, notice that the program would have higher impacts for the age groups: 6-10 and 16-18 years old. For the group 6-10 years old, the transfer would help them enter school at the right age, while for

⁴¹ Downloadable at <http://www.delta.ens.fr/abstracts/wp200307.pdf> and how to toolkit to implement it is available at <http://siteresources.worldbank.org/SAFETYNETSANDTRANSFERS/Resources/1ToolkitExANTEBFLmodel.zip> The BFL model can be easily run on a nationally representative household surveys, i.e., it is based on micro-simulations using existing micro-data. More fundamentally, the BFL relies on strong hypotheses that are rarely supported in a real environment: prices are set as exogenous variables and consequently they do not take full account of market adjustments towards equilibrium or subsequent agent responses. Despite these limitations, the BFL model has already been estimated for Brazil, Ecuador and Mexico with good results compared to actual impact of the programs. Leite, Narayan and Skoufias (2011)⁴¹ shows that BFL predictions compare well with standard ex post impact evaluation results using the same data.

the 16-18 years old it would reduce the need of being in the labor market to help increase household income. Notice that for households with children aged 11to15, changes are lower because the enrollment rate is already high. By restricting the simulations to the food poor households, the impact of the program reaches 16.7 percent, ranging from 2-33.8 percent.

Table 12: Impact of school enrolment – all selected households (170 thousand)

Age group	Enrollment rate	Simulated enrollment rate	Percent
years old	75.4 percent	84.4 percent	11.9 percent
years old	75.4 percent	90.8 percent	20.4 percent
years old	91.3 percent	93.4 percent	2.3 percent
years old	80.2 percent	83.3 percent	3.8 percent
years old	51.4 percent	59.3 percent	15.4 percent

Table 13: Simulated impact on the Food poor population

Age group	Enrollment rate	Simulated enrollment rate	Percent
years old	69.5 percent	81.1 percent	16.7 percent
years old	66.9 percent	89.5 percent	33.8 percent
years old	88.5 percent	90.5 percent	2.2 percent
years old	74.0 percent	77.6 percent	4.8 percent
16-18 years old	47.9 percent	53.2 percent	11.1 percent

322. The final important finding to highlight is that under a collective co-responsibility⁴², only 43 percent of selected households would participate in the VCT component, reducing the potential impact of the program. Basically, only households where children were already enrolled in school would participate (with individual co-responsibility –see paragraph 37). As a consequence, the VCT component impact on enrollment is lower than 2 percent.

F. Conclusion

323. The main findings presented here should be viewed carefully, given that some external factors can strongly affect the predictions. For example, the simulations consider that the supply of primary and secondary schools can match the new demand of students. In Tanzania, the supply of primary schools reaches all remote and poor areas but very often, secondary schools are far away from home and children do not have time or money to cover travel costs. Moreover, the literature shows better response in terms of enrollment when transfers are individual and possibly higher for older children that are more likely to drop-outs because of labor market demand and insufficient supply of close secondary schools. For example, de Janvry et al. (2006) suggest that the performance of the PROGRESA in Mexico could be higher by offering more resources to older children (secondary school students) and less to relatively younger one (primary school students).

324. Hence, the PSSN can contribute to poverty reduction in Tanzania as well as improve school enrollment, but other complementary actions are also necessary. Under the current

⁴² Collective co-responsibility refers to the CCT co-responsibility on households, which is NOT divided by the # of children per households; i.e. all household children must attend school

spending levels, there is considerable scope for Tanzania's public sector to become more effective in the fight against poverty. Some suggestions are: (a) Pursuing structural reforms and preserving macroeconomic stability to foster stronger sustained levels of economic growth; (b) Improving the effectiveness and transparency of public sector spending, especially in the social sectors; (c) Enhancing educational opportunities to reduce the disparity in the rate of human capital accumulation between the poor and the non-poor, and particularly between the indigenous and the non-indigenous; (d) Generating more robust employment opportunities for the youth via better functioning and less restrictive labor markets; and (e) Developing a more effective social protection system that targets more destitute and vulnerable groups, especially the indigenous, and ensuring some cost recovery from the non-poor.

325. Overall, the simulations show that PSSN is in the right direction as a social protection program for the poorest population in Tanzania, due to its bigger effect on severity of poverty (15 percent) than in poverty headcount (6 percent) by itself. All remaining questions are in regards to the transfer amount, the effect on human capital accumulation, cost, targeting and the importance of schooling co-responsibility. At present, the PSSN transfer is about 30 percent of average per capita consumption of food poor population in Tanzania (18 percent among the poorest selected by the PMT model).

326. The estimated take up rate of the VCT component is 70 percent - if accepting an individual co-responsibility - due to the trade-off between schooling and working (substitution effect). Poorest households are less penalized and face more incentives for program's participation. Simulations suggest that the PSSN combination of both fixed - more effective for poverty reduction - and Variable Conditional Transfers - better for enrollment purposes - are more effective for the improvement of both outcomes.

Annex 9: National Social Protection Framework Précis TANZANIA: Productive Social Safety Net APL I

327. The Government of Tanzania decided to develop a National Social Protection Framework (NSPF) for two purposes: to complement existing development initiatives such as the MDGs and the NSGRP by extending social protection coverage in a coordinated and systematic way (to increase employment for those who are able to work and to provide social transfers for those who are not). And secondly to respond to the issue that existing social protection interventions cannot make a significant impact on the life of the poor and vulnerable without an integrated framework to harmonize and coordinate interventions and resources.

328. The NSPF was developed through a series of consultations engaging actors at a national and sub-national level including Government Stakeholders, NGOs, CSOs and Development Partners. A first draft was developed in 2008, and was revised a number of times with the most recent draft dated June 2010. However, the framework has yet to be approved by the Government.

329. The purpose of the framework is to “improve coordination and speed up an implementation of policies on social protection that were designed to improve the lives of the poor and most vulnerable groups in Tanzania”. It aims to provide guidance to state and non-state actors involved in funding, planning and provision of social protection programs. In doing so it hopes to achieve the long-term vision of “a society free of poverty and exclusion, in which all citizens are empowered with the capacity to achieve and sustain a high quality of life and social well-being”.

330. The Framework Document presents a brief review of existing social protection programs in Tanzania; provides the organizing framework for an integrated system of social protection; highlights the broad objectives and components of social protection; addresses issues of coordination in implementation, planning, monitoring, and evaluation of social protection interventions; and discusses the financing mechanisms for social protection in Tanzania.

331. The Framework starts by highlighting the high levels of poverty in Tanzania (33.6 % and 16.6 % under the basic needs and food poverty lines respectively) and highlights the particular vulnerabilities of certain sectors of society including the elderly, women, children, and those suffering from long-term illnesses or disabilities. It acknowledges a range of challenges facing the social protection sector including: limited coverage; lack of coordination; weak institutional capacity; lack of data and targeting errors; limited recognition of gender equity; low levels of community participation; resource constraints; and weaknesses in governance.

332. The NSPF highlights nine principles which should guide social protection interventions in Tanzania: universal provision of social protection to address generalized insecurity, recognition and respect for the positive social and cultural norms and practices in the country; investment in long-term human and systemic capabilities; broad-based community participation and decision-making; adherence to gender equality and equity, children’s rights, and the rights of other vulnerable groups; coordination and harmonization of social protection programs; integrated approach with other development policies; international standards and codes; good governance

and accountability and sustainability.

