2.0. STATUS OF POVERTY

This chapter presents the status of poverty following completion of analysis of the 2000/01 Household Budget Survey (HBS), the 2000/01 Integrated Labour Force Survey (ILFS) and other selected studies conducted under the Poverty Monitoring System (PMS).

2.1. Progress with analysis of poverty data

The HBS 2000/01, covering a sample of 22,178 households, produced a rich data set on income and non-income aspects of poverty. This allows setting of definitive baselines for the PRS, as it provides updates on many of the PRS indicators. It is recalled that at the time of writing the PRSP in 2000, the 1991/92 HBS was the only reliable source for many of the indicators, and was used to determine the baseline for PRS targets. With the HBS 2000/01 results now out some targets have been reviewed, particularly those on income poverty. Apart from providing definitive baseline values for many of the PRS indicators for future PRS monitoring, the 2000/01 HBS also allows us to assess the trend in poverty indicators over the 1990s and address additional dimensions of poverty, notably regional diversity.

The Integrated Labour Force Survey contains useful information on the economic activities and employment patterns of the Tanzanian labour force. This helps to gain a better understanding of existing economic opportunities and how they might be strengthened under the PRS. In addition, the ILFS contained a component to assess the extent and nature of child labour in Tanzania. It provides evidence on this important phenomenon, which poses a serious threat to children's right to education and health. During the design of the Poverty Monitoring System, the Government reaffirmed the need for the voices of the poor to be heard in monitoring progress. The PPA exercise was, therefore, carried out focusing on vulnerability.

As part of the activities of the PMS a report on Poverty and Human Development was prepared. As part of the consultative process, the draft report was discussed by stakeholders during the Poverty Policy Week. The PHDR presents an overview of the status of the main poverty indicators, including their trends and magnitudes. It also covers issues of vulnerability and regional diversity of poverty.

2.2. Assessment of the poverty situation

Overview:

The emphasis in this section is the description of the baseline situation for the PRS, using newly available data. With the new data sets from the HBS 2000/01 and the ILFS it has become possible to establish the baselines for the year 2000/01, the year when PRS started to be implemented. Thus the PRS targets in this progress report are based on this baseline information. As we continue to review progress in implementing the PRS and the likelihood of achieving the set targets under the PMS, relevant adjustments will be made in subsequent PRS progress reports to reflect realities on the ground.

The analysis of the 2000/01 HBS provides an overview of the PRS indicators, baseline, targets and the diversity of score for different parts of the population. For each indicator, the year and source of the next expected measurement is given, as well as methodological comments where required. In the few instances where very responsive indicators have been chosen (such as enrolment rates), changes since the start of the PRS are reported. Where trend data for the 1990s is available, they are assessed to draw important lessons for the PRS. A more detailed assessment of the poverty situation is presented in the Poverty and Human Development Report (2002), prepared as an important part of this PRS progress report.

2.2.1. Income Poverty

Box 1: Indicators and Targets

- Halving the proportion of the population below both basic needs and food poverty lines by 2010 with particular focus on the rural poor
- Achieve an overall GDP growth of 6% by 2003
- Achieve an agricultural growth rate of at least 5% by 2003
- Expand and improve investment productivity
- Develop a private sector strategy by 2003
- Roads:
  - Rehabilitate 4,500 km of feeder, district and regional roads in the 8 poorest regions
  - Upgrade from poor to fair quality about 7,000 km in 12 poorest regions
  - Carry out spot and emergency repairs over an estimated 50,000 km in all districts.

Status and Trends

(i)   *Poverty Headcount:*

The HBS 2000/01 results reveal that 18.7 percent of the Tanzanian population lives below the food poverty line and 35.7 percent below the basic needs poverty line. However, the comparison between urban (particularly Dar es Salaam) and rural areas reveals significant differences for both food and basic needs poverty (Table 1). Poverty levels are highest in rural areas followed by other urban areas.

Table 1: Poverty Headcount ratios for Food and Basic Needs Poverty Lines, Year 2000/01

	Food	Basic Needs
Dar es Salaam	7.5	17.6
Other urban	13.2	25.8
Rural	20.4	38.7
TOTAL	18.7	35.7

Source: Household Budget Survey 2000/01

2.2.2.   Trends in headcount ratios between 1991/92 and 2000/01

There has been a modest decline in the percent of the population below both food and basic needs poverty line between 1991/92 and 2000/01. The trend is, however, different when the distribution of the poor is compared between Dar es Salaam, other urban areas and rural areas (Table 2).

