

## PROJECT INFORMATION DOCUMENT (PID) ADDITIONAL FINANCING

Report No.: PIDA35537

<b>Project Name</b>	TZ-PSSN Additional Financing (P151838)
<b>Parent Project Name</b>	Tanzania Productive Social Safety Net (P124045)
<b>Region</b>	AFRICA
<b>Country</b>	Tanzania
<b>Sector(s)</b>	Other social services (100%)
<b>Theme(s)</b>	Social Safety Nets/Social Assistance & Social Care Services (65%), Other social protection and risk management (35%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P151838
<b>Parent Project ID</b>	P124045
<b>Borrower(s)</b>	
<b>Implementing Agency</b>	TANZANIA SOCIAL ACTION FUND
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	07-Apr-2016
<b>Date PID Approved/Disclosed</b>	05-May-2016
<b>Estimated Date of Appraisal Completion</b>	30-Oct-2015
<b>Estimated Date of Board Approval</b>	21-Jun-2016
<b>Appraisal Review Decision (from Decision Note)</b>	The review did authorize the team to appraise and negotiate

### I. Project Context

#### Country Context

Over the last 15 years, Tanzania has recorded a steady and high rate of economic growth. The 2014 GDP growth rate was 7 percent, consistent with the country's 10-year average, driven by the communication, financial services, construction trade and mining sectors. The 2011/12 Household Budget Survey (HBS) shows positive progress in poverty reduction. At the national level, between the last two HBS (2007/8-2011/12) poverty decreased by 18 percent and extreme poverty by 16 percent. There was also a strong decline in the poverty gap by 35 percent and 38 percent respectively. Despite this progress, however, more than 28 percent of the population, as many as 12 million Tanzanians, still live in poverty, while almost 10 percent (4 million) live in extreme poverty. Furthermore, many Tanzanians are clustered very close to the poverty line (the transient poor) and are therefore extremely vulnerable to shocks.

In addition, poor households, particularly in rural areas, are especially vulnerable to seasonal shocks. On average, over 80 percent of rural poor households derive their primary income from

agricultural work and earn over half of their total income from farm activities. This makes them heavily dependent on agricultural activities, which are highly seasonal and sensitive to climatic shocks. Although there are regional variations, on average each year rural households experience reduced food consumption caused by seasonal shocks for about four to five months each year. Available data suggests that poorer households take longer to recover from the losses incurred due to these shocks, and tend to resort to coping mechanisms which may have negative long-term impacts (such as reducing food intake, withdrawing children from school, depleting assets, etc.).

Tanzania social indicators still reveal low levels of human capital investment and relatively slow improvements compared to other Sub-Saharan Africa countries (Table 1). Tanzania's poor performance on key social indicators appears to be the at least partly due to significant demand side barriers faced by the poor in accessing key education and health services. Results of the 2012 household survey shows that more than 20 percent of children ages 7 to 17 out of school failed to attend because their family was not interested, and another 10 percent could not afford school. In contrast, less than 2 percent reported distance as a barrier for school attendance (about 75 percent of children live within 30 minutes from the school). A similar scenario was observed in the health sector, where only 4 percent of respondents reported distance from the health facility as the reason for not visiting a healthcare provider when needed. Cost, however, was a significant barrier, with more than 60 reporting not visiting a health care provider because it was too expensive.

### **Sectoral and institutional Context**

The Government of Tanzania has set the ambitious target of reducing extreme poverty by half. In order to achieve this goal, the Government has developed a strategy to reduce poverty in the medium and long term through a comprehensive approach confronting both the short term impact of extreme poverty and food insecurity and the long term implications of low human capital accumulation. At the core of this poverty reduction strategy is the Productive Social Safety Net (PSSN), which is focused on: (i) reducing the significant percentage of chronically poor population; (ii) enhancing the low human capital among the extreme poor and the underutilization of available social services; (iii) addressing the difficulties the poor population experiences during seasonal and unpredictable shocks; and (iv) ensuring livelihood sustainability as part of a graduation strategy for beneficiary households.

The Bank endorsed Government approach to reduced extreme poverty and promote human capital accumulation through the Tanzania Productive Social Safety Net Project supported through a programmatic approach. The overall Bank support has the objective of increasing income and consumption and improving the ability to cope with shocks among targeted vulnerable population groups, while enhancing and protecting the human capital of their children.

## **II. Proposed Development Objectives**

### **A. Current Project Development Objectives – Parent**

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.

### III. Project Description

#### Component Name

Component 1 –Consolidation of Integrated Social Safety Net

#### Comments (optional)

Sub-Component 1A – Cash Transfers

Sub-Component 1B – Labor Intensive Public Works Plus

Sub-Component 1C - Livelihoods Enhancement

#### Component Name

Component 2 – Institutional Strengthening

#### Comments (optional)

Sub-Component 2A –Institutional and Implementation Strengthening for the PSSN

Sub-Component 2B – Strengthening implementation of social safety net intervention

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

### IV. Financing (in USD Million)

Total Project Cost:	200.00	Total Bank Financing:	200.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			200.00
Total			200.00

### V. Implementation

Implementation and institutional arrangements have proved to be effective. TASAF has demonstrated to be a fairly strong agency to implement the flagship social safety net in Tanzania. TASAF is in a unique position to take responsibility of the program given its attachment to the President's Office, its presence throughout the country and its capacity to coordinate with other agencies. Internal administrative reform of TASAF is still work in progress. As explained above, several units have been created and staffed, and productivity has increased as a result of additional equipment, training and staff. Nevertheless, there is significant scope for further improvement in terms of staffing the necessary units, and strengthening capacity of PAA.

The additional financing will be implemented under the existing institutional and implementation arrangements defined in the Productive Social Safety Net Project. TASAF, under the Office of the President, will continue to be the overall coordinating and implementing agency of the program. Implementation of programs will continue to be community-based with active participation of village councils and community management committees, in coordination with and support from PAA. To support the scale up of the program, TASAF will further strengthen its existing institutional arrangement at various levels. As the program expands, it is also important to maintain the strong emphasis on effective coordination with other sectors, local level government and with development partners, which TASAF is uniquely placed to do.

### VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
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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

**Comments (optional)**

## **VII. Contact point**

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### **Borrower/Client/Recipient**

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### **Implementing Agencies**

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