333. The NSPF describes the need for both universal and targeted approaches to social protection depending on program objectives, administrative capacity and the social characteristics of communities. It also recommends starting with simpler, protective interventions such as cash and food transfers, which can then be gradually enhanced with more complex interventions as capacities advance. The Framework strongly enforces the view that social protection should be a hand-up not a hand-out and that it expects members of targeted groups to graduate from the program after sometime. As such transfers should be seen as an investment aimed at increased people's assets, including health, education and the opportunity to earn income. However it acknowledges that how long people are on programs will depend on program objectives and the groups targeted. For children targeted because their households are poor, this may involve letting them 'age-out' of programs.

334. The NSPF highlights the need to coordinate social protection initiatives in order to address issues of divergence in approaches, overlapping interventions, and lack of coordination between different actors and their responsibilities. It describes the need for this harmonization in a number of areas: policies, planning, resource mobilization and utilization, implementation at PAA level, monitoring and evaluation, and roles and responsibilities.

335. Finally it considers financing options for social protection including the need to mainstream social protection into the national budget. It highlights the fact that international aid can play a large role in initial financing of social protection interventions, but also describes ways in which the government can increase levels of domestic financing. These include:

- (a) To promote social financing measures that would encourage micro-donations (for example through 'round-up' schemes, where customers choose to round-up their bills thereby donating the difference between their actual bill and what they pay to social welfare services);
- (b) Encouraging the private sector to become socially responsible by engaging in projects and programs that improve the lives of people and the community.
- (c) Reallocating expenditure that has little tangible benefit for the poor and increase efficiencies in social expenditure.

Annex 10: Governance and the PSSN

TANZANIA: Productive Social Safety Net APL I

336. In any large program, using public resources it is necessary both: to ensure effective checks and balances to protect against use of these resources for personal ends or special interests; and, to demonstrate that resources are being used in an equitable and effective way to achieve expected results. The PSSN has a number of mechanisms built into its design to promote these two critical goals.

337. **Greater understanding of program by stakeholders:** The TASAF program will develop a communication strategy to ensure widespread understanding of program objectives, processes and procedures by all key program stakeholders. Appropriate modalities will be developed to communicate key messages to a full range of key stakeholders, from MPs and Ministers at national level to beneficiaries and the wider community in targeted villages. A broad range of communication methods will be used including: workshop, community meetings, posters, leaflets and media outlets such as radio and television. By ensuring widespread knowledge of program objectives, processes and procedures, key stakeholders (particularly beneficiaries and community members) will be better able to hold service providers to account for any deviations in implementation.

338. **Strengthened Grievance Procedure:** The above, greater understanding only becomes an effective tool if there are appropriate mechanisms by which these stakeholders can express any concerns about program implementation. The PSSN will operationalize a grievance mechanism which will allow stakeholders to express concerns about any aspect of program implementation (targeting, payment delays, misuse of program funds etc.). Those wishing to make a complaint may access this mechanism differently: by reporting through a community management committee, village council, or, during the targeting community validation meeting, directly to PAA staff; or using a complaints hotline. All complaints will be documented and discussed by the TMU grievance committee.

339. **Community participation:** Participatory processes will play a key role about how program resources are used. The community committees comprised of elected community representatives undertake an initial targeting of program beneficiaries, and the results of this (and the PMT verification) are validated by a Village Assembly composed of all community members⁴³. Public works projects are identified through a community-based participatory planning process, initially through the production of a multi-annual plan; but also through an annual prioritization of activities. This will ensure that public works are of value to the community in general, and address the needs of various groups including both male and female community members.

⁴³ The PMT acts as a key check on the system to reduce the risk of elite capture. With any community targeting system there is always a risk that community leaders may show preference to friends or relatives. The PMT will screen out any inappropriately targeted households by identifying those who, according to pre-determinate proxies, do not fall into the poorest category.

340. **Robust systems for managing transfer payments:** Previous phases of TASAF required community management committees to disburse transfers to beneficiaries for both the public works and the pilot conditional cash transfer program. The PSSN will largely replace this approach⁴⁴ and will instead identify appropriate payment agents to administer transfers. Possible payment agents include: mobile phone providers, commercial banks, community banks, CBOs and post offices. This will significantly reduce opportunities for leakage and greatly increase the audit trail for such payments.

341. **Enhanced implementation capacity:** In addition to the adjustments to the payment system and improved awareness raising described above, PSSN includes a number of additional efforts to enhance implementation capacity. These include: development of appropriate manuals to guide program implementation, a robust rolling training program for key staff and institutions involved in program activities, the ability to enhance PAA capacity through the appointment of data entry clerks and the outsourcing of service provision to private or civil society sector service providers, and the appointment of one Technical Assistant for each of the PAAs where the program is operational.

⁴⁴ Only as a last resort in areas without coverage by alternative payment agents, will the use of community management committees be continued. In such areas there will be frequent reviews to assess whether coverage by more formal payment agents have been expanded and the approach changed.

**Annex 11: Community Based – Conditional Cash Transfer Pilot Preliminary Results from
Program’s Assessments and Impact Evaluation
TANZANIA: Productive Social Safety Net APL I**

342. In order to inform a possible expansion of the CB-CCT pilot, its performance and impact have been assessed and measured using several instruments. A process evaluation (completed in September 2011), a targeting assessment (carried out between April and July 2011), an impact evaluation based on quantitative analysis of baseline and two follow up surveys (Baseline in February 2009, follow up survey in September 2011, end-line survey in October 2012), a qualitative assessment based on focus groups (first set of focus groups in August 2011, second set in December 2011) and a social accountability exercise using Community Score Cards (finalized in August 2011). This annex present the main results of those evaluations, which have serve to inform the design the PSSN.

*1. Process evaluation*⁴⁵

343. The process evaluation was carried out between July and September 2011 in order to assess process and operations, institutional responsibilities and implementation arrangements of the CB-CCT. The evaluation reviewed the following processes: identification and selection of beneficiaries, registration of beneficiaries in the program, coordination between the program and health/education sectors, verification of compliance with co-responsibilities, transfer of payments, and case management.

344. The Process evaluation assessed the capacity showed by TASAF to successfully implement the CB-CCT in accordance to four variables: (i) institutional/organizational arrangements to implement the program; (ii) the technical processes to transform inputs into desired outputs/outcomes; (iii) the adequacy of allocated inputs linked to desired outputs/outcomes and prescribed processes; and, (iv) the sufficiency and competency of human resources responsible for implementing procedures.

345. The main findings from the evaluation are summarized below:

- (a) Overall program perception. There is a general shared perception between most of the stakeholders that the Program is achieving expected results and having positive impacts for beneficiaries.
- (b) TASAF, PAA and CMCs have demonstrated adequate capacity to manage the pilot and its operation processes but capacity needs to be enhanced to expand the program. TASAF has been effective in mainstreaming the operation of the CB CCT through its regular organizational structure. CMCs have developed the main operational procedures for targeting, enrolment, compliance and payment. The main limitations appeared during targeting, enrolment and data updating mainly because the CMCs and PAAs lack the necessary skilled staff to guide those processes.

⁴⁵ Based on the draft report “Consultancy Services to Conduct Process Evaluation of the Community Based Conditional Cash Transfer (CB CCT) Pilot Program of Tanzania Social Action Fund (TASAFF)”, submitted by *Gerencia para el Desarrollo, A.C.*, September 61th, 2011.

