

NOT FOR SALE

Zanzibar without Poverty

A plain language guide to
the Revolutionary Government of Zanzibar's
Zanzibar Poverty Reduction Plan (ZPRP)
of January 2002



The ZPRP – Popularisation Task Force
(ZPRP-PTF)
March 2002

Preface

The Zanzibar Revolutionary Government has designed a Zanzibar Poverty Reduction Plan (ZPRP). The plan is a result of a consultative process involving stakeholders from Government, civil society and the private sector. The ZPRP is a first step on the road to implementing the Zanzibar Vision 2020.

Part of the plan involves creating wide public understanding and awareness of what it involves. This will make sure that all people can participate and be meaningfully involved in the ongoing design, implementation and monitoring of the plan.

A ZPRP Popularisation Task Force (ZPRP-PTF) has been formed to assist with wide public understanding and awareness. This plain language, illustrated booklet Zanzibar without Poverty is the first main product of the ZPRP-PTF.

A programme of workshops for distributing the booklets has also been designed. This involves improving the skills of civil society organisations as animators on public policy analysis at the community level. Other training materials associated with the booklet include video and theatrical productions. Part of the role of the animators is to gather and analyse feedback from communities and pass it to the relevant authorities.

Everyone is invited to participate in the ongoing design, implementation and monitoring of the ZPRP. You can do this by responding either as an individual or as a group to the ideas in this booklet.

Contact information on where to send your ideas is provided on the back cover.

Thank you

ZPRP-PTF
March 2002



Contents

Introduction	2
Types of Poverty	3
Poverty in Zanzibar	4
Statistics on Income and Non-income Poverty	4
How to reduce poverty in Zanzibar	5
Stakeholder involvement	7
Vulnerability and Safety Nets	7
The views of the main political parties	8
The main thrust of the ZPRP	8
How we will know if the plan is working	10
Plans for gathering data	11
A poverty monitoring and evaluation unit	11
Next Steps	12
Priorities for Action	12
Reducing income poverty	13
Creating an enabling environment for investment	13
The Five Top Priorities	14
Action Areas	15
Agriculture and natural resources	16
Trade, industry and tourism	18
Education and skills development	19
Health and social welfare	21
Water and Sanitation	22
Road Transport	23
Marine Transport	24
Communications	25
Energy	26
Housing	26
Community Participation	27
Democratic Governance	28
Cross cutting issues	29
Gender	29
Environment	30
HIV/AIDS	31
Vulnerability and Safety Nets	32
Note 1: How the ZPRP was developed	33
Note 2: Improving how money is used	34
Note 3: Financing the Plan	36
A review of Zanzibar Government Finances	36
How the Zanzibar budget is made	36
The changing pattern of government spending	38
Estimating the cost of the plan	38
Working with partners	39
Possible external support	39
How the plan will be paid for	40

Introduction

The Zanzibar Poverty Reduction Plan (ZPRP) of January 2002 is a result of wide ranging consultation with many different people. The ZPRP was produced under the guidance of an inter-ministerial technical committee that supervised the work of a planning team that did the research and wrote the document.

Empowerment of the poor includes ensuring that communities are engaged in their own development both in terms of planning and implementation and in ensuring there is a true development of democratic governance. (ZPRP Jan 2002)

This illustrated, plain language guide was written to popularise the policies which are included in the plan. The ZPRP Popularisation Task Force (ZPRP-PTF) is made up of people from a wide range of groups that are working together to make sure that all Zanzibaris know about the ZPRP, that they understand what it is saying, and that they are able and willing to act to help implement and shape its recommendations.

The revolutionary foundations of Zanzibar were built on a concern for equality and improving the living conditions of ordinary Zanzibaris. Since the early 1960s Zanzibar has been tackling issues of poverty, inequality, inadequate education, and generally low health and welfare standards. Economic reforms since the mid-1980s have not as yet made a significant dent on poverty. This is in part due to Zanzibar being a small island territory and therefore very prone to economic shocks caused by the changing world prices of key imports and exports. It is also to some extent due to Zanzibar being part of a larger country which needs to achieve high levels of growth if it is to break out of the poverty trap.

This booklet begins by dividing poverty into two main types and seeing how much they apply in Zanzibar. This is followed by a description of the main ideas in the plan and some thoughts about how we will know if the plan is working. The second half of the booklet describes the ZPRP's main priorities and explains what needs to be done in sixteen key action areas. There are notes at the back of the booklet that describe how the plan was made and where the money to support the plan might come from and how it will be used.



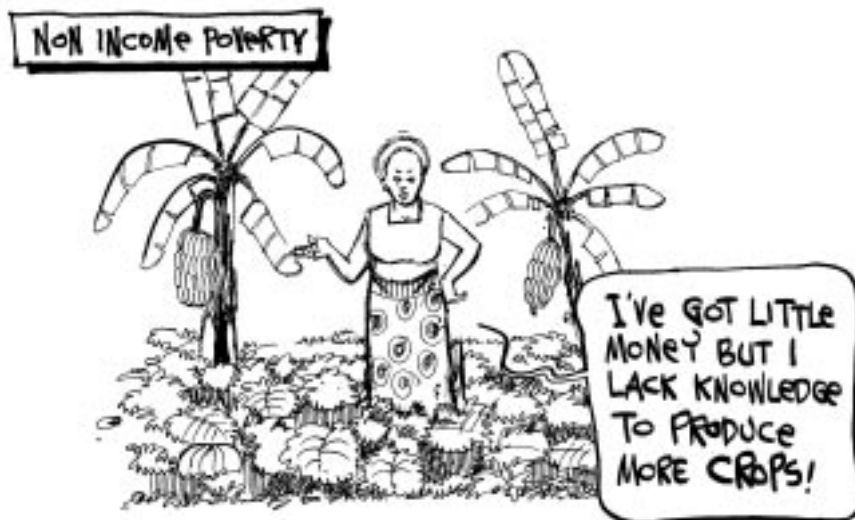
Types of Poverty

Different people think about poverty in different ways. Some people think that poverty is about being able to buy and sell but other people think about getting a fair share of education and health care or about being given respect, and having some influence over what happens in their life. Because of these differences it is useful to think about two main types of poverty - income poverty and non-income poverty.

Income poverty happens when a household takes in less than one US dollar per day. This means that people will not have enough food or medicine and they will have poor clothes and houses. Income poverty is due to people not having access to money or other assets. If people do not have any other assets like land to grow their own food, then income poverty can result in stunted growth and early death.

The best way to reduce income poverty is to encourage and support the development of effective businesses (small, medium and large) which make good use of our natural resources and talents to create wealth and jobs.

Non income poverty happens when people may have a little bit of money but otherwise the quality of their life is not good. They do not have access to affordable social and physical services (schooling, health care, medicines, safe water, good sanitation, good transport) and they may not feel safe in their homes either because they cannot trust the authorities or because they belong to some particularly vulnerable group (poor, disabled, elderly)



The best way to reduce non-income poverty is to make sure that people have access to affordable and good quality social services and infrastructure, that they feel secure in their homes, that they trust the authorities and, if they are vulnerable, that there are safety net programmes to protect them.

P o v e r t y i n Z a n z i b a r

In this section we look first at some of the facts about income and non income poverty in Zanzibar and then at how different people understand the problems and how they think that we can overcome them.

Statistics on Income and Non-income Poverty

The 1991 Household Budget Survey showed that the average annual income for each person in Zanzibar was \$137. Well over half the households had an income of less than 15,000/- per month. This is a very low level of income.

Most of the statistics used in the ZPRP are very old. What do we do now considering that the situation has changed?

The amount of poverty varies from place to place. The 1991 Survey showed clear signs of moderate and some severe poverty in certain districts. Measures of monthly income per person showed that the worst off Districts were Unguja North B followed closely by Micheweni in Pemba. The best off Districts were Unguja West and Chake in Pemba followed closely by Zanzibar Town.

Although most people own their own houses few own other valuable assets eg fields, livestock, motor vehicle, TV etc. This also varies from place to place.

Government spending on social services has lagged behind spending in other sectors. This has helped to create some of the non-income poverty problems that are listed below.



