

Tanzania: Country Results Profile



Tanzania: Sustaining and Sharing Economic Growth

Overview

For the last decade, Tanzania has sustained high economic growth driven by structural reforms and improvements in economic performance and service delivery. Growth in gross domestic product (GDP) has averaged between 5 and 7 percent a year since 2000. Access to primary education has increased dramatically, along with solid increases in net enrollment rates. Under-five child mortality has declined by more than a third since 2000.

Challenge

Tanzania's solid growth record has not led to a corresponding reduction in poverty. The 2007 Household Budget Survey revealed disappointing results in poverty reduction: the poverty headcount ratio dropped only marginally from 35.6 percent in 2001 to 33.6 percent in 2007. Tanzania is therefore not on track to meet the basic needs and the food security MDG. However, data indicates a relatively large concentration of the population around the poverty line, suggesting that achieving the MDG remains feasible.

MULTIMEDIA

Approach

Since 1995, the International Development Association (IDA) has provided more than US\$5.5 billion to Tanzania in loans and grants. About 45 percent of IDA's support over the last three years has been provided through development policy operations (general budget support) focusing on increasing growth, improving the efficiency of public financial management, and improving social service delivery. IDA has also provided investment lending for private and financial sector development, energy, roads, rail, water, rural development, natural resource management, community and local government development, and public sector reform. IDA provided considerable support to the government in the preparation of its first and second Poverty Reduction Strategy Papers in 2000 and 2004. To deepen the understanding and commitment to fiscal reform, IDA helped establish an annual Public Expenditure Review to set priorities within an overall expenditure ceiling, as well as to monitor progress and

More Results



**\$183
million**

since 2000 to improve
transportation.

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- » Country Website
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assess results. Based on this analysis, the government implements a strategic budget allocation system, which links budget allocations with the country's development goals. Since 2005 the process has been widened to include a country financial accountability assessment and a country procurement assessment.

- » Country Assistance Strategy
- » Data and Statistics

Results

Since 2003 IDA and 13 other donors have assisted Tanzania through general budget support, combined with policy advice. This approach has contributed to doubling per capita spending in education, health, water, agriculture, roads, judiciary, and combating HIV/ AIDS, as noted in the poverty reduction strategy. This range of support has led to significant achievements:

- IDA has channeled more than US\$183 million since 2000 to improve transportation. During this period the percentage of major arteries and trunk roads in good and fair condition has increased along with regular funding provided for the maintenance of roads by local governments. As of March 2010, the percentage of trunk and regional roads in good and fair condition had increased to 88 percent from 51 percent in 2000.
- IDA investments in education (through both individual projects and through budget support) have focused on sustainable reforms to widen access to schooling, while improving quality and relevance. In education, net primary enrollment is up to 84 percent in 2007 from 59 percent in 2000/01. Bank support to a series of education programs combined with removal of school fees at primary school level has played a critical role in raising enrollment rates. The government's share of the recurrent budget devoted to the education sector has reached 28.5 percent, higher than many low-income African countries.
- IDA has supported Tanzania's efforts to increase access to and improve the efficiency of health services with policy advice and knowledge transfers, as well as financing. An innovative public-private partnership has increased the domestic production and use of bed-nets to prevent malaria. Tanzania's reductions in infant and child mortality are among the greatest in Sub-Saharan Africa. Infant mortality has fallen by nearly 50 percent in Tanzania, from 99 deaths per 1,000 live births in 1999 to 51 in 2010. This suggests that the country can reach the relevant Millennium Development Goal (MDG) by 2015. Under-5 mortality has also declined, from 146 deaths per 1,000 live births in 1999 to 81 in 2010, again bringing the MDG target within reach. The recently implemented Under-5 bed net campaign - to which the World Bank contributed 2.4 million nets - plus the increased emphasis on immunization coverage, make Tanzania's child health related MDG targets look even more attainable. Equitable access to health services relates to government's focus on improved primary health care; and to the growing volume of health basket funds from many partners, including the World Bank, going to frontline health services.

Voices

“When CIUP came to Sandali a tarmac road was built right by my house. Now, I can rent out rooms for businesses and work directly out of my house.”

— *Pili Matimbwe*

Toward the Future

To assist Tanzania in meeting its development goals, IDA will continue to actively coordinate

with partners and participate in the joint development dialogue with the government. Going forward, the lending program for the remainder of the Country Assistance Strategy (CAS) period (the current CAS ends on June 30, 2011) will largely focus on the infrastructure and human development sectors. In addition, the Bank will continue its strategic policy dialogue through general budget support, analytic and advisory activities, and its existing portfolio. Tanzania's next CAS will be presented to the World Bank Board of Executive Directors in June 2011. Consultations have been carried out regionally and with selected stakeholders, including private sector representatives, civil society, key state organs and institutions, such as the Judiciary, the National Audit Office, and Central Bank of Tanzania.