- (c) Criteria, norms and procedures established in the Operations Manual must be reviewed and adapted for a next phase according to experience and lessons learned. Most of the changes are required because many of the procedures, forms and timelines were not adapted to consider Tanzanian context and TASAF / PAA / CMC specific possibilities (e. g. payment timeline, complex forms for enrolment). A full revision of the OM is required as some key procedures need to be reinforced, including targeting process, data update processes timing, monitoring of compliance, and accurate reconciliation of payments.
- (d) The basic MIS modules and processes are functional and have been locally integrated but need to be strengthened. The MIS operates in a web-based environment that may be ready for a decentralized use and operation. The MIS requires developing the functionality for automatic report generation and requires several improvements especially to run in a decentralized operation and for massive operations at a national scale up.
- (e) The main operational challenge is to establish a regular iterative bimonthly cycle for Program's operations. The CB CCT has been accumulating delays in payments. The current timeline was not realistic and did not consider some of the logistics of the cycle including: the collection and the data registry of compliance forms, data updating forms, payment claims forms and then the MIS process for payment calculations. There are different separate handbooks (subsections of the OM) for these processes, while operationally these processes have simultaneous, similar and sequential steps to develop one product: the bimonthly payment list. A new timeframe and calendar has been developed considering a bimonthly period used for data collection, data entry and MIS processing to produce the payment list and then a second bimonthly period for cash transfer delivery (payment), including the times for the disbursement of funds from central account to PAA accounts, and from PAA accounts to village accounts. The new timeframe has yet to be adopted and put into practice. TASAF needs to develop a detailed timeline and to train the PAA focal points and other stakeholders to keep to the bimonthly cycle on time. The bimonthly cycle requires triggering at the start of each two month process. It also needs to identify control points to keep the flow on time and prevent delays.
- (f) The main challenge in targeting is to balance the community participation and the statistical verification of HH conditions through a Proxy Means Test (PMT). The initial PMT instrument used to select beneficiaries was not adequate to reflect context specific variations in Tanzania and the process proved to be cumbersome and not very effective in reaching the poorest. A new enhanced targeting procedure has been developed by the TMU. Its main challenge is to balance the community participation as a tool to prevent exclusion errors with the application of the scoring formula of a PMT to prevent inclusion errors and potential elite capture.
- (g) The main challenge in enrolment has been limitations in data accuracy for the Registry of Beneficiaries and the gap between approved selected HH and the enrolment timing and procedure. There are several sources of error and inaccuracy in the capture of information for enrollment. Details, exceptions and specific instructions involved in the enrolment process through the complex

procedure established in the handbook generate a process that seems to be above the average capacities of the CMC members, or at least beyond the capacity built during a short training. There is need to enhance capacity at CMC level through involving skilled personnel in the process.

- (h) In addition to delays in payments, the other major challenge for the payment process is the reconciliation of the bank accounts, including the devolution of uncollected funds. The account reconciliation is important for transparency and accountability. Also the reconciliation is important to identify beneficiaries that are not collecting their transfers for three consecutive payments, because that is the basis to apply consequences for non compliance affecting payments. *There is need for reliable payment mechanisms and enhanced capacity of CMCs to carry out the process.*
- (i) Coordination with Health and Education authorities was developed at the start for the supply side capacity assessment but has not been followed as a permanent regular process. Coordination after the first phase of the Program was not followed as a regular permanent activity. The collaboration of teachers and health staff to fill the compliance forms is based on their good will. They lack the incentives or the authority enforcement to collaborate on a regular and timely basis. CMCs have not the authority to enforce or encourage this collaboration. There is no specific supervision about the accuracy of the compliance registered on the forms by school directors and health staff. In some cases, staff have not been willing to collaborate.

2. Targeting Assessment⁴⁶

346. The designed CB-CCT pilot program followed a decentralized and multi-stage process, and a targeting assessment identified few issues with CB-CCT design. The report found:

- (a) That program eligibility rules were considered too complicated by PAA/VC/CMCs and engagement with the program was compromised;
- (b) Limited and insufficient training provided to PAAs and CMCs to reinforce the message of the program and their responsibility as supervisors and managers⁴⁷;
- (c) Inadequate budget allocation for running the program;
- (d) Program did not use the communities efficiently to identify beneficiaries⁴⁸ because CMCs had to collect information for at least 50% of households and the PMT determined the program participation;
- (e) There was also a weak community validation & appeals process, where CMCs had limited voice to correct PMT errors, which was giving priority to larger households (not necessary the poorest or those with many children aged 0-18) and the un-tie criteria looked unfair for the villagers and for CMCs.; and finally,
- (f) The double data collection for households in few villages (ambiguity cases) affected program credibility.

⁴⁶ Based on “Improving the Targeting of the Community Based –Conditional Cash Transfer (CB-CCT) Program in Tanzania”, by Phillippe Leite, July 21st, 2011.

⁴⁷ Many households were rejected as a result of failure to answer questions properly during data collection.

⁴⁸ A CB targeting uses a group of community members or leaders whose principal functions in the community are not related to the transfer program to decide who in the community should benefit.

347. After a qualitative assessment at the field and based on consultation with TMU staff, Leite (2011) proposed a new process that would simplify the process cycle; provide better training to PAAs/CMCs, and better program allocation of funds at the village level; improve the PMT model; and improve participation of the community in the process of selecting beneficiaries, making use of the main advantages of the community knowledge of the population. Leite (2011) advised that CB-CCT program must continue using a mixed method of targeting that combines Geographical targeting, community based targeting and PMT targeting, but nevertheless it must make implementation around 4 stages implementation cycle: Stage 1: Training process and Information campaign, Stage 2: Identification of households by VCs and CMCs – Community targeting, Stage 3: PMT model score – TMU, Stage 4: Community validation, appeals process and final listing

348. This new approach was piloted in one village in each of the three following PAAs: Bagamoyo, Chamwino and Kibaha. The pilot focused on Training and Information/Outreach because: the newly developed PMT required a more complex questionnaire to be applied by the CMC; and that PAA/CMC (Community administrators) must be engaged in the program to better select the households and be ready to deal with the daily monitoring and appeals of villagers to participate in the program.

349. The main findings of the pilot that trained PAAs and CMCs, and then collected household level information for a total of 183 households - 70 from Kibaha, 71 in Chamwino and 42 in Bagamoyo⁴⁹ are:

- (a) The Density function of the PMT scores in each of the three villages reflects the villages' poverty levels, that is, Chamwino is the poorest area amongst the three pilot areas, and it is aligned with other index such as food frequency index⁵⁰, dietary diversity index⁵¹, and food consumption score⁵² and of the assets index⁵³.
- (b) The PMT was then compared with a benchmark variable (the food consumption score - following WFP guidelines and Wiesmann et al, 2009) and we found that they are highly correlated, and for 67% of cases PMT classification matches with Food insecurity status, 26% are considered acceptable matches and 7% are poor matches indicating a good prediction power of the proxy to identify the food security/insecure households.
- (c) The PMT had a sensitivity rate above the expected 60% meaning that the model would lead to low exclusion errors, while misclassification was estimated around the 30% meaning a good prediction. Nonetheless, specificity is low - estimated around 33% meaning that 2 out of 3 households with borderline or acceptable levels of food security would be selected for participating in the program. As a result, inclusion errors are likely to happen and fourth stage of the implementation cycle can help TASAF to minimize such error.

⁴⁹ Bagamoyo VCs and CMCs only identify 42 households in the village with characteristics for participating in the program.

⁵⁰ Food frequency, in this context, is defined as the frequency (in terms of days of consumption over a reference period) that a specific food item or food group is eaten at the household level.

⁵¹ Dietary diversity is defined as the number of different foods or food groups eaten over a reference time period, not regarding the frequency of consumption.

⁵² Food consumption score (FCS) is a frequency-weighted diet diversity score, also referred to as a "food frequency indicator." The FCS is calculated using the frequency of consumption of eight food groups consumed by a household during the seven days before the survey.

⁵³ Asset index is a simple average of the number of self declared durables good collected during from question 26 during the interview.