There was a significant decline in the case of Dar es Salaam of the proportion of population below food poverty line from 13.6 percent in 1991/92 to 7.5 percent in 2000/01. Likewise the population below the basic needs poverty line declined from 28.1 percent in 1991/92 to 17.6 percent in 2000/01.

There was, however, no pronounced improvement with respect to other parts of the country. There was a marginal decline in the food poverty ratio for other urban areas, from 15.0 percent in 1991/92 to 13.2 percent in 2000/01. The basic needs poverty ratio declined slightly from 28.7 percent in 1991/92 to 25.8 percent in 2000/01. A more disappointing pattern is observed for rural Tanzania where the food poverty ratio declined from 23.1 percent in 1991/92 to only 20.4 percent in 2000/01 and the basic needs ratio fell from 40.8 percent in 1991/92 to 38.7 percent.

The analysis reveals also growing inequality as shown by a rise in the Gini coefficient from 0.34 in 1991/92 to 0.35 in 2000/01. Also the expenditure of the poorest quintile declined from 7.0 percent to 6.9 percent while that of the richest quintile increased from 43.0 to 44.2 percent.

It is, however, important to make this comparison with caution, as there might have been significant short-term fluctuations that are not captured and which could render the assumed linear trend misleading.

Table 2: Trends in Income Poverty and Inequality Measures Between 1991/92 and 2000/01

	Dar es Salaam		Other Urban Areas		Rural Areas		Mainland Tanzania	
	1991/92	2000/01	1991/92	2000/01	1991/92	2000/01	1991/92	2000/01
Food Poverty	13.6	7.5	15.0	13.2	23.1	20.4	21.6	18.7
Basic Needs	28.1	17.6	28.7	25.8	40.8	38.7	38.6	35.7
Inequality Measures								
Gini Coefficient	0.30	0.36	0.35	0.36	0.33	0.36	0.34	0.35
Expenditure of the poorest quintile(%)	7.8	6.7	7.1	6.7	7.2	7.1	7.0	6.9
Expenditure of the richest quintile (%)	43.3	48.4	45.3	44.5	41.6	42.2	43.0	44.2

Source: Household Budget Surveys (1991/92 and 2000/2001)

(ii)   *Economic growth:*

In 2001 Tanzania's GDP grew by 5.6% in real terms, while real GDP per capita grew by 2.7%. Sectors that contributed most to this growth include mining and quarrying (13.5%), construction (6.7%), trade, hotels and restaurants (6.7%) and transport and communication (6.3%). Agriculture grew at 5.5%, an improvement from the 3.4% growth recorded the previous year.

Given this performance, the PRS growth target is likely to be met. The growth levels need, however, to be sustained and accelerated. The government will, therefore, continue to promote investments with emphasis on improved investment productivity and private sector development and ensure that sectors that allow for broader participation of the population are accorded high priority.

(iii)   *Roads:*

Maintaining a good road network is considered an integral part of efforts towards addressing income poverty. The review study on the road network done in the year 2000 showed that virtually the entire network of feeder roads (27,550 km of earth tracks or gravel roads) were in poor condition. Only 8% of district road network and 20% of regional road network was in good condition. Thus road construction, rehabilitation and spot and emergency repairs and regular maintenance to ensure access to markets, particularly in rural areas, continue to be among the major priorities, which will be closely monitored against the PRS targets.

Baseline and Revised Targets for the Income Indicators

Table 3 shows the new baselines and the revised PRS targets. It also indicates when to expect the next measurement for each indicator. Where available, the most recent value has been given to help assessment of the likelihood of reaching the PRS targets.