<p>Education</p> <ul style="list-style-type: none"> • About 40% of Zanzibaris are illiterate and 60% of these are women. Pemba has a higher number of illiterates than Unguja. • The number of children enrolling in primary school went up from about 50% in 1990 to 67% in 1997. • The drop out rate from primary school is about 64%. The drop out rate is about the same for boys and girls up to standard 7 where more girls drop out. 	<p>Health</p> <ul style="list-style-type: none"> • Life expectancy is only 48 years • Infant mortality rate is about 83 for every 1000 live births • Under five mortality rate is about 114 for every 1000 live births. • Maternal mortality rate is 377 for every 100,000 live births • Malaria is the reason for 40% of all outpatient attendance and 28% of deaths amongst children below 15 years of age • The number of reported cases of HIV/AIDS has gone up from 3 in 1983 to 1,903 in 1999. 85% of all cases are in people aged between 15 and 49.
---	--

<p>Nutrition</p> <p>There is a lot of malnutrition in Zanzibar. Problems include protein/energy malnutrition, and iodine and Vitamin A deficiency. The situation is generally worse in Pemba than in Unguja. Measurements of under five children show that 35% are stunted, 25% are underweight and 6% are wasted.</p>

<p>Water</p> <p>Access to safe water is a major problem in Zanzibar especially in the rural areas where piped water and access to safe protected sources has not increased very much in the last ten years.</p> <p>74% of people in Unguja town have direct piped water but this is true for only 1% of the people in the non-coral, rural areas of Pemba. Few people in Unguja town uses wells or springs as a source of water but this is how 92% of the people in the non-coral, rural areas of Pemba get their water.</p>	<p>Sanitation</p> <p>Sanitation is very poor in both urban and rural areas. This is true for sewerage generally and is becoming an increasing problem for garbage and solid wastes.</p> <p>Only about one fifth of the people in towns are connected to the sewerage system; the other people either use pit latrines or have no toilet (3% in Unguja town and 21% in Pemba town). In the rural areas of Unguja about half the people have pit latrines while in rural Pemba few people have a toilet.</p>
--	---

How to reduce poverty in Zanzibar

When the ZPRP was being prepared many people gave their ideas about what poverty is and how it might be reduced. This section lists the ideas.

<p>People felt that the causes of low income poverty included:</p> <ul style="list-style-type: none"> • low productivity in agriculture, fishing and livestock • lack of jobs and youth moving to the towns to find jobs • limited availability of <ul style="list-style-type: none"> • resources and jobs especially for women and the youth • land, especially for women • credit and markets • infrastructure eg (roads, energy, communications) 	<p>People felt that some possible ways of reducing income poverty might include:</p> <ul style="list-style-type: none"> • improving the machinery and methods in agriculture • improving the employment and income possibilities of the wealth creation sectors and making sure that local communities can share in the wealth that is created • creating more effective safety nets to help vulnerable people
--	---

People also gave some ideas about how to reduce non income poverty. These covered access to social services, survival and vulnerability, and social well being.

Running from problems does not solve them; we must face them and find solutions.
(ZPRP-PTF)

Access to social services

People were concerned about access to education, health services and water supply. Women and youth were particularly concerned about access to education and women and the elderly were concerned about access to health. Women were also concerned about access to safe water.

Survival and vulnerability

People were concerned about nutrition and child health, especially in the more rural areas. Infants suffer from being weaned too early and some families do not provide their growing children with a balanced diet.

The amount of controllable disease is too high and the primary health care system is not effective. Poor medical records mean that we do not know as much about the amount of diseases as we could.

People felt that the poor state of protected water sources was a serious problem because it was a cause of many diseases, especially in the rural areas.

Social Well Being

People thought that their living conditions were not as good as it might be because of:

- corruption and bureaucracy
- lack of social and political harmony
- limited opportunities to participate in development efforts
- not enough attention being given to citizen's rights and responsibilities
- lack of good governance
- lack of political commitment to poverty reduction amongst the political leadership



Stakeholder involvement

Stakeholders felt that it was important for them to be involved with poverty reduction. Farmers, artisans, traders, businessmen, entrepreneurs and public officials should create non party political organisations (including public/ private partnerships) that will allow them to work well together.

Many stakeholders were worried about good governance. Issues which they mentioned included:

- poor relationships between government officials and the public
- complicated decision making processes
- unclear division of responsibilities between central and local government
- weak local government because of staffing and money problems
- weak separation of powers between the legislature, the executive and the judiciary
- the need for the government and private businesses to work together better

Many stakeholders thought that there was a need to train people in the government system to develop a more professional approach to staffing issues such as recruitment, training, posting and promotions. Lack of training at the moment means that money is not handled very well and officials are not serious about introducing ways of letting the public hold them to account for what they do. People in the legal system have particularly low morale because of poor salaries, and a shortage of court space, qualified staff, and modern office machinery.

Vulnerability and Safety Nets

There are many reasons for people being vulnerable. Droughts, floods and other unpredictable weather conditions can affect everybody. Disabled people are very vulnerable, especially the elderly. Divorce can also cause problems as can other old fashioned customs and traditions. We need to identify the different types of vulnerable people and to build safety nets to protect them from poverty.

Safety nets are traditionally provided by family and community networks and the government can support these by

- cash or income transfers, such as pensions, child allowances etc,
- transfers in kind, such as food subsidies, housing subsidies, energy subsidies, feeding programs, or
- they can provide income to vulnerable people in an emergency situation by providing jobs through a public works program.

The views of the main political parties

The main political parties have plans for addressing poverty. The CCM focuses on measures to directly reduce poverty while the CUF focuses on ways of improving how we use our resources and thus creating more wealth. Both parties feel that it is important to:

- tackle the problems of education, health, water, infrastructure and good governance
- support trade, tourism and agriculture as wealth creating areas
- emphasise water and electricity as priorities for government action
- make the work force more productive, especially in agriculture

Many politicians felt that the long drawn out political crisis in Zanzibar has led to a lack of political commitment and therefore to the shortage of good sectoral and poverty reduction policies. This has led to the increase of widespread poverty in the Isles.

All the above ideas have been pulled together to design the Zanzibar Poverty Reduction Plan (ZPRP). The main thrust of the plan is described in the next section.

The main thrust of the ZPRP

The Zanzibar Poverty Reduction Plan (ZPRP) is the first stage in a process which will lead to a detailed, pro-poor growth strategy, and a set of activities which will reduce poverty in rural and urban areas.

The plan will be driven partly by government policies and action, partly through stimulating activity in communities and the private sector, and partly through attracting foreign grants and loans. The government will develop policies to create a stable social and economic environment. These policies will:

- stimulate private sector led development by increasing the role of the market in allocating resources and setting prices
- increase production in the wealth creating sectors (agriculture, forestry, fishing, industry, trade and tourism)
- empower local people by
 - supporting the creation of income generating activities
 - creating more employment opportunities and
 - increasing household income
- build a social security system to protect the vulnerable (poor, disabled, elderly and other groups)
- improve democratic processes and ensure social security

If we want to develop we need people, land, appropriate political ideology and good governance.
(Julius K Nyerere)

As a result of these actions the living conditions of all people will improve. They will have access not only to improved food, clothing, and housing but also to improved and affordable social services such as education and health and to infrastructural services such as transport and power.

This first ZPRP presents an overall vision rather than a set of detailed actions. The plan was developed through a consultation process which involved a lot of stakeholders. This will continue. (See Note 1 at the end of this booklet for details). The first ZPRP gives a brief outline of the key areas where action is needed.

ACTION AREAS

Wealth Creation

- Agriculture and natural resources
- Trade, industry and tourism

Essential Services

- Education and skills development
- Health and welfare
- Water and sanitation

Infrastructure

- Power (energy)
- Housing
- Road transport
- Marine Transport
- Communications

Good Governance

- Community involvement and participation
- Democratic governance

Cross cutting issues

- Gender
- Environment
- HIV/AIDS
- Vulnerability

To reduce poverty we must create more wealth and make sure that essential services and infrastructure are available. In addition, all our poverty reduction actions should tackle the cross cutting issues of gender, the environment, the evil which is HIV/AIDS, and the special problems faced by vulnerable groups.

This will be possible only when there is a system of good governance which includes the co-ordinated actions of all the stakeholders - not only government officials, private sector businesses and foreign partners, but also the many groups and organizations making up civil society.

Some of the action areas are obviously the responsibility of particular Ministries and Sectors (eg Agriculture, Education, Transport). Other action areas call for many different stakeholders to work together in a co-ordinated way (eg Gender, Environment, HIV/AIDS, Vulnerability) and these are therefore called cross cutting issues. The main action areas that have been identified so far are shown in the box

The plan has identified the action areas but a lot of work has still to be done to decide who will do what by when and, critically, how much the various activities are likely to cost. Once the costs have been worked out there will be a need to:

- make government income and expenditure patterns fit with the plan
- set budget priorities (we will not be able to do everything at once)
- provide a climate that attracts external sources of support (grants, loans and private investments)

For this to happen effectively financial management in the government system will have to improve. This will involve developing effective revenue and expenditure policies and also better budget, payment and accounting systems. This will involve implementing a wide range of measures within the next year or so. (See Note 2 at the back of this booklet). When they are all in place the system of financial management should be efficient and effective in moving towards a pro-poor, poverty reduction budget. Note 3 at the back of this booklet explores some of the issues involved in making sure that there will be enough resources (physical, financial and human) to implement the ZPRP.

How we will know if the plan is working

It is said that 'if you do not know where you are going then any road will get you there'. People who get things done are usually clear about what they want to do, how they will do it and, most importantly, how they will know if they have been successful.

What is true for an individual person is also true for groups, for businesses and for governments - if you are serious about getting things done then you must be clear about targets, activities and indicators.

Target	Activities	Indicators
a clear idea of what you want to do (it helps to say how much you will do by what date)	a clear idea of what actions you must take (it helps to make a list of steps to show what you must do first, then second and so on)	a clear idea of what you will measure so that you will know if your activities are hitting the target



A poverty monitoring and evaluation system needs clear and precise targets, activities and indicators. This makes it much easier to keep track of what is going on. Monitoring involves measuring as you go along to make sure that you are following the plan. Evaluation involves stopping now and again to review progress and decide whether or not the plan needs to be changed.