- (d) The Validation designed in the fourth stage process cycle was implemented by TMU team and proved to be efficient and transparent. PAA/CMC found it is very transparent and the community corrected the few PMT model misclassifications to minimize both exclusion and inclusion errors.

350. In summary, the new process was easily implemented by PAAs/CMCs and rated as successful by TMU, PAAs and CMCs. The main objectives of the new process and targeting - simplification, minimizing targeting errors and training - were achieved. The degree of community participation was high and participants were able to help TMU to reduce potential inclusion and exclusion errors from the PMT model.

3. *Impact Evaluation*⁵⁴

351. The primary objective of the impact evaluation was to test the combined effectiveness of (a) a CCT program in Tanzania and (b) a community-based model to implement the program. In order to assess how effective the program is in accomplishing improved conditions for vulnerable households, the impact evaluation sought to answer the following research question: What is the impact of CCTs on a set of sector outcomes for vulnerable children and the elderly? (Health, Education, Consumption, solidarity systems, community dynamics). The question underlying most of the questions above is whether this community-based model is effective at achieving health, education, and consumption gains as has been the case of more centrally administered models used elsewhere.

352. **Methodology.** The evaluation was based on randomized assignment of the program at the village level, ultimately relying on comparing the changes in outcomes of beneficiary households in 40 randomly selected treatment villages over time to those of households that would be beneficiaries in 40 control villages. 80 villages were selected within the three PAAs. The selection of treatment and control households followed a rigorous process to ensure randomization at village level and minimize difference at the baseline level between treatment and control villages.

353. Baseline analysis showed that randomization was almost perfectly correlated with treatment. Households in treatment and control villages are similar but not identical. Over all it seems that households in treatment villages are slightly worse off than households in control villages. This may cause impacts of the CB CCT pilot on sector outcomes to be underestimated. Particularly important is the case of school attendance which was significantly lower in treatment villages when compared with control villages.

⁵⁴ Based on “PROPOSED PILOT EVALUATION DESIGN – Community-Based Conditional Cash Transfer Pilot. Tanzania Social Action Fund (TASAF), by David Evans, 2009.

CB-CCT Impact Evaluation –Treatment and control villages

Variable	Control villages	Difference for Treatment	Significant difference?
Household size	3.9	0.08	No
Can read & write (adults)	40%	-0.02	No
Enrolled in school (age 6-18)	75%	-5%	No
Missed school in last week (enrolled)	42%	+9%	90%
Sick or injured in last month	27%	+2%	No
Seek care (if sick)	86%	-4%	No
Improved roof (iron sheets, cement)	8%	-5%	95%
Improved floor (tiles, concrete)	37%	-3%	No
Any toilet / latrine facilities	75%	-6%	No

Preliminary results. Data from the follow up survey was received by mid-October, so only preliminary results based on simple OLS regressions were available at the moment of finalizing the PAD.

354. Regarding the impact of the program in *enrollment and attendance school*, preliminary results show that the program has no effect on either of the indicators. Nevertheless, further analysis is required because at baseline data, enrolled children in treatment villages were about 9 percent more likely to miss school the previous week of the survey. Therefore a further difference in difference analysis will check for differences at baseline and a more accurate measure of the impact of the program on both enrollment and attendance will be carried out.

355. Different results can be observed regarding the impact of the pilot on *health status and utilization of health services*. In this area, the evaluation shows that children participating in the program are 5 percent less likely to be sick or injured in the previous month when compared with children in control villages. On the contrary, there is no evidence that participating in the program has any impact on adults or elderly regarding the same indicator. In control villages there is no significant difference between children and adults, and elderly population is more likely to be sick or injured. Also in the health sector, children and elderly are more likely to seek care when sick (11 and 13 percent more that the same groups in control villages). Adults in treatment villages are less likely to seek care and in control villages, children and elderly are less likely to seek care when sick than adults in the same villages (-6 and -15 percent).

356. The CB-CCT pilot seems to have no impact on Bank savings, loans taken or number of assets accumulated among beneficiary households, while there is small but significant changes on transfers received from other households (-US\$4.2 per year equivalent to less than 5 percent of the amount received from cash transfers), in non Bank savings (+2 percent) and livestock holdings (+1.4 percent). These results may be indicating two different situations. On the one hand, the size of the transfers seems to be high enough to be an incentive to use available social services (reinforced by findings from other assessments presented below) but low enough to allow any significant accumulation for beneficiary households (focus groups report that any saving is usually used in school material and paying health care). On the other hand, beneficiary households are likely to be exposed to seasonal shocks so any additional funds they have may have been used to cope with those shocks.

357. Finally, a quite important result from the follow up survey shows that the implementation of the program further strengthens trust within beneficiary communities as households in treatment villages seem to have more trust in the communities and in their leaders when compared with households in control villages (12 and 68 percent respectively). This result is reinforced by findings from the focus groups assessment.

358. As available data is further processed and additional analysis carried out the impact evaluation should generate results on other key outcomes, including poverty (household consumption), detailed analysis of use and expenditures in education and health, or children anthropometrics and difference in differences analysis to correct for slight difference at baseline which may provide additional information regarding some of the indicators that so far have shown no impact.

4. *Qualitative assessment – Focus Groups*⁵⁵

359. The main purpose of the Qualitative Assessment through was to evaluate in depth the impact of the CB-CCT program on the target communities, but specifically: (i) understand CB-CCT program impacts at the household level; (ii) explore in detail community dynamics as a result of the CB-CCT program, and (iii) determine the implementation processes involved in the CB-CCT.

360. Methodology. The study used an exploratory design. Focus group discussions were used to collect data. A total of 40 focus groups discussion and 6 in-depth interviews were conducted in the area where the CB-CCT is implemented. Each focus group discussion had between 8 - 10 respondents of mixed gender except for beneficiary and non-beneficiary groups. The rationale for mixing gender in the focus group discussions for Community Management Committees, Village Councils and Education service providers was based on the fact the questions that were administered were not sensitive to warrant separate discussions by gender. However, the topics of discussion with the beneficiary and non-beneficiary households were sensitive and this prompted separation by gender. The focus group discussions were conducted in 6 villages.

361. Main results. Beneficiary households participating in the focus groups considered that the program is very valuable and that they are privileged to participate in it. Even though there is a common complaint that cash transfers are not high enough, there is also consensus that the program has helped them to improve the living standards of children and elderly. Households report general openness to co-responsibilities as something that help them to send children to school and visit health facilities. Some complaints are reported regarding conditions for the elderly, as they can be difficult to comply with.

362. Households participating in the focus groups reported that enrollment and attendance of children in school increased, especially because the transfer enabled parents and guardians to pay for school fees, purchase school uniforms, school materials and other needs. Participants also reported that the program has facilitated households to access medical care, vaccinations, general treatment and health check-ups. Some beneficiaries reported that after ensuring adequate food they can use some money to pay for medical treatment and meeting school needs.

⁵⁵ Based on the Study Report presented by Synovate on September 2011.

363. As indicated by the preliminary results of the impact evaluation, the focus groups discussions reported a general consensus that traditional solidarity systems have been strengthened after the program was launched. Some villages indicate that social cooperation has increased among age groups who are actively involved in community development activities.

364. Reports from non beneficiaries indicate that there is not enough transparency regarding the process to select beneficiaries. They reported that households with means were enrolled in the program while truly needed households were excluded. This is consistent with findings from the process evaluation, the targeting assessment and internal assessments carried out by TASAF and the Bank.