Table 3: Baselines and targets for the key indicators of income poverty

Indicator	Baseline (year)	Most recent value (year)	Target (year)	Next measurement	Comments
Headcount ratio (basic needs poverty line)	35.7% (2000/01)	-	17.8% (2010) [1]	2002 Census (using proxy indicators)	1991/92 HBS figures were revised in the course of the analysis of the 2000/01
Headcount ratio (basic needs poverty line) – rural	38.7% (2000/01)	-	19.3% (2010) [1]	2006 HBS	HBS. The new calculations for 1991/92 have been used to set the targets for 2010.
Headcount ratio (food poverty line)	18.7% (2000/01)	-	9.3% (2010) [1]		
Headcount ratio (food poverty line) – rural	20.4% (2000/01)	-	10.2% (2010) [1]		–
Unemployment rate[2]	13% (2000/01)	-	-	2005 LFS	No specific unemployment target was set in the PRS
Growth rate	4.9% (2000)	5.6% (2001)	6% (2003)	2002 Economic Survey	
GDP growth in agriculture	3.4% (2000)	5.5% (2001)	5% (2003)*	2002 Economic Survey	

Source: HBS 2000/01
Note: [1]The targets for the headcount ratios are set at half the actual ratios recorded in 2000/01.
[2]National definition.

2.2.3. Urban Poverty

The overall poverty level in urban areas (particularly in Dar es Salaam) is substantially lower than that prevailing in rural areas. Among the total poor population, the proportion of the urban poor is only 13% compared to 87% in rural areas.

The PRS recognizes that while income poverty is more widespread in rural areas, urban poverty is also a problem that needs to be urgently addressed. Through the Poverty Monitoring System, the Government commissioned a study to establish a profile of urban poverty. The major characteristics of urban poverty have been identified to include the following:

- Very low and uncertain incomes for some people working in the informal sector.
- Limited formal employment opportunities particularly for youth, especially girls.
- Lack of means of capital accumulation for low-income groups.

- Very poor conditions for some people living in unplanned settlements.
- Hopelessness and very distant proximity to the processes of decision making for some specific poor groups, e.g., street beggars, and
- People working in hazardous areas.

A detailed profile of urban poverty, focusing on urban informal sector, living conditions, land ownership and access to social services, is given in the Poverty and Human Development Report.

Implications for future policy measures and actions:

There are three major observations emanating from the income poverty trend. *First*, with the exception of Dar es Salaam, poverty levels have not decreased significantly over the last decade and the poverty ratio figures are still very high. Considering the increase in population over the decade, the absolute number of the poor may have actually increased despite the marginal percentage decline of the population below both food and basic needs poverty lines. This assessment however needs to be gauged against the impressive growth performance and improvement in non-income dimensions of poverty, which provide impetus for more impact on poverty in the coming years.

Second, the poverty burden has continued to weigh heavily on the rural population. This reaffirms the rationale for continued focus on rural development, and calls for increased efforts to ensure vigorous implementation of the Rural Development Strategy and the Agriculture Sector Development Strategy.

Third, inequality, as measured by the Gini-coefficient and by the consumption share of each of the five quintiles of population, has increased. Inequality is notably higher in Dar es Salaam, implying that either the severity of poverty has increased (the poor being further away from the poverty line), or the rich have become richer, or both. A more careful investigation of the nature of the growing inequality will be carried out with the intention of devising targeted poverty interventions to address the situation.

One of the most important lessons is that, although poverty is widespread in Tanzania, there are significant differences in the level and nature of poverty for different population groups and for different parts of the country. This suggests the need for regional and district poverty reduction strategies reflecting this diversity of poverty and area specific characteristics.

2.3. Non-Income Poverty

The indicators of non-income poverty in the PRS are grouped under 4 main categories, namely: (i) human capabilities (ii) survival (iii) nutrition, and (iv) extreme vulnerability. A detailed discussion of the status and trends in non-income poverty is in the Poverty and Human Development Report.

(a) Human capability

Box 2: Indicators and Targets

- Reduce illiteracy by 100% by 2010
- Increase gross enrolment rate in primary schools to 85% by 2003
- Increase net enrolment rate in primary schools to 70% by 2003
- Reduce drop out rate in primary schools to 3% by 2003
- Increase the proportion of children passing Standard VII Examination to 50% by 2003
- Increase transition rate from primary to secondary school to 21% by 2003
- Increase the enrolment in secondary schools to 7% by 2003
- Achieve gender equity in enrolment rates in primary and secondary school by 2003
- Increase percentage of rural population with access to safe water to 85% by 2010

Status and Trends:

Primary Education

Tangible PRS results are reflected in the impressive rise in enrolment rates as a result of the implementation of the Primary Education Development Programme (PEDP). Gross enrolment reached 100.4 percent in 2002 compared to 77.6 percent in 1990, while net enrolment rose from 58.8 percent in 1990 to 85 percent in 2002. This is in response to the abolition of school fees, concerted enrolment drive supported by all levels of government and communities, including construction of new classrooms, recruitment of additional teachers and improvement in nutritional intake. The efforts at boosting enrollment levels are aimed at children at the age of 7-10.