Without a good set of targets, activities and indicators you will not really know where you are going and you will not therefore be able to tell if you are getting there or when you have arrived.

The Zanzibar Poverty Reduction Plan is a living document that will develop and mature because of input and feedback from a wide range of sources. At present the plan has more details about targets, activities and indicators in some sectors than in others. This is not a problem because the details will gradually be filled in through discussion, consultation and learning from experience.

Good indicators should be SMART –

- specific,
- measurable,
- agreed,
- relevant and
- time-framed.

Plans for gathering data

Various sectoral targets are mentioned in other parts of this booklet. Activities and indicators will have to be negotiated for those which do not already have them.

Where possible indicators will be used to gather baseline data so that our rate of progress can be easily measured. Where this is not possible proxy indicators will be used. Participatory Poverty Assessment (PPA) techniques will also be used to put flesh on the bones of raw statistics.

Three main types of data will be gathered:

- primary information will be collected through the census and surveys
- routine records will be gathered from the relevant Ministries eg about Education, Health etc
- special information gathering and analyses will be conducted by independent research institutions

An example of a proxy indicator would be the use of 'modern materials for building a house' as a measure of 'household income'

A poverty monitoring and evaluation unit

The process of designing and managing the poverty monitoring and evaluation process will be divided between different organisations but the responsibility for co-ordinating all the activities will lie with a special unit in the Ministry of Finance and Economic Affairs (MOFEA).

The MOFEA unit will organise a broad based system of committees to make sure that all stakeholders participate and co-ordinate. The government Statistics Department will be responsible for conducting censuses and surveys and the various line ministries will continue to collect routine data and information. Research and academic institutions, including NGOs and consultants, will be employed to collect and analyse specific data.

At the moment there are few Zanzibari NGOs with the skills for the level of research that is needed. The Government will encourage research organisations to develop and will take a lead role where necessary until they take root.

The plan is to extend the Poverty Monitoring and Evaluation tasks to district, ward and village level. This will make sure that there is good, two-way communication between the grass roots and the central policy making bodies.

A system of incentives will be created to encourage the development of high quality Poverty Monitoring and Evaluation activities in the various organisations that are involved. Amongst other things this might include eligibility for funding, training and capacity building.

There are three major strands of activity that have to be costed:

- a study to work out staffing, training and equipment needs for collecting, storing and analysing data
- data collection exercises eg the national Household Budget Survey, various annual surveys and Participatory Poverty Assessments
- managing the monitoring and evaluation of the ZPRP itself

Given the weak capacity within Zanzibar for monitoring and evaluation activity on such a large scale, there will be a need for close co-operation and co-ordination with institutions on the mainland. There may also be need for more technical assistance in Zanzibar than on the Mainland.

Next Steps

Following discussion with stakeholders the Government will press ahead with setting up, costing and finding funds for the Poverty Monitoring and Evaluation Unit. The first task of the Unit will be to work out the details of the Poverty Monitoring and Evaluation Plan.

At the end of the plan period there will be a major external evaluation which will report on (a) changes in the poverty situation as a result of implementing the ZPRP and (b) lessons learned and adjustments needed to make the second ZPRP even more effective.

Priorities for Action

The ideas suggested in the Zanzibar Poverty Reduction Plan are guided by four main strategies:

1. to keep a steady focus on the three guiding principles of
 - reducing income poverty
 - improving human capabilities, survival and well-being and
 - containing extreme vulnerability
2. to create a favourable environment for investment by
 - adopting open market and liberalised economic policies and
 - promoting the participation of the private sector
3. to promote social harmony and participation by
 - reducing the immense costs of social unrest and
 - addressing glaring inequalities particularly between Pemba and Unguja
4. to keep a balance between
 - policies which encourage economic growth,
 - the social and environmental effects of those policies, and
 - redistribution of wealth in favour of vulnerable groups

The primary target groups for poverty reduction are

- rural small farmers and fisherfolk
- low income inhabitants of informal urban settlements, notably the unemployed
- the aged, single mothers and children in deprived circumstance
- people with limited access to basic social services

It will take some time to organise stakeholder consultations to figure out the details of how to act on all of these strategies. Present thinking about three key areas is given below.

Reducing income poverty

Income poverty will be reduced by encouraging wealth creating and therefore income generating activities and by tackling any inequality issues that might appear as a result. This will be possible by stimulating economic growth through investment and through encouraging new, local businesses to start up in the growth areas of agriculture, small scale manufacturing, trade and tourism.

The Grassroots Consultation Meetings (GCM) showed that people thought there was a priority need to address issues in education, health, water, agriculture and infrastructure. Work in these areas will help to directly and indirectly reduce poverty and also help to create a more favourable climate for investment.

Economic growth in Zanzibar over the last three years was estimated at about 2% per year. The ZPRP target is to increase this to about 6% per year by the end of the three year period. Sub targets have also been set for the priority sectors.

Creating an enabling environment for investment

External investors will not be attracted to Zanzibar unless they see opportunities to make a profit in a politically and socially secure environment. This means that the government needs a sound investment policy in place as soon as possible and also needs to widen and deepen the financial sector which is presently very weak.

The government on its own cannot provide people with everything they need. How can communities offer support and assistance?

If there is to be political and social stability then the government must tackle what poor people themselves see as the causes of poverty. This will call for increased and effective government spending to improve the quality of life. Organisations which are outside government will also be encouraged to invest.

External investors and the people themselves want to be able to trust government departments. This means that government officials must be able and willing to design and implement policies and procedures with openness and transparency. The ZPRP stresses the need for good governance practices and an appropriate moral code of public ethics in Zanzibar.



The Five Top Priorities

Through the ZPRP the government will give top priority to the following areas:

1. **community based projects** which empower people and meet the priorities which have been set by the communities themselves
2. better **health** services for the poor (eg readily available services and drugs)
3. better **education** facilities for all (eg improved teaching skills and more skill development programmes)
4. improved **agricultural productivity and better use of natural resources** (eg better extension services, planting materials and credit schemes. Involving farmers and fishermen in development processes. Promoting micro and small scale enterprise development schemes)
5. expanded programme of **public service reform and capacity building**

The government will regularly update the amount of money given to different poverty reduction activities as a result of information and analyses coming from the monitoring and evaluation exercises.



Action Areas

The overall objective in each action area is listed below. In the section which follows each overall objective is broken down into specific objectives with a list of actions that will be taken to achieve them.

	Action Area	Overall Objective
Wealth Creation	Agriculture and natural resources	to increase productivity in the sector (crops, livestock, fisheries and forestry) and achieve national and household food security
	Trade, industry and tourism	to expand and develop sustainable and efficient industrial, trade and tourism sectors to create more jobs and add value to agricultural products
Essential Services	Education and skills development	to provide relevant and quality education at primary and secondary school levels as well as adult education targeting the poorest groups
	Health and social welfare	to develop a health sector which provides basic health care services to the poor in both rural and urban areas
	Water and Sanitation	to develop water supply and sanitation systems capable of supplying rural and urban communities with safe water, and meeting hygiene and sanitation requirements
Infrastructure	Road Transport	to re-establish an efficient road network to improve access to rural areas and markets by upgrading the standard of roads and ensuring that such standards are maintained
	Marine Transport	to provide economic, safe and reliable sea transport (for passengers and trade) between Unguja and Pemba and between these two islands and mainland Tanzania and the rest of the world
	Communications	to provide adequate, modern, sustainable and efficient telecommunication services which will provide linkages to the global economy
	Energy	to establish efficient energy production, procurement and distribution systems in an environmentally sound manner
	Housing	to develop affordable housing units for the poor
Good Governance	Community involvement and participation	to promote increased participation of communities in designing and implementing community and district level poverty programmes
	Democratic Governance	to strengthen the capacity of local governments to plan and facilitate the implementation of the poverty reduction plan
Cross cutting issues	to tackle the poverty reduction issues that need the co-ordinated action of many stakeholders. These are Gender, Environment, HIV/AIDS, Vulnerability	

Agriculture and natural resources

Overall Objective: to increase productivity in the agricultural sector (crops, livestock, fisheries and forestry) and achieve national and household food security.