365. In general, CMC performance is rated good. However, this contrasted with results from other two instruments. From the follow up survey used in the impact evaluation, there some cases in which households reported corruption and dishonest behavior from CMC members. Some households also reported having asked for a contribution, mostly from the CMC. Similar results are shown in the CSC reports; this is, in about 85 percent of the cases CSC reported CMC behavior low, and 1 in 4 villages corruption at the CMC level was reported.

5. *Community Score Cards*⁵⁶

366. A social accountability tool - Community Score Card (CSC) - was used to elicit beneficiary and service provider feedback on the CCT program in general and quality of health and educational service delivery in particular.

367. Methodology. The community score card process consists of four steps: (i) *Input tracking*, a mini social audit undertaken at the community level attempting to match program inputs with actual outputs and disbursement. In the context of the CCT pilot it means tracking disbursements and timing of CCTs to stated beneficiaries and cross-checking targeting efficiency. (ii) *Community performance score card*, in which community members in focus groups rate the performance of different elements of the program (CMC, CCT system, school and health facilities) on different performance criteria such as transparency, fairness, timeliness, adequacy, etc., as well as on the services being provided such as availability of teachers, health personnel, supplies, medicines, etc. (iii) *Self evaluation score card*, where the CMC give a self-assessment of how they see the system performs. (iv) *Interface Meeting*, where providers (CMC, health staff, school teachers etc.) and the community were brought together to share their results, discuss the findings, and come up with action plan on how to make the process work better.

368. The scope of the CSC included the provision of health and education services as sectors, as well as linked to the CB-CCT and was carried out in 20 villages of the three PAAs in which the program is under implementation. The summary of results included below refers only to CB-CCT aspects.

⁵⁶ Based on “An Evaluation of the Conditional Cash Transfer Program in Tanzania”, by Public Affairs Foundation, Bangalore, India.

369. Main results. Co-responsibility specific indicators of CCT for the education service showed improved performance. Higher scores by providers confirmed beneficiary compliance with the co-responsibilities. However, across the villages, questions were raised about CMC work performance and irregularities in CCT program implementation. Poor scores by beneficiaries for the process indicators of work performance by service providers and cash disbursement by CMC members question the transparency in program implementation and accountability by service providers. Corruption in service delivery was mentioned explicitly in five of the 20 villages.

370. The service performance indicators of issuance of the health cards, utilization of the health services by elders and children and consequent reduction in health problems such as reduction in infant mortality rate and maternal mortality rate received high scores across the villages indicating increased utilization and effective service delivery. The role of staff in motivating the beneficiaries to seek health services played a key role in motivating the beneficiary to seek health services given the fact that the resources are limited. Cost was one of the impeding factors for elders to seek health services, however. After the CCT roll out, elders were reported seeking health services using the cash for transport.

371. The indicator of selection of beneficiary received moderate to high scores from the beneficiaries indicating good targeting. Immunization services were also well targeted; however beneficiaries demanded more awareness programs about health specific co-responsibilities of CCT program and reduction in consulting time for elders.

Box 2: TASAF II The CB- CCT Pilot: Overview

Overall program overview

The community-Based Conditional Cash Transfer pilot (CB-CCT) was designed as a pilot to inform a future safety net operation seeking to directly mitigate, among others, challenges of poor and vulnerable children and elderly by providing cash transfers to poor households conditional on keeping their children in school and seeking regular health care for them; and older people visiting health facilities for checkups.

The pilot also sought to test how a conditional cash transfer (CCT) program could be implemented through a social fund using a community-based approach, and what incentive framework may need to be in place to achieve results. The pilot was intended to test the impact of CCTs on the following areas;

Increase primary school attendance of most vulnerable children (MVCs) by using CCT as an incentive.

Increase health visits of orphans and vulnerable children 0-5 years and vulnerable elderly (60+ years) by using CCT as an incentive.

Develop operational modalities for the community-driven delivery of a CCT program through TASAF-II operation.

Test the effectiveness of the community-based CCT model against centralized CCT programs.

Inform government policy on the best modalities to deliver support to MVCs and vulnerable elderly.

Since January 2008 TASAF has been implementing the (CB-CCT) in 40 villages from three LGAs in two different regions of the country: in Dodoma Region (Chamwino District Council) and in Pwani Region (Bagamoyo and Kibaha District Councils).

The program transferred funds subject to compliance with two broad co-responsibilities, as explained in the table attached below.

Sector	Beneficiary	Co-responsibility	Frequency of Required Compliance	Frequency of Compliance Monitoring
Education	All beneficiary children 5 -18 ⁵⁷ years	Admission in primary school	Once a year	Once a year after the enrolment period ends
	All beneficiary children 5 -18 years	Individual attendance	80% attendance of total school days	6 times a year
Health	Children 0 - 5 years	Visit to health facility to monitor growth	six times a year	6 times a year
	Children 0 - 2 years	Vaccination and growth monitoring		
	Elderly (60+ years)	Visit to health facility for basic check and orientation	Once a year	At the end of annual visit

Following the described set of conditions, the pilot has the following benefit structure:

Size of transfer ranges from US\$6 minimum to \$18 maximum depending on the number of people in the household.

US\$ 3/month for children (50% of food poverty line)

US\$ 6/month for elderly (100% of food poverty line)

Payments are made bimonthly and so far the program has completed 11 payment cycles. The average payment is US\$10 per household per month. Funds are routed to the communities through district councils. The community management committees make payments to individual beneficiary households. The program has transferred 11 bimonthly payments to beneficiaries

Institutional arrangements

TASAF Management Unit (TMU) is responsible for development and management of supportive systems including, MIS, M&E and payment systems, and training at the LGA level and disbursing funds to beneficiaries through LGAs and CMCs.

Local Government Authority (LGA) provides technical support and guidance including training and follow-up of implementation in the villages.

Community Management Committee (CMC) is responsible for day to day implementation management of community level activities under overall oversight of the Village Council (VC) and reporting to Village Assembly.

The Pilot Program was planned and designed in 2007. Targeting, enrolment, MIS development and all other preparations were developed in 2008/2009. The first cash transfer payment was delivered to beneficiaries in November-December 2009. The first phase of enrolment covered almost 2,500 households. In August 2011 the program reached almost 13,000 beneficiaries in 5,000 households.

⁵⁷ In Tanzania, school registration is required by law, and children can register to enter primary school until they are 12 years of age, after which they continue to progress through each grade.

ANNEX 12: PLAN AFRICA: IMPROVING ACCESS TO SOCIAL ECONOMIC SERVICES

1. Introduction and Background

372. The Household Budget Survey (HBS) conducted in 2007, shows progress has been made in reducing poverty. However, it also reveals that widespread poverty remains the main challenge of development in Tanzania. Although the Tanzanian population living below the food poverty line decreased from 18.7 percent in 2000/2001 to 16.6 percent in 2007, in absolute terms the number has increased. The report highlighted high levels of illiteracy; limited access to health services and clean, safe water; and inadequate opportunities for increasing incomes as the main factors contributing to its prevalence.

2. Issue

373. Although considerable progress has been made in the education sector, the illiteracy rate has increased from 28 percent in 2005, to 31 percent in 2009 (PHDR58 2009). This result is mainly due to the increased dropout rate of school children and youth, low enrolment, and lack of awareness of the importance of education in some communities. To address the illiteracy challenge, the Project aims to improve the quality of education through the provision of physical infrastructure, improved teaching quality, and improved environments that promote learning. The Project falls within the framework of the Tanzania Social Protection agenda and is in line with Cluster II, Goal 1 of the National Strategy for Growth and Reduction of Poverty as revised in 2010. Specifically, Goal 1 is ensuring equitable access to quality Early Childhood Development (ECD) programs and primary and secondary education for all girls and boys.