Although gender parity in primary education at national level has almost been achieved, there remain concerns of gender inequities at the higher levels of secondary and tertiary education. Indeed, the real gender issues in education go beyond enrolment, and are to do with performance and dropout of girls during the final stages of primary education and throughout secondary education. Gender relations in the classroom and in the curriculum will receive continued attention during implementation of the PRS.

Overall, however, progress on education indicators has been very impressive. It is important though to keep in mind the existing significant performance related disparities in view of the HBS analysis, which indicate that urban areas fare better on education indicators compared to rural areas.

Access to safe water:

There has been an increase in the use of improved sources of drinking water in rural areas over the 1990s. In Dar es Salaam, however, the proportion of households using improved water has fallen during the period. Other urban areas report little change. In spite of the overall improvement, nearly half of the households in Mainland Tanzania and over half of rural households use water from sources that cannot be considered safe. In order to reach the PRS target for 2010, the rate of improvement in rural areas needs to be accelerated. The government will thus ensure that adequate resources are allocated to provision of rural water.

Literacy:

The 2000/01 HBS provides estimates on the literacy status in Tanzania (Table 4). The survey asked respondents of 15 years of age and older about literacy in English, Swahili or other languages. It found out that 28.6 percent of the Tanzania population cannot read and write in any language. There is more illiteracy among women (36 percent) than men (20.4 percent). Dar es Salaam showed the lowest proportion of illiteracy (8.7 percent of the total population). The highest level of illiteracy is found in the rural population (33.1 percent), with women accounting for 41.2 percent compared with 23.9 percent for rural men.

Table 4: Illiteracy Rate

	Illiteracy Rate for Adult Males	Illiteracy Rate for Adult Women	Total Illiteracy Rate
Dar es Salaam	5.7	11.7	8.7
Other Urban	8.5	19.0	14.2
Rural	23.9	41.2	33.1
Total	**20.4**	**36.0**	**28.6**

Source: Household Budget Survey 2000/01

Baseline and Revised Targets:

Table 5 provides figures for indicators for human capabilities for both baseline and targets, together with the most recent value and the PRS target for each of the human capability indicators.

Table 5: Baseline and Targets for Human Capability Indicators

Indicator	Baseline (year)	Most recent value (year)	Target (year)	Next measurement	Comments
Illiteracy rate	28.6% (2000/1)	30.88% (2002)	0% (2012)	2002 Census	Trend is consistent
Gross enrolment rate (primary)	77.6% (2000)	100.4% (2002)	100.3% (2003)	2004 BSE	Presence of over age pupils
Net enrolment rate (primary)	58.8% (2000)	85.0% (2002)	90% (2005)	2004 BSE	Increase of official age
Drop-out rate (primary)	6.6% (2000)	5.5% (2001)	3% (2005)	2004 BSE	Abolition of mandatory contribution
Pass rate Std 7	22% (2000)	28.6% (2001)	50% (2005)	2004 BSE	Conducive T/L environment
Transition rate primary – secondary	21.7% (2000)	21.7% (2000)	28% (2005)	2004 BSE	Expansion of secondary schools
Secondary Growth Enrolment Rate (GER)	6.6% (2001)	6.6 (2001)	8% (2005)	2004 BSE	Expansion of secondary schools
Secondary Net Enrolment Rate (NER)	5.5% (2001)	5.5% (2001)	6.5% (2005)	2004 BSE	Expansion of secondary schools
Girl/boy ratio – primary	0.98% (2000)	0.97% (2001)	1% (2005)	2004 BSE	The right to education
Girl/boy ratio – secondary	0.85 (2000)	0.86 (2001)	0.90% (2005)	2004 BSE	The right to education
Population with access to safe water (rural)	48.5% (2000)	50% (2001)	55% (2003) 85% (2010)	2002 Census	

Source: HBS 2000/01

Implications for future policy measures and actions:

- The increased enrolment under the Primary Education Development Programme (PEDP) puts a new strain on the education system and on the quality of the services it provides. This calls for measures to ensure quality improvement. As elaborated in chapter 4 the Government has initiated measures to enhance the quality of education.