Specific Objective	Specific Action
Crops and livestock	
to create good conditions for marketing agricultural products	<ul style="list-style-type: none"> • develop an efficient, liberalised, marketing system for agricultural products, including food processing and storage • commission a study on clove marketing to identify problems and opportunities for the liberalisation of the industry, and develop a gradual liberalisation as recommended by the study • promote linkages between agriculture and the tourist sector
to strengthen agricultural support services for short-term poverty reduction including improving food security	<ul style="list-style-type: none"> • promote public/private seed production and multiplication • strengthen agricultural extension • strengthen animal and plant quarantine facilities • promote integrated crop production and pest management technologies • strengthen early warning and food crops monitoring system
to develop an agricultural investment programme for poverty reduction	<ul style="list-style-type: none"> • identify key products for investment • focus on clove rehabilitation • promote investment in rain harvesting systems • develop efficient organic farming methods
Fisheries	
to improve productivity and marketing of fishery products and provide support to fishing people and seaweed farmers	<ul style="list-style-type: none"> • study the productivity and future possibilities of inshore and offshore fishing grounds • improve the ability of the Fisheries Department to control fishing practices • improve fish marketing • review legislation on fisheries • promote seaweed farming programmes, especially for women • provide fisheries boats, nets and equipment and marketing facilities in the more poverty prone areas
Forestry and Environment	
to stimulate social forestry, agro forestry and to develop small-scale wood fuel programmes	<ul style="list-style-type: none"> • promote community-based, social forestry development programmes • encourage forest lot and wood fuel re-plantation • develop tree nurseries for commercial species • promote research on appropriate agro-forestry systems • promote a national tree planting campaign • promote sound water and soil conservation • strengthen and implement regulations for environmental protection through community involvement

Notes:

Agriculture is critical for successful poverty reduction in the rural areas. Improvement in food crops, rehabilitation of clove plantations and encouraging diversification into other cash crops and livestock development are all crucial elements. Investment in research and diversification, and streamlining of farmer organisations and the ministry are also essential.

There are four main strategies for agriculture:

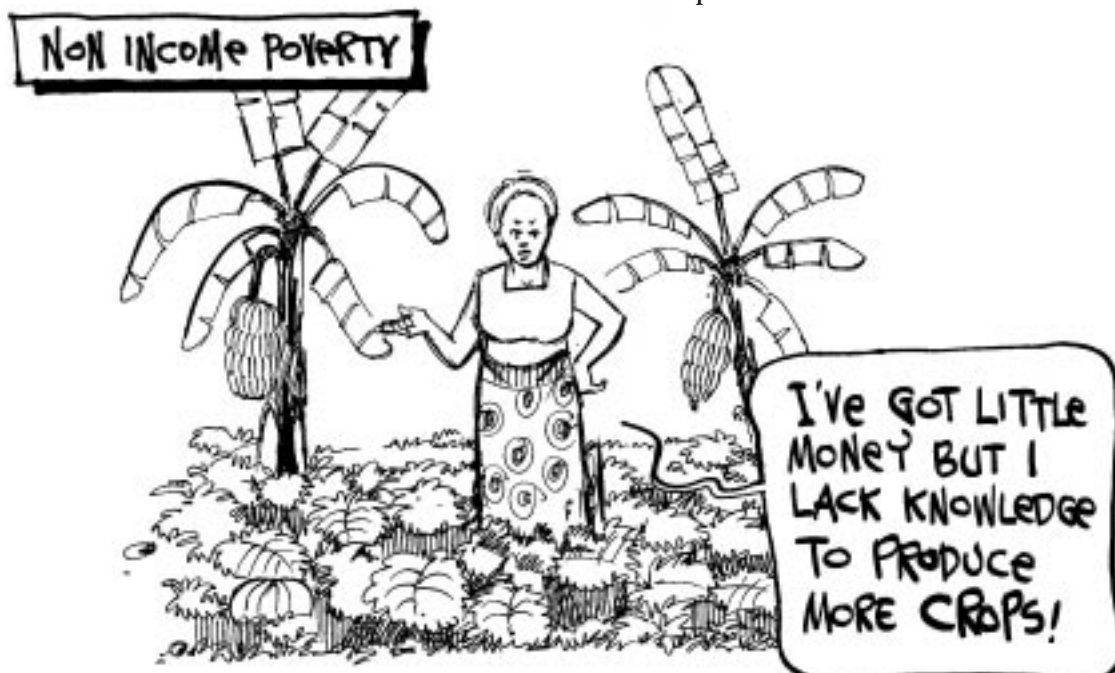
- redesign of marketing structures
- strengthening of agricultural services to poor people
- developing agricultural investment programmes
- strengthening the organisation and management of agriculture

Growth in agriculture will have the most impact on poverty reduction. Separate targets have been set for particular crops.

- **Cloves** - there are natural changes in harvests, uncertainties about external markets, and a problem with smuggling but the target is for yields to increase by 5% each year over the three year period.
- **Other Export Crops** - if the search for alternative export crops proves successful then high growth rates can be expected but until then the target is for yields to increase by about 4.5% each year.
- **Food Crops** - the more we grow the less we have to import. The target is to increase the growth rate from 1.5% to 3% each year so as to at least keep up with population growth.
- **Livestock, fish, forest products and fruit** - growth in the production of these has grown faster than food crops during the 1990s. The target is for growth of 4.5% each year.

The external support situation:

- Much of the spending in this sector is to buy equipment from China.
- When the IDA small-holder support project finishes the only external support will be for the BADEA feasibility study and a small amount from the Food and Agriculture Organisation (FAO) for food security
- There is no commitment to fisheries and very little for other natural resources other than the Jonzani-Chwaka Park development project.
- The Sector needs assistance with institutional development



Trade, industry and tourism

Overall Objective: to expand and develop sustainable and efficient industry, trade and tourism sectors to enhance employment and add value to agricultural products

Specific Objective	Specific Action
to formulate industry, trade and tourism policies by early 2002	<ul style="list-style-type: none"> • provide technical, business and financial support to micro and small-scale manufacturing firms • promote and facilitate the establishment of industrial financing schemes for micro and small manufacturing enterprises • invest in the Export Processing Zone (EPZ) and encourage investment through Zanzibar Investment Promotion Agency (ZIPA)

Notes:

Growth can be expected from internal trading, especially by linking local produce to the tourist industry. The target is to keep growth in line with the general economy and to reach about 5.5% each year by 2005.

Efforts to expand Export Processing Zone (EPZ) based manufacturing will continue but there will also be efforts to increase manufacturing in small to medium enterprises which could become the major player in the sector. The target is 6% each year by 2010.

Tourism suffered a setback in late 2000 and early 2001. The target is to get back to the tourism levels of 2000 by 2002 and to continue to grow from there at a rate of about 8% each year.

What can be done to make sure that the tourist industry and foreign investments benefit the unemployed youth and the poorer communities?



Education and skills development

Overall Objective: to provide relevant and quality education at primary and secondary levels as well as adult education targeting the poorest groups.

Specific Objective	Specific Action
to raise primary school enrolment and attendance ratios	<ul style="list-style-type: none"> improve the teaching and learning environment promote public/private partnership programmes for primary and secondary schools sensitise communities, parents and teachers to the need to enrol children with special needs and those with disabilities
to improve the quality of education in rural and urban areas	<ul style="list-style-type: none"> strengthen the school inspectorate department upgrade teachers' competence and productivity strengthen the guidance and counselling services include special needs education in the teacher training curriculum
to develop a curriculum which meets the needs of school pupils and school leavers	<ul style="list-style-type: none"> improve the curriculum through research into what children really need to know establish vocational training centres expand and promote adult education and literacy programmes for out of school youths (these should integrate with other community based development initiatives)

Notes:

The main thrusts of the education strategy will include

- improving school buildings and equipment
- improving teacher training and supervision
- defining a policy for higher education
- integrating education with the world of work by
 - increasing adult literacy
 - increasing the relevance of curricula
 - promoting more vocational education opportunities

Specific targets:

- raise primary school enrolment from 94 to 99% by 2005 and 100% by 2010
- raise transition rate from primary to secondary from 14 to 28% by 2005 and 50% by 2010

Any child can grow up to be a responsible citizen if properly educated. (Benjamin Mkapa)

Education is the key to success but we all have to play our part. (ZPRP-PTF)

What happens to a child till s/he is five decides what kind of person s/he will become. (ZPRP-PTF)

What changes are needed in the education system so as to build more self reliance?

Given the shortage of funds it is important to find new ways of delivering quality education. Public/private partnerships for education financing (there are several forms) will be encouraged. This could include co-operation with Koranic schools so as to ensure that there is complementary basic education.

- African Development Bank (ADB) and Organisation of Petroleum Exporting Countries (OPEC) projects cover some of the important areas in primary and secondary education
- The Adult Learning and Skills Development Project is funded by the ADB and covers people who are out of school
- There is need for a programme to increase peoples' ability to manage education projects
- Further support is needed for teaching materials, curriculum development, teacher training, counselling services, school inspectorate, adult literacy programmes and vocational training in the public and private sectors
- High priority should be given to micro-projects and Community-based organisation (CBO) supported initiatives that are education-oriented

The ZPRP funding gap for Education is about \$4 million. In order to achieve the Targets for education the share of the total government budget to education will have to be raised to at least 20%

The external support situation:

- Education gets some external support from the African Development Bank (ADB) and the Organisation of Petroleum Exporting Countries (OPEC).
- There is need for work on improved facilities for both primary and secondary schools
- The education sector needs assistance with skills development and various gender-related issues



Health and social welfare

Overall Objective: to develop a health sector which provides basic health care services to the poor in both rural and urban areas

Specific Objective	Specific Action
to reduce mortality rates	<ul style="list-style-type: none"> improve Mother and Child Health (MCH) and other health services increase vaccination to cover all under five children
to fight diseases that are major causes of death - especially malaria, diarrhoea, pneumonia and respiratory illness	<ul style="list-style-type: none"> provide adequate and affordable drugs and other medical supplies to primary health care centres (PHC) expand and upgrade the skills of medical personnel in all primary health care centres (PHC) build the capacity and skills of those responsible for district health planning and management systems increase the outreach of family planning services and advocacy promote HIV/AIDS awareness campaigns expand knowledge about the prevention of curable diseases

Specific targets:

- infant mortality from 83 to 20 per 1000 by 2020
- under five mortality rate from 114 to 80 per 1000 by 2005 and to 20 by 2020
- maternal mortality rate in Unguja from 367 to 220 per 100,000 by 2010
- maternal mortality rate in Pemba from 460 to 250 per 100,000 by 2010
- stunting in children reduced from 36 to 20% by 2005
- life expectancy from 48 to 65 years by 2020

What is the role of the Community Health Committees in the prevention of diseases?