374. To this end, classroom blocks were constructed under TASAF I and II to reduce the classroom-pupil ratio which improved from 1:70 to 1:45. These investments also provided access to education facilities within reasonable distance to pupils. However, the increase in the number of classrooms was not matched by an increase in the number of teachers.

3. Plan Africa Support for TASAF

375. Critical to attracting and retaining teachers in rural communities is the provision of quality teacher housing and safe, clean water. By using additional Plan Africa funds to support these outputs, the project is expected to achieve higher teacher-to-pupil ratios, improve teacher attendance rates, improve the quality of education, and ensure education remains a priority by reducing disease incidence.

376. Therefore, Plan Africa funds would be used for the: (i) construction and rehabilitation of teachers' houses (ii) provision of clean, safe water supplies (iii) mobilization of communities; and (iv) implementation support. Local service providers working with communities would be engaged to augment the capacity of the Project Areas Authorities (PAAs) to provide technical support and training to the communities. Local service providers could be non-governmental organizations, faith-based organizations, civil society organization, or individuals with proven

⁵⁸ Poverty and Human Development Report, 2009

ability in the particular field required by the community to effectively implement the community's subproject.

4. Objectives

377. The overall objective of the Productive Social Safety Net (PSSN) Project is to create a comprehensive, efficient, well-targeted productive social safety net system for the poor and vulnerable section of the Tanzanian population. The specific objective of the Plan Africa Project is to improve poor rural households' access to socioeconomic services. This will be achieved through the construction of teachers' houses and provision of clean water sources at schools in five selected PAAs.

5. Outcomes

378. The following will be the outcomes:

- (a) Improved learning environment;
- (b) Improved teacher/student ratio;
- (c) Improved teacher attendance rates; and
- (d) Improved access to clean and safe water.

6. Outputs:

379. The Projects outputs will be:

- (a) 5 PAAs covered by the project;
- (b) 100 teachers' houses constructed;
- (c) 50 water points in constructed and functional
- (d) Capacity of 1,000 committee members enhanced in project management;
- (e) Capacity of 100 village councils enhanced in mobilization and monitoring skills.

7. Project Costs and Disbursement Calendar

	DESCRIPTION	IN US \$
i.	Community subprojects	5,178,243
ii.	Support to communities:	
	Community mobilization	250,000
	Implementation support	650,000
	Total Amount	6,078,243
Disbursements forecasts in US\$		
Year	2011	2012
Amount	3,500 000	2,578,243
Cumulative Amount	3,500 000	6,078,243
Deadline of the Plan Africa Project: July 20, 2015		
Effective date: August 1, 2012		
Closing date: July 20, 2015		

8. TASAF Project Sustainability

380. Implementation of activities is based on community demand. Communities will select an intervention for which they have a need. Experience with such communities' selected projects has shown that there is great ownership which in turn engenders sustainability. The project will have a strong capacity building element which addresses issues of the skills needed and operation and maintenance thereby minimize risks. The principal risk to sustainability is, therefore, the delay in implementation of community projects due to price escalation. Mitigation measures include use of extension staff and local service providers to augment capacity for technical supervision.

381. The project will inject sufficient funds in the rural economy to create backward and forward linkages, including employment opportunities for community members.

9. TASAF Partnership Arrangement

382. The Government of Spain has supported the Government of the United Republic of Tanzania with resources from Plan Africa resources amounting to US\$6,078,243. These resources will be utilized through TASAF as a Trust Fund. The World Bank supports the Government of the United Republic of Tanzania through the Tanzania Social Action Fund Project (TASAF) (P085786) and the upcoming PSSN. TASAF is the largest instrument for provision of social protection to vulnerable households in urban and rural areas. Consequently TASAF is national in scope and, since its inception, has supported various infrastructure subprojects in the education sector. An impact assessment of TASAF support to poor communities is underway, and the results will be available in June 2012.

10. TASAF Institutional and implementation Arrangements

383. Implementation arrangements for Plan Africa Project will follow the arrangements for the PSSN, which will be through the decentralized structure of government.

384. At the national level, TASAF will be under the President's Office with oversight vested in the **National Steering Committee** (NSC). Members of the NSC will be drawn from the public and private sectors and with tenure of three years⁵⁹. The Chair of the NSC and its members will be appointed by the president of the United Republic of Tanzania. The composition of the NSC will take into account the sector ministries that have a safety net mandate which include the State House Ministry of Health and Social Welfare, Ministry of Community Development, Gender and Children, Ministry of Labor, and Ministry of Finance. Other ministries have a technical mandate in the implementation of the PSSN, such as Ministry of Finance, Vice Presidents' Office (Environment Division), Disaster Risk Management Unit, Ministry of Works, Ministry of Agriculture and Food Security, Health, Education, Prime Minister's Office-Regional and Local Government Administration (PMO-RALG). The NSC is responsible for setting policy, clearing the annual work plans and budgets, as well as reviewing the progress reports and monitoring the impacts of the PSSN activities.

385. **In Zanzibar**, the TASAF supported activities are coordinated by the Office of the Second Vice President (2nd VPO). The 2nd VPO appointed a focal person, the coordinators to oversee all TASAF operations in the Islands. Unguja and Pemba each has Steering Committee (SC) that approves subprojects. The Management Teams conduct the community facilitation in planning and budgeting for the selected subproject proposals, and make recommendations to the SC.

386. The PAA and ward extension staff are critical as they directly assist the communities as during implementation. Equally critical are the number of staff at that level and their skills mix to effectively support communities. Experience from implementing TASAF II indicates that capacity at the PAA level is generally inadequate for financial management and technical oversight. The audit staffing level at the PAA is low. Capacity at the TMU, the PAA and Ward levels will be enhanced to respond to the increased requirements to support the subprojects under the Implementation Support Category in the table above, through training and technical

⁵⁹ Members can serve up to two terms on the NSC.

assistance and involving local service providers such as individual consultants, Civil Society Organizations (CSOs) and Non-Governmental Organizations (NGOs) in implementation.

387. The **PAA Management Teams**. These multi-sectoral teams at the PAA facilitate planning at the community level, jointly with communities develop budgets and submit the proposals for approval. Approval of subprojects is done by the LGA Finance Committee, to whom applications are sent after clearance by the Management Teams at the PAA level. The Management Teams ensure that the approved projects are included in the PAA work programs and budgets, as well as in the Mid Term Expenditure Framework. In each PAA, supported by the project, the Director will appoint a Coordinator and other key staff to manage the project activities. The implementation of supported activities will be through villages/ Mtaa/Shehia at the primary level, through PAAs at the intermediate level and the RAS's Offices at the regional level and finally at the national level. The CSOs and NGOs will be mediated through the PAA Management Teams in order to augment capacity at the PAA level for supporting operations at the ward and the community levels.

388. At the village level, the Village Council endorses proposed subprojects which will have been selected in a participatory manner by the communities, the Village Assembly (VA). The VA, after agreeing on a subproject selects from among its members a Community Management Committee (CMC) to manage the actual implementation with oversight from the Village Council (VC). The CMCs are responsible for managing all subproject activities and follow the financial management and procurement procedures as per the PSSN Project Manual, which has been simplified for the CMC level. The CMCs are also responsible for accounting for the resources and reporting physical progress to the VA through the VC, and to the Ward and the PAA levels.

389. The funds management will be ensured by the Tanzania Social Action Fund (TASAF) MU. The management of the Plan Africa resources will use the manual of procedures and system for financial management and accounting, procurement and auditing used for the management of the PSSN resources. In this arrangement, strong linkages with the private sector to provide technical support at community level will be strengthened. Most of the procurement will be carried out by the community management committees using the Community Procurement method according to the Project Manual of the PSSN. Any other additional procurement for national and international tenders, the specific procedures for the World Bank will be used as embodied in the PSSN Project Manual.