- As efforts to boost enrolment focus on younger children, the government is aware that there is still a group of children whose right to education is at risk because they are "over-age" and cannot presently be accommodated in primary schools. The Government is developing a strategy to ensure that complimentary education schemes such as COBET and ICBAE are expanded drastically to cater for these children.

- The government will maintain its policy of abolition of school fees to ensure access to education for all children, boys and girls, especially from the poorest households.

- To improve adult literacy, efforts will also be directed towards reviving adult education particularly for rural areas, targeting women in particular.

(b)   **Survival**

Box 3: Indicators and Targets

- Reduce infant mortality rate from 99 per 1000 live births to 85 per 1000 by 2003
- Reduce under-five mortality by half from 158 per 1000 live births to 79 by 2010
- Increase the percentage of children under 2 years immunized against measles and DPT from 71% to 85% by 2003
- Contain sero-positive prevalence rate in pregnant women from 5.5 – 23% (1996) to 6 – 27% in 2010
- Ensure 75% of districts are covered by an active HIVAIDS awareness campaign
- Reduce maternal mortality by half from 529 per 100,000 to 265 per 100,000 by 2010
- Increase coverage of births attended by trained personnel from 50% to 80% (by 2010)
- Decrease malaria in-patient case fatality rate for under-fives from 12.85 (1997) to 8% by 2010
- Restore life expectancy to 52 years by 2010

Status and Trends:

The 1990s showed no substantial progress in the reduction of infant and under-five mortality. There are even indications of slight increases in recent years, probably related to HIV/AIDS pandemic. This provides a major challenge as far as the PRS targets are concerned. To achieve them, a holistic approach to children's right to survival is desired and would be taken on board in the fight against poverty, HIV/AIDS, malaria and other infectious diseases. Immunization levels have increased but there are still large disparities, which require a more targeted approach in the delivery of preventive and curative health services.

HIV prevalence rate shows a worrying trend, particularly for women of young age. Certainly HIV/AIDS is a threat to the attainment of the PRS objectives. The government endeavours, therefore, to build a deeper understanding of the pandemic through awareness campaigns with the aim to contain its further spread and thus minimize its impact.

Data on the proportion of births attended by trained personnel show little improvement in access to reproductive health care over the 1990s. PRS aims to address this because of the importance of these services for ensuring safe motherhood and to containing the further spread of HIV/AIDS. A detailed situational analysis and policy implications can be found in the PHDR (2002).

Life Expectancy:

The PRS aims to restore life expectancy at birth to 52 years by 2010. The last reliable nation-wide life expectancy figures were based on the 1988 census. A new population and housing census was conducted this year and will provide the first update on life expectancy and the next Poverty and Human Development Report will report on life expectancy and other demographic indicators in more detail.

Baseline and Revised Targets:

Table 6 below shows the baseline position and the target for each of the survival indicators:

Table 6:   Baseline and Targets for Survival Indicators

Indicator	Baseline (year)	Target (year)	Next measurement	Comments
Infant Mortality Rate	99 (1997)	85 (2003) 50 (2010) 20 (2025)	2002 Census	Infant and under-five mortality were most recently measured in the 1999 Tanzania Reproductive and Child Health Survey. However, as the figures refer to a five year recall period, they describe the situation in 1995-1999. Therefore, 1997, the mid-point of this period, is given as baseline year.
Under-five Mortality Rate	147 (1997)	127 (2003) 79 (2010)		
Life expectancy	To be set by 2002 Census	52 (2010)	2002 Census	
Seropositive rate in pregnant women	5.5%-23%	6-27% (2010)	2002 NACP surveillance	
Maternal mortality rate	529 (1994)	450 (2003) 265 (2010)	2004 DHS	Maternal mortality was most recently measured in the 1999 Tanzania Reproductive and Child Health Survey. However, as the figure refers to a five year recall period, it describes the situation in 1992-1996. Therefore, 1994, the mid-point of this period, is given as baseline year.
Births attended by a skilled health worker	36% (1999)	80% (2010)	2004 DHS	Proxy indicator for access to reproductive health care
Malaria in-patient case fatality rate for under-fives	12.8% (1999)	10% (2003) 8% (2010)	Marlaria control programme data 2002	HMIS cannot currently measure this indicator reliably. Alternative indicator(s) to be adopted from the National Malaria Control Programmes coming from the annual reports
Children under 2 years immunised against measles and DPT	DPT: 81% (1999) Measles: 78% (1999)	85% (2003)	2004 DHS	