The funding situation:

- the present programme support from the African Development Bank (ADB) will have to be supplemented, especially to improve implementation capacity
- an affordable essential drug scheme is needed



- support to general health and nutrition awareness through family health care support is needed
- the Health sector needs assistance with institutional development and financial systems improvement.

The ZPRP funding gap for Health is about \$4.5 million (about half of the total)

Water and Sanitation

Overall Objective: to develop water supply and sanitation systems capable of supplying rural and urban communities with safe water and of meeting hygiene and sanitation requirements

Specific Objective	Specific Action
to establish a decentralised approach to the provision of water supply systems particularly to rural communities	<ul style="list-style-type: none"> • finalise the draft Water Policy • develop institutional arrangement for water management • promote community-based approaches to planning and managing water supplies • build the capacity of districts to assist communities in planning and managing water supplies • mark out and build fences around protected water sources
to enhance community awareness and commitment to observe hygiene and sanitation requirements	<ul style="list-style-type: none"> • expand sanitation education through seminars, the mass media and drama, and political campaigns • update sanitation legislation • review the options for treatment and propose those suitable for implementation • construct treatment plants and rehabilitate the existing drainage systems • increase the number of households with latrines and septic tanks through <ul style="list-style-type: none"> • introducing alternative building materials and methods • establishing guidelines and rules for new houses • providing training on community construction and use of latrines and septic tanks

Notes:

The importance of public health measures cannot be overemphasized. Safe drinking water and proper treatment of sewage are essential to having a healthy lifestyle.

The main thrusts of the water and sanitation strategy are to:

- rehabilitate and improve the reticulation system in the squatter areas
- construct protected water sources in rural areas

Specific Targets:

- safe water in urban areas from 90 to 95% by 2005 and 100% by 2020
- safe water in rural areas from 46 to 60% by 2005
- rural households with toilet facilities from 49 to 60% by 2010
- urban households with toilet facilities from 78 to 88% by 2010



Proper distribution of resources is the root of community participation. (ZPRP-PTF)

Other measures include preventing the loss of water by rehabilitating the old mains and household supply systems. This can be done by

- improving the policy and administration of the water sector in terms of how it involves local communities and
- improving quality control measures

Road Transport

Overall Objective: to re-establish an efficient road network which improves access to rural areas and markets by upgrading the standard of roads and ensuring that such standards are maintained

Specific Objective	Specific Action
to implement measures and existing projects under the Zanzibar Integrated Road Programme (ZIROP)	<ul style="list-style-type: none"> • promote and facilitate participation of communities and self-help roads construction • improve how the Road Fund is used • review and implement the Roads Maintenance Programme • develop a road and transport policy

Notes:

A good transport system will support the growth of the agricultural, commercial and tourism sectors by permitting the safe, economic and rapid transport of goods, people and services. It is therefore important for Zanzibar's economy and is thus included in the ZPRP as being important in the fight against poverty.

Transport services will be provided according to the needs and developments in rural and urban areas. The system as a whole will ensure close co-ordination between the different modes of transport (ie road, air and marine transport).



Marine Transport

Overall Objective: to provide economic, safe and reliable sea transport (for passengers and trade) between Unguja and Pemba and between these two islands and mainland Tanzania, and the rest of the world

Specific Objective	Specific Action
to promote trade and the movement of people by expanding and improving marine transport	<ul style="list-style-type: none"> • improve pillar support at Unguja main port • improve port facilities at Wete

Notes:

Marine transport is the lifeline for Zanzibar. The ports and marine infrastructure are important for the import and export trade and for the movement of the majority of passengers between Unguja and Pemba islands and to the mainland ports of Tanzania and Kenya.

Most of the port structures were built before the 1930s and are now in poor condition. The exception is Zanzibar Town port which had a new wharf built in 1996. The ZPRP lists the following actions:

- rehabilitate and develop the port facilities as required
- encourage the integration of water transport with road and air systems
- encourage the use of improved technologies for marine transport
- improve ferry services between the islands of Unguja and Pemba and to mainland Tanzania
- encourage schooner and dhow services for carrying cargo and passengers



Communications

Overall Objective: to provide adequate, modern, sustainable and efficient telecommunication services which will provide linkages to the global economy

Specific Objective	Specific Action
to promote private sector involvement in developing and expanding telecommunication services throughout the islands	<ul style="list-style-type: none"> • support expansion and investment in providing telecommunications and internet services • evaluate the possibility of internet service provision in local communities for increased local involvement in poverty related issues • build capacity by providing technical, business and managerial skills to meet sector needs

Notes:

The main idea in the communications sector is for close partnership between the public and private sectors for investment to introduce internet based communications systems in communities. This will help them respond favorably to the challenges of globalisation.

The strategic angles will be:

- encouraging investment in telecommunication infrastructure and services in a liberalized and competitive manner. This should meet domestic demand as well as regional and international business requirements
- installation of adequate, high quality and efficient telecommunication services responsive to the diverse needs of industrial, commercial and other sectors
- rapidly adopting new and emerging telecommunications and information technologies



Energy

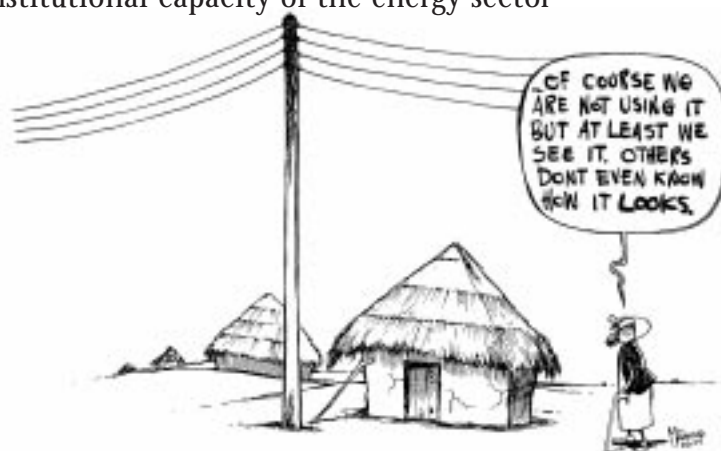
Overall Objective: to establish efficient energy production, procurement and distribution systems in an environmentally sound manner

Specific Objective	Specific Action
to encourage rural communities to substitute hydropower for other sources of renewable energy (for example wood, biogas, wind, solar, geothermal or micro-hydro)	<ul style="list-style-type: none"> • promote the use of alternative sources of energy • establish appropriate tax and other financial incentives for renewable energy development • develop an Energy policy • revive the rural electrification programme in Pemba and Unguja • support research and development on rural energy

Notes:

The essential part of the energy sector strategy is to repair the rural electricity system. The following strategic guidelines will apply:

- further extension of the distribution network to rural areas
- re-evaluation of proposals on the mainland link for Pemba
- encouragement of experiments with, and investment in, other sources of energy
- build the institutional capacity of the energy sector



Housing

Overall Objective: to develop affordable housing units for the poor

Specific Objective	Specific Action
to re-examine the use of local materials for construction purposes	support research and development on the use of cost-effective local materials for house construction

Notes:

The main thrusts for developing adequate shelter will be to

- develop affordable accommodation units for purchase or self-development
- develop ways of giving people in existing government housing a stake in its upkeep through a review of tenancy agreements

Community Participation

Overall Objective: to promote increased participation of communities in designing and implementing community and district level poverty programmes

Specific Objective	Specific Action
to create an enabling environment for the implementation of a participatory planning process	<ul style="list-style-type: none"> • initiate community capacity building programmes through training local community leaders and community groups • introduce village animators • give training in and implement a village/ community action planning system • improve the democratic system of election for all local leaders • develop consistent participatory monitoring systems and arrange regular meetings on community development issues