11. Environmental and Social Safeguards

390. Like the PSSN, the Plan Africa Project triggers the Bank's safeguards policies on Environment Assessment (OP 4.01); and Involuntary Resettlement (OP 4.12).

391. Social Safeguards: The subprojects to be financed under the Plan Africa Project will be teachers' houses and construction of water points in selected PAAs. These will require land and perhaps some other assets which could potentially have some adverse social impacts. In order to address the potential adverse impacts associated with the subprojects to be financed and to provide mitigation measures, the safeguard documents - the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF) prepared for

the PSSN will apply. A Resettlement Action Plan (RAP) could not be prepared beforehand since subprojects will be identified during the implementation. The two key documents will provide step-by-step description on how to identify those subprojects that have potential environmental and/or social risks, and plan, implement and monitor the necessary mitigation and/or preventive measures. Abbreviated plans will be developed where less than 200 persons will be affected by a subproject or where the impacts are minor (no one is physically displaced or loses more than 10 percent of their land).

Environment: The Plan Africa Project supported construction activities will be implemented complementing the PSSN which is rated as environmental Category B - Partial Assessment. To manage the potential environmental issues associated with the Plan Africa Project, the existing Environmental and Social Management Framework (ESMF) that has been prepared for the PSSN will apply. The ESMF provides a step-by-step description on how to identify subprojects that might have potential environmental and social risks and plan, implement and monitor the necessary mitigation and/or preventive measures. This Project will finance teachers' houses and safe water sources.

12. Closing Date

392. The Closing Date for the Plan Africa will July 20, 2015.

ANNEX 13: COUNTRY AT A GLANCE

Tanzania at a glance

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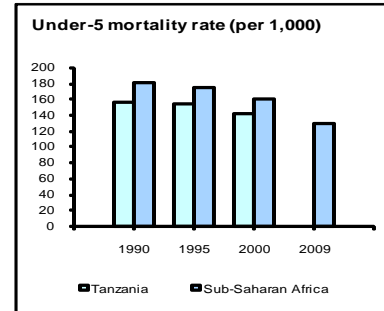
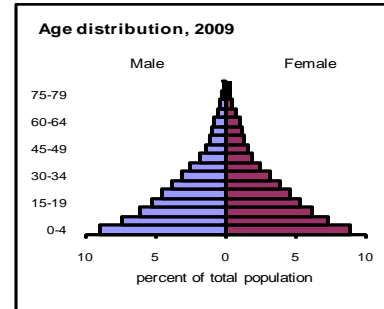
Key Development Indicators

(2010)

	Tanzania	Sub-Saharan Africa	Low income
Population, mid-year (millions)	44.8	840	846
Surface area (thousand sq. km)	947	24,242	17,838
Population growth (%)	3.0	2.5	2.2
Urban population (% of total population)	26	37	29
GNI (Atlas method, US\$ billions)	22.9	944	431
GNI per capita (Atlas method, US\$)	510	1,125	509
GNI per capita (PPP, international \$)	1,360	2,051	1,220
GDP growth (%)	7.0	1.7	4.6
GDP per capita growth (%)	4.0	-0.7	2.4

(most recent estimate, 2004–2010)

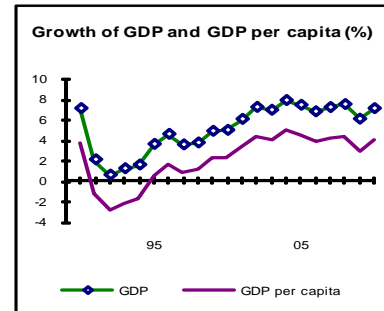
Poverty headcount ratio at \$1.25 a day (PPP, %)	68	51	..
Poverty headcount ratio at \$2.00 a day (PPP, %)	88	73	..
Life expectancy at birth (years)	55	53	57
Infant mortality (per 1,000 live births)	51	81	76
Child malnutrition (% of children under 5)	20	25	28
Adult literacy, male (% of ages 15 and older)	79	71	69
Adult literacy, female (% of ages 15 and older)	67	54	55
Gross primary enrollment, male (% of age group)	106	105	107
Gross primary enrollment, female (% of age group)	107	95	100
Access to an improved water source (% of population)	55	60	64
Access to improved sanitation facilities (% of population)	34	31	35



Net Aid Flows	1980	1990	2000	2010 ^a
<i>(US\$ millions)</i>				
Net ODA and official aid	676	1,163	1,063	2,934
<i>Top 3 donors (in 2008):</i>				
United States	28	39	25	284
United Kingdom	73	27	153	217
European Union Institutions	25	42	32	138
Aid (% of GNI)	..	28.6	10.5	13.7
Aid per capita (US\$)	36	46	31	67

Long-Term Economic Trends

Consumer prices (annual % change)	30.2	35.8	6.2	7.2
GDP implicit deflator (annual % change)	..	22.4	7.6	6.9
Exchange rate (annual average, local per US\$)	8.2	195.1	800.4	1,388.2
Terms of trade index (2000 = 100)	138	101	100	117



	1980–90	1990–2000	2000–10
Population, mid-year (millions)	18.7	25.5	34.0
GDP (US\$ millions)	..	4,259	10,186
<i>(% of GDP)</i>			
Agriculture	..	46.0	33.5
Industry	..	17.7	19.2
Manufacturing	..	9.3	9.4
Services	..	36.4	47.3
Household final consumption expenditure	..	80.9	78.3
General gov't final consumption expenditure	..	17.8	11.7
Gross capital formation	..	26.1	16.8
Exports of goods and services	..	12.6	13.4
Imports of goods and services	..	37.5	20.1
Gross savings	..	7.7	13.2

1980–90 1990–2000 2000–10
(average annual growth %)

Population, mid-year (millions)	3.1	2.9	2.8
GDP (US\$ millions)	..	3.0	7.1
Agriculture	..	3.2	4.3
Industry	..	3.1	9.3
Manufacturing	..	2.8	8.7
Services	..	2.6	7.8
Household final consumption expenditure	..	5.3	0.4
General gov't final consumption expenditure	..	-8.8	19.6
Gross capital formation	..	-1.1	12.3
Exports of goods and services	..	11.7	11.0
Imports of goods and services	..	4.7	14.8

Note: Figures in italics are for years other than those specified. 2010 data are preliminary. Group data are for 2009. .. indicates data are not available.
a. Aid data are for 2009.

Development Economics, Development Data Group (DECDG).