Source: HBS 2000/01

Implications for future policy measures and actions:

- Failure to record progress in reducing infant and under-five mortality rates is a matter of serious concern to the government. Concerted efforts will be directed towards finding measures for increased strides in containing malaria and other infectious diseases, reducing income poverty,

and containing the further spread of HIV/AIDS. In addition immunization campaigns will be intensified with special focus on poor households in disadvantaged districts in rural areas.

- As regards maternal mortality, the government will continue to boost access to good quality reproductive health care particularly to poor rural women.

(c) **Nutrition**

Box 4: Indicators and Targets
- Reduced prevalence of stunting from 43.4% to 20% by 2010
- Reduced prevalence of wasting from 7.2% to2% by 2010

Status and Trends:

Little progress was achieved during the 1990s with regard to improvement of nutrition rates for children. There are significant disparities in the levels of under-nutrition between rural and urban areas, and between children from poorer and richer households. For example, the children of the poorest 20% of households are four times as likely to be severely underweight than the children of the richest 20%. It is intended that under the PRS, there will be progress in the reduction of nutritional problems for children through its focus on the reduction of income poverty and the control of disease. It also includes support for the enhancement of the capacity of communities to monitor the growth of children and take corrective actions, and support measures to discourage inappropriate feeding practices and address underlying gender issues.

Baseline and Revised Targets:

Table 7 shows the baseline situation in 1999 and the PRS targets for the nutrition indicators:

Table 7: Baseline and Targets for Nutrition Indicators

Indicator	Baseline (year)	Target (year)	Next measurement	Comments
Prevalence of stunting	44% (1999)	20%	2004 DHS	Underweight added as additional nutrition indicator.
Prevalence of wasting	5% (1999)	2%		
Prevalence of underweight	29% (1999)	No target set		

Implications for future policy measures and action:

The PHDR shows close correlation between the poverty status of households and nutritional status. Thus, by addressing income poverty the nutritional status of the households will also change. Equally important is the need to control diseases, improve feeding practices through enhanced

knowledge on nutrition and by boosting the capacity of communities to monitor children's nutritional status and take appropriate corrective measures.

(d)   **Extreme vulnerability**

The PRS recognizes vulnerability as an important aspect of poverty. However, setting targets and quantitative measurement of extreme vulnerability remains a challenging task in the absence of a clear understanding of the concept and its manifestations in the Tanzanian context. It is expected that the findings of the PPA will enhance this understanding and pave the way for the choice of more appropriate indicators, setting of targets and measurement of indicators through household surveys. The next PRS progress report should be able to capture this in much detail.

2.4.   **The Millennium Development Goals (MDGs) and the Tanzania Poverty Reduction Strategy (PRS)**

At the Millennium Summit in 2000, countries signed up to the Millennium Declaration, under which agreement was reached on an agenda for international development, expressed in a set of eight Millennium Development Goals (MDGs), targeted for 2015 (Table 8).

Table 8: Millennium Development Goals and Targets

Goal		*Target*
1: Eradicate Extreme Poverty and Hunger	1:	Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day.
	2:	Halve, between 1990 and 2015, the proportion of people who suffer from hunger.
2: Achieve Universal Primary Education	3:	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
3: Promote Gender Equality and Empower Women	4:	Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.
4: Reduce Child Mortality	5:	Reduce by two-thirds, between 1990 and 2015, the under five mortality rate.
5: Improve Maternal Health	6:	Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.
6: Combat HIV/AIDS, Malaria and other diseases	7:	Have halted by 2015 and begun to reverse, the spread of HIV/AIDS.
	8:	Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.
7: Ensure Environmental Sustainability	9:	Integrate the principles of sustainable development into country policies and programmes and reverse the low of environment resources.
	10:	Halve, by 2015, the proportion of people without sustainable access to safe drinking water
8: Develop a Global Partnership for Development	11.	Develop further an open, rule-based, predictable, non-discriminatory trading and financial system includes a commitment to good governance, development, and poverty reduction – both nationally and internationally.