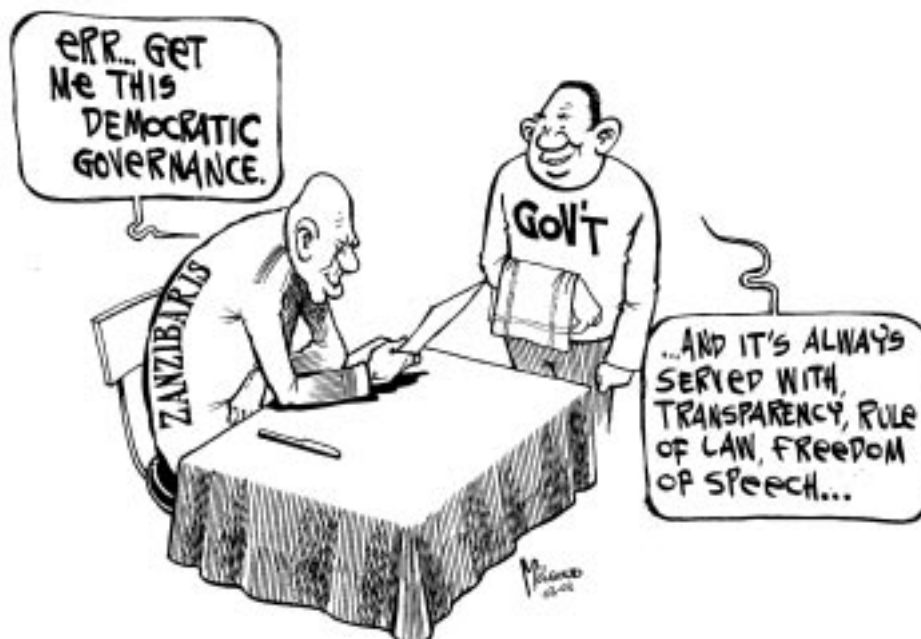
Notes:

Recent approaches to poverty reduction include the active encouragement of stakeholder participation in policy formulation, design, implementation, monitoring and evaluation. The principle is now deeply embedded in the planning process in Tanzania and it is the intention of ZPRP to strongly support a similar process in Zanzibar. This involves three strategic thrusts:

How can NGOs help to increase community participation in designing and implementing poverty programmes? (ZPRP-PTF)

- support for community capacity building to empower the population
- development of a participatory planning system
- development of a micro projects scheme as a main channel for passing development funds directly to communities that are very poor.

It is important that existing funds are targeted on the communities that most need them. This in turn requires a system of poverty indicators that can be used to identify the most disadvantaged communities.



Democratic Governance

Overall Objective: to strengthen the capacity of local government to plan and facilitate the implementation of the poverty reduction plan

Specific Objective	Specific Action
to provide local authorities with the financial authority and resources needed to take an active role in implementing the ZPRP	<ul style="list-style-type: none"> strengthen government capacity to mobilise resources to perform its key role of promoting economic development and poverty reduction promote decentralisation and the empowerment of local governments and communities and thus facilitate the mobilisation of human, financial and material resources to effectively carry out community-based programmes create a system where government officials can be held accountable for their actions during the ZPRP period. This will require an effective Monitoring and Evaluation system for the ZPRP design measures to involve civil society organisations (such as community based organisations (CBO) and co-operatives) in improving living standards encourage civil society organisations to develop practices and procedures which put effective checks on executive and administrative powers as well as ensuring high standards of integrity among their members promote broad-based, grass-roots participation in order to build on the reserves of knowledge and experience and unleash creativity and initiative at that foundation level review laws governing business activities so as to make them simpler and more transparent and effective develop and implement effective and transparent measures which allow equal opportunities to all groups in society in both Unguja and Pemba establish a high profile system of rewards to individuals who have made outstanding contributions to the development of society

Notes:

The current political regime will implement the ZPRP and will build an institutional framework for it. This framework will:

- mobilize people's existing and new abilities for coordinated action and for commitment to social, political and economic development
- mobilize people's diligence, stimulate their creativity, galvanize diverse efforts and recognize and reward good performance
- harness the power of the market in allocating resources consistent with the plan
- strike an appropriate leadership balance between the state and other institutions (eg households, civic organisations, business enterprises)
- empower local poverty groups to participate effectively in their own development

How can we prevent tax evasion, clove smuggling and the squandering of public funds from affecting the government's ability to provide essential services and infrastructure?

Indicators of having met this enormous challenge, and thus having put a system of good governance in place, will include:

- popular participation in the decision-making process based on political and social inclusion
- accountability based on the ideal of popular sovereignty and public choice
- a transparent, efficient and fair legal framework that guarantees the rule of law and the administration of justice
- cost-efficient and rational government size
- competent and efficient public agencies
- freedom of movement, association and expression

The ZPRP calls for reforms to the public service and generally increased transparency and accountability in the government system. Effective implementation of these measures is important not only in their own right, but also as a signal to the citizens of Zanzibar, the political parties and other stakeholders that the ZPRP is a serious undertaking which is worthy of support.

Overall public service reform and capacity building is fundamental to the success of ZPRP and this will include developing

- increased abilities in gathering, analysing and using statistics
- increased abilities in budgeting, planning and evaluation
- better accounting systems which enable increased accountability and transparency
- more effective and efficient revenue (tax) collection bodies

The United Nations Development Programme (UNDP) proposes support of \$130,000

[See Note 2 at the end of this booklet for details]

Cross cutting issues

There are four very important poverty reduction issues which cannot easily be assigned to particular ministries. They are therefore thought of as being cross cutting issues and they include gender, the environment, HIV/AIDS and vulnerability.

Gender

The gender policy within the ZPRP follows the recommendations in two international programmes - the *Beijing Declaration and Platform of Action* and the *Convention on the Elimination of All Forms of Discrimination Against Women*. The major strategic thrusts are that there should be:

- integration of gender concerns in all development policies and plans
- inclusion of gender disaggregated data in all official statistics
- increased access to basic social services for women
- increased female access to secondary and tertiary education
- revision of laws and regulations that discriminate against women
- increased sensitisation of all people against traditions that discriminate against women

How can women contribute more to community and national development?



- increased numbers of women in key posts in the political and administrative systems
- programmes aimed at the economic empowerment of women, especially in rural areas
- increased economic opportunities for women through increased access to employment, credit and land

Environment

Many environmental issues are already covered in the strategies for agriculture and natural resources but the issue is fundamental to poverty reduction and includes issues which go beyond the strictly technical. Cross cutting strategic concerns include:

- developing capabilities in environmental research and management
- building the capacity of people who assist communities in designing their development plans to include environmental measures
- designing popular measures to prevent pollution and other types of environmental destruction both on land and along the coast
- designing and implementing effective campaigns on tree planting
- establishing programmes for monitoring the status of the environment

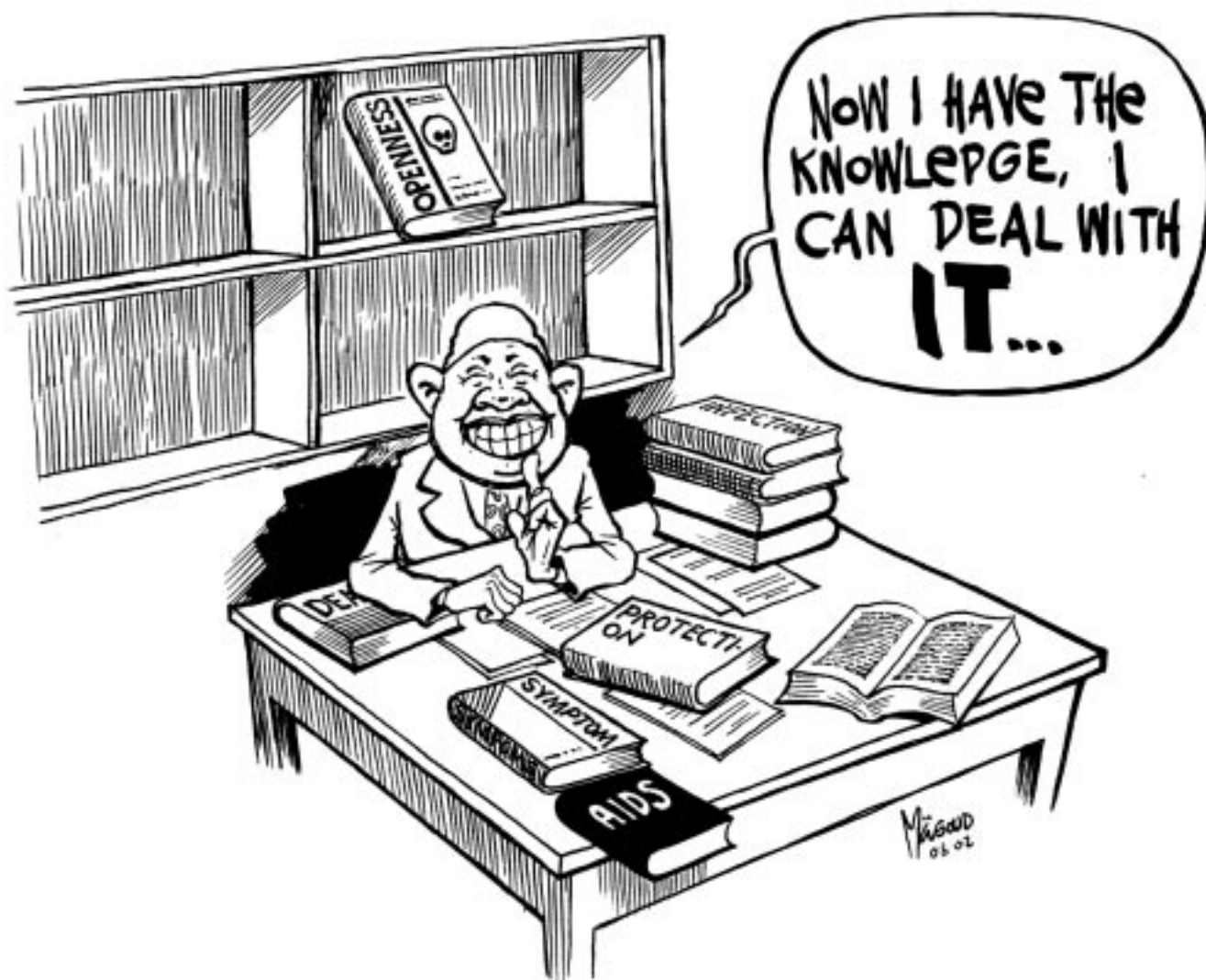


HIV/AIDS

Although HIV/AIDS is included as a problem in the health sector it is also a cross cutting issue because the actions needed to address the epidemic include involving the education sector and community groups and families. The programme will be driven by the following ideas:

- the comprehensive multi-sectoral HIV/AIDS programme will be reviewed
- HIV/AIDS awareness campaigns will call on the support of the top leadership and other leading stakeholders such as NGOs, CBOs etc
- more openness will be encouraged when dealing with HIV/AIDS issues
- the youth will be targeted, especially the females
- more resources will be channelled through the Zanzibar AIDS Control Programme

If 60% of the working population becomes affected by HIV/AIDS, what will happen?



Vulnerability and Safety Nets

The ZPRP will address the particular needs of the old, infirm and disabled who are often highly disadvantaged. The main strategies are as follows:

- conduct research and gather data on vulnerability and use this as the basis for designing a relevant social services programme
- encourage the private sector, peoples' organisations and communities to be more active in overcoming the problems faced by vulnerable individuals and groups
- support the Society for the Disabled in creating an environment which enables people with disabilities to participate in social and economic activities

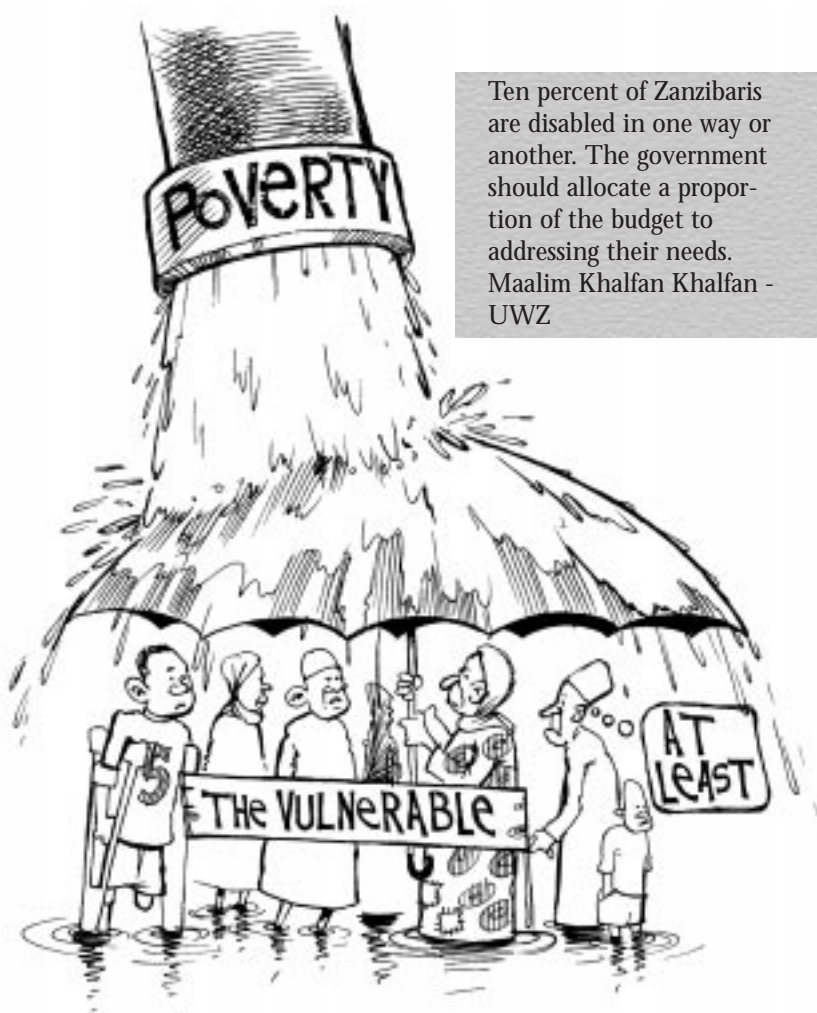
There are many children in need of special protection. Who should protect them?

There is no current database on vulnerable groups. One of the first activities under ZPRP will be to build the capacity for communities and local authorities to identify vulnerable individuals and groups and to design programmes to support them.

Nothing about us without us!

The government recognises the importance of family and community networks as the first line of strategic safety nets in Zanzibar. It will therefore find new ways to support these traditional arrangements rather than replace them. This will include various social funds to support family and community-based safety net programmes.

Special needs are being met through the Maternal and Child Health Programmes, programmes to assist the disabled and the old, and a poor girls' scholarship programme. The government will contribute on a cost sharing basis to locally designed schemes that provide safety nets.



Note 1: How the ZPRP was developed

The present Zanzibar Poverty Reduction Plan is a result of wide ranging consultation with stakeholders in all regions of Zanzibar. It remains a work in progress and full consultation will continue as the plan grows and matures.

The production of the ZPRP was guided by an inter-ministerial technical committee. This included senior officers from the main government Ministries and was chaired by the Principal Secretary of the Ministry of Finance and Economic Affairs (MOFEA). The technical committee supervised the work of the planning team that did the research and wrote the document.

The planning team included staff of MOFEA supported by the UNDP the Economic and Social Research Foundation (ESRF) and Research on Poverty Alleviation (REPOA). In preparing the ZPRP the team reviewed all the policy and plans that had already been written and interviewed key individuals in a range of stakeholder organisations and groups.

The principle of full participation and consultation in the decision making process is enshrined in the ZPRP which must be considered as a dynamic document and not on a 'once and for all' basis for poverty planning, budgeting and programming.
(ZPRP, Jan 2002)

The documents which were consulted included:

- Development Vision 2020 for Zanzibar
- Report of Grassroot Consultation Meetings (GCM)
- Common Country Assessment for Zanzibar (CCA)
- Population Census for Tanzania (1988)
- Household Budget Survey (1991)
- Tanzania Reproductive and Child Health Survey (TRCHS) (1999)
- Demographic and Health Survey (DHS) (1996)
- Various sectoral reviews and reports from Government and other agencies

The stakeholders who were consulted, on both islands, included people in:

- government
- private sector
- political parties
- non government organisations (NGOs)
- civil society organisations (CSO)
- local development committees
- the United Nations Inter-Agency Technical Committee

Draft reports were presented for discussion at workshops in Unguja and Pemba and then at a national workshop in August 2001. The final document was published in January 2002.

Note 2: Improving how money is used

The government will improve the way that it uses money. This will involve developing effective:

- revenue policies
- expenditure policies and
- budget, payment and accounting systems

The measures outlined below should all be put in place within the next year or so. Some will have an immediate or short term impact while others will not begin to take effect until the medium term. When they are all in place the system of financial management should be efficient and effective in moving towards a pro-poor, poverty reduction budget.

Effective revenue policies

Major strategies

- implement the measures outlined in the Zanzibar Financial Administration Bill of 1997
- in collaboration with the Government of Tanzania, finalise and implement a formula for dividing revenue between mainland Tanzania and Zanzibar
- formulate trade, investment and economic policies to revive the clove industry (through private enterprise development and the introduction of market mechanisms)
- promote fiscal and non fiscal incentives for production and small enterprise development on Pemba Island
- harmonise tax rates and tariffs for sugar, kanga, rice, wheat flour and cooking oil

Legal and regulatory measures related to the fiscal regime (tax system)

- review income tax rates and family reliefs so that they apply uniformly on mainland Tanzania and Zanzibar
- review Zanzibar Investment Promotion Agency (ZIPA) and Zanzibar Free Zone Authority (ZAFREZA) legislation so as to improve GOZ budget performance
- rationalise tax exemptions and fiscal incentives so as to promote sustainable economic development and poverty alleviation goals

- develop legislation to govern how local authorities raise, retain and use their own local government revenues

Organisational and administrative measures

- improve key departments under the Ministry of Finance and Economic Affairs in terms of:
 - improving organisation structures, regulations and procedures
 - developing a human resource development policy
 - making wider use of modern technology for collection and control of data
- restructure the Port and Marine Authorities so as to increase their efficiency in revenue collection and in import and export activities
- widen the non-tax revenue base after making a study of licenses and fees
- design systems for co-ordinating revenue collection, allocation, retention and its use at central and local government levels

Measures to ensure political stability and good partnership working

- GOZ to implement the good governance policies outlined in the ZPRP
- GOZ to intensify the ongoing political dialogue between CCM and CUF by way of overcoming the present political impasse
- review the Act of 1978 on grants, loans and guarantees so that GOZ can mobilise external resources in collaboration with GOT
- initiate direct consultations with development partners. (GOZ to request assistance from UNDP and bilateral donors regarding approaches and methods)
- formalise relationships with non government organisations (NGO) and community based organisations (CBO) that are working towards poverty reduction
- design ways of mobilising external financing and channelling development assistance to poverty reduction programmes
- implement monetary and fiscal policies aimed at increasing government credibility (eg by paying internal debts and by ensuring that the Zanzibar Investment Promotion Agency (ZIPA) is not involved with fiscal matters)

Effective Expenditure Policies

The expenditure policies have three main targets:

- to balance the budget in terms of revenue and expenditure
- to make optimal use of such resources as exist
- to ensure that development expenditure is well focussed on poverty reduction activities

The plan is to have the financial management system integrated with the Public Expenditure Review (PER) and Medium Term Expenditure Frameworks (MTEF). This will ensure that the ZPRP is part of an integrated policy, planning and budgeting system which is driven by policy priorities and disciplined by budget realities. The overall goal is to increase the amount of resources being targeted on poverty reduction priority areas.