Balance of Payments and Trade **2000** **2010***(US\$ millions)*

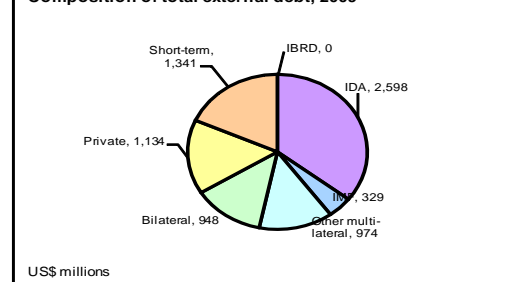
Total merchandise exports (fob)	710	3,309
Total merchandise imports (cif)	1,495	8,482
Net trade in goods and services	-757	-2,598
Current account balance as a % of GDP	-4.3	-8.1
Workers' remittances and compensation of employees (receipts)	8	23
Reserves, including gold	-197	-570

Central Government Finance*(% of GDP)*

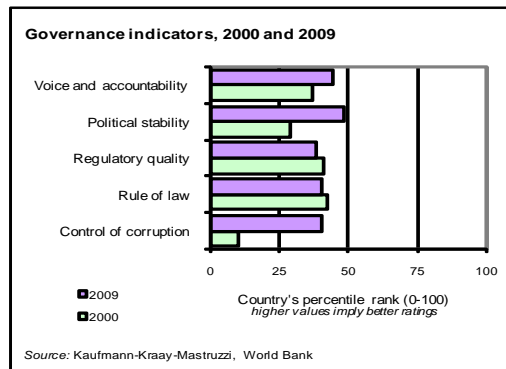
Current revenue (including grants)	9.5	14.9
Tax revenue	8.5	13.7
Current expenditure	9.9	17.7
Overall surplus/deficit	-4.8	-10.9
Highest marginal tax rate (%)		
Individual	30	30
Corporate	30	30

External Debt and Resource Flows*(US\$ millions)*

Total debt outstanding and disbursed	7,142	8,664
Total debt service	167	199
Debt relief (HIPC, MDR)	2,977	2,517
Total debt (% of GDP)	70.1	37.2
Total debt service (% of exports)	12.3	3.4
Foreign direct investment (net inflows)	463	424
Portfolio equity (net inflows)	0	0

Composition of total external debt, 2009**Private Sector Development** **2000** **2010**

Time required to start a business (days)	-	29
Cost to start a business (% of GNI per capita)	-	30.9
Time required to register property (days)	-	73
Ranked as a major constraint to business (% of managers surveyed who agreed)	2000	2010
Electricity	72.9	..
Access to/cost of financing	9.3	..
Stock market capitalization (% of GDP)	2.3	5.4
Bank capital to asset ratio (%)	..	..

**Technology and Infrastructure** **2000** **2009**

Paved roads (% of total)	8.6	7.4
Fixed line and mobile phone subscribers (per 100 people)	1	40
High technology exports (% of manufactured exports)	12	4.4

Environment

Agricultural land (% of land area)	38	39
Forest area (% of land area)	42.1	39.8
Terrestrial protected areas (% of land area)	..	..
Freshwater resources per capita (cu. meters)	2,336	2,035
Freshwater withdrawal (billion cubic meters)	5.2	..
CO2 emissions per capita (mt)	0.08	0.15
GDP per unit of energy use (2005 PPP \$ per kg of oil equivalent)	2.1	2.6
Energy use per capita (kg of oil equivalent)	392	446

World Bank Group portfolio **2000** **2009***(US\$ millions)*

IBRD		
Total debt outstanding and disbursed	11	0
Disbursements	0	0
Principal repayments	4	-
Interest payments	1	0
IDA		
Total debt outstanding and disbursed	2,593	2,598
Disbursements	142	608
Total debt service	23	16
IFC (fiscal year)		
Total disbursed and outstanding portfolio of which IFC own account	43	50
Disbursements for IFC own account	8	16
Portfolio sales, prepayments and repayments for IFC own account	4	5
MIGA		
Gross exposure	175	0
New guarantees	172	0

Note: Figures in italics are for years other than those specified. 2010 data are preliminary.
 .. indicates data are not available. - indicates observation is not applicable.

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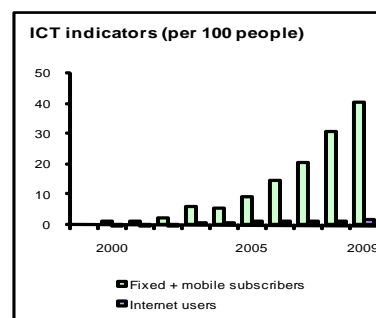
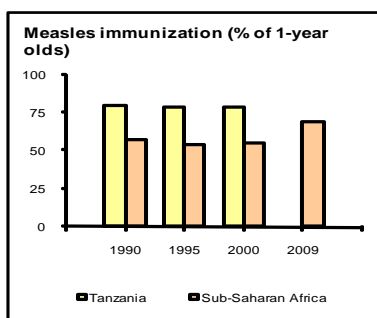
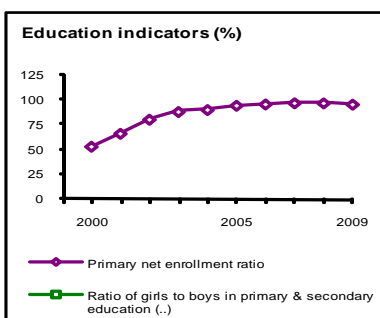
Development Economics, Development Data Group (DECDG).

Millennium Development Goals

Tanzania

With selected targets to achieve between 1990 and 2015
(estimate closest to date shown, +/- 2 years)

	Tanzania			
	1990	1995	2000	2009
Goal 1: halve the rates for extreme poverty and malnutrition				
Poverty headcount ratio at \$125 a day (PPP, % of population)	72.6	..	88.5	67.9
Poverty headcount ratio at national poverty line (% of population)	38.6	..	35.7	33.6
Share of income or consumption to the poorest quintile (%)	7.4	..	7.3	..
Prevalence of malnutrition (% of children under 5)	25.1	26.9	25.3	20.0
Goal 2: ensure that children are able to complete primary schooling				
Primary school enrollment (net, %)	51	..	53	95
Primary completion rate (% of relevant age group)	47	58	55	102
Secondary school enrollment (gross, %)	5	5	6	27
Youth literacy rate (% of people ages 15-24)	..	..	78	78
Goal 3: eliminate gender disparity in education and empower women				
Ratio of girls to boys in primary and secondary education (%)	97	..	99	..
Women employed in the nonagricultural sector (% of nonagricultural employment)	..	..	29	..
Proportion of seats held by women in national parliament (%)	..	18	16	30
Goal 4: reduce under-5 mortality by two-thirds				
Under-5 mortality rate (per 1,000)	157	154	143	81
Infant mortality rate (per 1,000 live births)	96	94	89	51
Measles immunization (proportion of one-year olds immunized, %)	80	78	78	90
Goal 5: reduce maternal mortality by three-fourths				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	454
Births attended by skilled health staff (% of total)	53	47	44	..
Contraceptive prevalence (% of women ages 15-49)	10	18	25	26
Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases				
Prevalence of HIV (% of population ages 15-49)	4.8	7.8	7.3	5.6
Incidence of tuberculosis (per 100,000 people)	178	271	339	297
Tuberculosis case detection rate (% all forms)	39	59	67	77
Goal 7: halve the proportion of people without sustainable access to basic needs				
Access to an improved water source (% of population)	49	50	53	55
Access to improved sanitation facilities (% of population)	35	35	34	34
Forest area (% of land area)	46.8	44.5	42.1	39.8
Terrestrial protected areas (% of land area)	..	..	..	..
CO2 emissions (metric tons per capita)	0.1	0.1	0.1	0.1
GDP per unit of energy use (constant 2005 PPP \$ per kg of oil equivalent)	2.2	2.1	2.1	2.6
Goal 8: develop a global partnership for development				
Telephone mainlines (per 100 people)	0.3	0.3	0.5	0.4
Mobile phone subscribers (per 100 people)	0.0	0.0	0.3	39.9
Internet users (per 100 people)	0.0	0.0	0.1	15
Personal computers (per 100 people)	..	0.2	0.3	0.9



Note: Figures in italics are for years other than those specified. .. indicates data are not available.

2/8/12

Development Economics, Development Data Group (DECDG).

TANZANIA

- SELECTED CITIES AND TOWNS
- ⊙ PROVINCE CAPITALS
- ⊕ NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- PROVINCE BOUNDARIES
- - - INTERNATIONAL BOUNDARIES

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