

## INTRODUCTION

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This is the third in a series of Poverty and Human Development reports. Earlier reports, published in 2002 and 2003, provided information about progress towards targets of the first Poverty Reduction Strategy – targets which were similar to the Millennium Development Goals. This report in 2005 has been prepared at a time when the PRS itself has been reviewed and revised. The PRS provided a vehicle for increasing public allocations to priority sectors, where education and health featured particularly strongly. The new strategy, the National Strategy for Growth and Reduction of Poverty (NSGRP), MKUKUTA in its Swahili acronym, puts more emphasis on poverty-reducing growth, and this provides the framework for the Poverty and Human Development Report 2005.

Throughout the report there is concern about equity – about equal opportunities for all to enhance their capabilities. This is a critical aspect of equitable development, as well as being a necessary condition to ensure that everyone may fully participate in and benefit from accelerated economic growth.

Governance is one of the three clusters of MKUKUTA, and work is in progress within the review of the poverty monitoring system to develop an agreed set of indicators by which the state of governance may be generally assessed and trends reported. In this current report, information about aspects of governance has been included in the main sections of the report. Future reports will more specifically address governance by reporting on the indicators which are to be agreed in the revised monitoring system.

The report is structured as earlier reports: the next chapter provides recently available data about the status and trends in indicators of poverty in its many dimensions. Indicators from the PRS of income and non-income poverty are included for continuity of the trend analysis. Wherever data are available, they have been used to provide information about MKUKUTA's targets.

The status chapter also reports on evidence of disparities between urban and rural, between males and females and between households with different levels of income. The usual routine information systems are used, but many interesting new analyses are reported from recently available data sets, especially the Demographic and Health Survey of 2004, the Tanzania HIV Survey of 2003/04, the Population Census, 2002 and the Agricultural Sample Census of 2002/03.

Chapter 2, a spatial analysis, provides for the first time in Tanzania, estimates of income poverty for each district. The methodology by which these estimates are derived – poverty mapping - is summarised here and a fuller methodological report is in process. Maps are included in this chapter, plus an assessment of the relationship of income poverty with other indicators of well-being by district. It is expected that the information in this chapter will be particularly useful for local government planning purposes, in assessing the particular priorities for support of local authorities and in the use of formulae for allocating financing across local authorities.

Because of the increasing attention to strategies to strengthen poverty-reducing growth, Chapter 3 provides an analytical view of promoting rural growth, particularly in small-holder agriculture. The constraints faced by smallholders in their efforts to improve their livelihoods and lessons from promising initiatives are explored here.

A concluding chapter assesses the conclusions of each of the preceding chapters and draws out the most critical lessons and challenges.

The report has been prepared, as in the past, under the auspices of the Research and Analysis Working Group of the poverty monitoring system. At the beginning of the next phase of Tanzania's Government, it is the hope of the members of the RAWG that this report will provide useful material with which to renew efforts for poverty reduction, especially among the poorest of Tanzania's population. Moreover, to do so inclusively, according to the principles of good governance as articulated in MKUKUTA and in the same open spirit in which MKUKUTA itself was developed.

The Research and Analysis Working Group welcomes comments and suggestions about the contents of the Poverty and Human Development Reports, and especially looks forward to suggestions which would be helpful in communicating the information in this report to as wide an audience as possible.