Countries that signed up to the Millennium Declaration are expected to report regularly on progress made towards the achievement of the MDGs. Tanzania produced a first report on progress towards

the MDGs in 2001 and a report on costing the achievements of the MDGs in 2002. The report also indicated the likelihood of achieving the targets for Tanzania.

Challenges ahead for MDG monitoring:

The government has put in place a sound policy framework for poverty reduction and a comprehensive Poverty Monitoring System. There are, however, challenges that have to be faced in regard to monitoring progress towards achieving MDGs.

The *first* challenge is to fully integrate MDGs into the national policy framework and poverty monitoring system. Whereas most of the goals and targets are already incorporated in the policy framework and the monitoring system, some remain to be addressed. This is particularly the case, for example, with MDGs that address environmental sustainability.

The *second* challenge is to start addressing equity issues in relation to MDGs. The reports produced so far have focused on national averages, but for national policy making, it would be more helpful to explore how the status of MDG indicators differ by sex, rural/urban strata, region and so forth, in order to strengthen the national policies and strategies and make them more targeted and effective.

The *third* challenge relates to the resources required to reach the MDG targets. Achieving the targets is beyond the current magnitude of government financial resources.

The *fourth* challenge is the HIV/AIDS pandemic. HIV/AIDS will have a severe impact on the achievement of the MDGs. Failure to curb its further spread has real developmental implications as the resources, which could be allocated to reaching the goals, will be diverted to fighting the HIV/AIDS epidemic. It is important to take collective responsibility in the fight against the pandemic.

Ongoing Activities:

The Government is in the process of integrating fully the MDGs and monitoring of progress towards their achievement into the PRS process. There are two important factors in this endeavour:

(i). The MDGs have a more distant time horizon than the PRS. Integrating the MDGs into the PRS process will facilitate coherence between short-term and long-term poverty reduction targets. This will also reinforce linkages between the Vision 2025, the NPES and the PRS.

(ii) Integrating MDG monitoring with PRS will avoid proliferation of monitoring processes.

The Government has initiated detailed analytical work on the eight MDGs and the corresponding list of indicators in relation to the national policy framework and the national poverty monitoring system. This analysis will highlight any gaps and discrepancies that exist, and will form the basis of measures to integrate the MDGs more firmly into the PRS policy framework. Overall, however, the MDGs are fairly well covered in the policy framework. The next PRS Progress Report and the next Poverty and Human Development Report will document progress towards the MDGs as part of overall progress reporting.

2.5.   Next steps:

The PRS progress report for 2003 will include the findings of the Participatory Poverty Assessment (PPA) and will use these findings to draw conclusions on whether vulnerability is adequately addressed in the PRS in its current form or whether there is need for improvement.

The most significant new data collection exercise in 2002/03 is the Population and Housing Census (August/September 2002). The importance of the Census for the assessment of the poverty situation in the country cannot be over-emphasised. Firstly, many of the poverty indicators are expressed as a rate, with population figures used as denominator. In the absence of recent population figures, these rates may well be unreliable by now. The results of the Census will rectify this situation. Secondly, the Census will measure directly a range of poverty indicators such as mortality and literacy rates. Thirdly, those indicators that are measured directly through the Census can be analysed at a very high level of disaggregation because the Census is administered to the whole population. This will be invaluable when attempting to make the PRS respond to local specific problems and when translating the national strategy into local action. Fourthly, the Census will lay the foundation for detailed poverty mapping, using the proxy indicators for income poverty, which have been included in the Census questionnaire. This will, for example, enable the estimation of the level of income poverty at district level. Full results of the Census are not expected until the second half of 2003, and the next PRS progress report will endeavour to report on preliminary findings of the census.

The Surveys and Census Technical Working Group is also preparing to conduct an Agriculture Survey in 2003. The Survey is planned to include a consumption module to provide a clearer understanding of the linkages between poverty and agriculture. Given the importance of the agriculture sector in poverty reduction, this survey will also provide a crucial data set, which will inform the implementation of the PRS as well as the Rural Development Strategy and the Agriculture Sector Development Strategy.