Measures to optimise the use of recurrent expenditure for poverty reduction goals

- reduce unnecessary public expenditure
- exercise proper control over transport expenses, fuel allowances and 'miscellaneous' items
- implement the Civil Service Reform Programme so as to reduce over employment in the government sector. This will include:
 - manpower management and personnel control
 - right-sizing the civil service at central and local levels
 - implementing pay reform
- enhance cost sharing and promote private sector participation in the provision of public services (water, education and health)
- privatise major parastatal organisations (including making sure that ZSTC operates as a 'corporate entity' charged with improving the clove industry)
- develop a short and medium term framework for paying off the government's domestic debt

Measures to optimise the use of development expenditure for poverty reduction goals

- increase the budget allocation to development expenditure
- expand and improve those development projects that focus on poverty reduction
- design strategies to mobilise external resources for development projects (in collaboration with UNDP and other development partners)

- re-examine the philosophy, justification, organisation and management of the Community Development Projects (CDP) initiatives with a view to integrating them into the ZPRP process.
- design strategies and measures to make sure that development expenditures are well planned and managed. This will include building credible monitoring and evaluation systems into all development projects.

Effective budget, payment and accounting systems

Measures to improve the Budget system

- review the duties and functions of the office of the Commissioner for the Budget and Macroeconomics in the Ministry of Finance and Economic Affairs with a view to increasing the efficiency, effectiveness and transparency of the budgeting process
- design a systematic budget policy and framework
- build the capacity of staff associated with the budget process
- design a system for the control, monitoring and review of all fiscal systems
- continue with the Cash Budget System

Measures to improve the Payment and Accounting systems

- implement measures suggested in previous fiscal studies by the Bank of Tanzania (BOT) and the Government of Zanzibar
- organise the transfer of government accounts from the Peoples Bank of Zanzibar (PBZ) to BOT
- install a transparent, government payment system which is not cumbersome and which does not have double standards. It should include in-built controls against fraud
- design a transparent and flexible mechanism to allow the GOZ to access overdraft facilities from the BOT
- expand and improve the systems and capacity of the offices of the Auditor General and Accountant General.

Note 3: Financing the Plan

In this section we look first at the government's financial and budgeting situation and review recent trends in how the money was spent. This leads to thoughts about how the plan might be costed and funded, and to an outline of the strategy that will be used to finance the plan.

A review of Zanzibar Government Finances

The amount of money collected by the Government has increased from about 14 billion shillings in 1994/95 to about 63 billion shillings in 1999/00. Most of this has come from indirect taxes and especially from import taxes.

This revenue, however, has not kept pace with expenditure. The overall balance (after taking grants in to account) has been negative in all years apart from 1997/98. The gap (the budget deficit) has been filled mainly by borrowing from domestic banks (and thus increasing the national debt).

The government has been working towards the long term policies laid out in the Zanzibar Vision 2020 which are translated into short term policies for each annual budget. The major objectives in the 2000/01 budget, for example, included the following:

- expenditure limited to available resources
- Gross Domestic Product (GDP) growth rate up from 4.5% to 5%
- revenue levels to reach 30% of GDP
- reduction in the national debt
- greater participation of the private sector in the provision of social services

Government Revenue is the government's annual income from which it meets all the public expenses. A large part of the revenue comes from import tax but there is also non-tax revenue from licences and fees and the possibility of loans and grants.

Public Expenditure is what the government spends its money on. The Government very rarely has as much money as it needs and it therefore has to decide how much to spend on different Ministries eg Education OR Health OR Roads. There is also the problem of deciding how much to spend to support issues that cut across several different ministries eg gender, environment etc.

The savings that were thus made were to be used to improve education, health and the environment.

The ZPRP budget frame includes decreasing the recurrent expenditure from 44 to 38% of GDP in 2000/01 and increasing development expenditure from 0.4 to 15.6% of GDP in the same period.

How the Zanzibar budget is made

A budget frame is a planning tool which helps to calculate totals for revenue and expenditure. The problem in Zanzibar is that the revenue comes mainly from import tax and it is not enough to meet all the expenditure needs. There are only two ways to solve this problem - increase government

revenue and/or decrease government expenditure. Neither of these are popular moves and it is therefore useful to review recurrent and development expenditure for two main reasons:

- to make sure that money is being spent in the most appropriate way and on the sectors which can have the most influence on poverty reduction
- to help streamline the public sector, reform the civil service and reduce unnecessary and sometimes wasteful patterns of expenditure

There are two types of expenditure - recurrent and development. Recurrent expenditure includes things like salaries and electricity bills which have to be paid on a regular basis. Development expenditure includes one-off items such as a new bridge or sewerage system. Two major items in recurrent expenditure are personal emoluments (salaries, allowances for staff travel, and general training) and other charges (eg maintenance, utilities, services and supplies).

It is important to make sure that these different kinds of expenditure are well controlled. The following table shows how the recurrent expenditure was framed in 1999/00.

Table: Recurrent Expenditure by category

Category	1999/00 millions of shillings
Personal emoluments	12146
Allowances	9492
Miscellaneous	5114
Subventions	4509
Public Debt	1568
Maintenance	960
Services	897
Seminars and Training	628
Students welfare	201
Office Supplies	143
Total	35658

Notes:

- Personal emoluments and allowances take up 60% of the budget
- Repayment of debt takes up 4.4% of the budget
- Services (ie education, health, water and agriculture) take up only 2.5% of the budget

The changing pattern of government spending

The following table shows how much of the recurrent budget went to the different parts of government in two different financial years:

Table: Recurrent Expenditure by Sectors

Sector	1997/98		1999/00	
	millions of shillings	per cent of total	millions of shillings	per cent of total
Finance & Economy	5750	25	10960	31
Education	4279	18	5425	15
Justice	2625	11	3740	10
Administration	3003	13	3659	10
Others	1506	6	3510	10
Health & Social Welfare	2829	12	2813	8
Agriculture	1518	7	2052	6
Infrastructure	1573	7	1931	5
Public Debt	0	0	1568	4
Total	23083	99	35658	99

Notes:

- The percentage of the budget for both health and education has dropped but it will have to increase under the ZPRP
- The percentage of the budget for agriculture has stayed about the same but it will also have to increase under ZPRP especially those parts that deal with extension and research services
- Justice has remained about 10% since it rose from 7% in 1996/97. This includes the costs of the high court, the attorney general's office, prisons and the anti-smuggling unit. A new Ministry of Constitutional Affairs and Good Governance has been created to improve governance and the administration of justice. This will need extra resources.

Estimating the cost of the plan

A Public Expenditure Review (PER) involves looking very closely at exactly how government ministries and departments spend their money. Amongst other things these reviews can calculate unit costs for a service (eg how much does it cost the government to keep one child in primary school for one year). Until such reviews are made of all the priority sector ministries it is difficult to tell how much money they need and therefore to set detailed priorities.

Trying to calculate the amount of future government revenue (mainly from taxes) is also a difficult exercise. Factors that need to be considered include:

- a review of the past performance of particular types of tax
- the effect of improvements in the tax collection systems
- the strengths and weaknesses of widening the tax base
- developments in the international economy - especially where they affect imports and exports
- the amount of external funding that might be available as grants or loans

Using the above types of information the government will be able to create a Medium Term Expenditure Framework (MTEF) to guide its future activities. But this needs to make allowance for the government not being alone in the fight against poverty. There are other stakeholders.

Working with partners

The government will encourage and support the participation of the private sector, non government organisations and communities in providing essential services. If these civil society organisations take on the role of service providers in particular areas (eg some aspects of Education and Health) then the government will be free to use its limited resources in other priority areas.

There already appears to be a division of roles. The government is the main provider of basic services especially in the rural areas while others are becoming more dominant in providing services at secondary and tertiary levels. If this pattern is seen as acceptable then the government should in future prioritise spending on the basic services and limit itself to providing support and encouragement at the other levels.

Possible external support

Much of the external funding that is presently available (grants, loans and investments) is aimed at relatively short term infrastructure projects such as roads and electricity which are relatively easy to plan, design and evaluate. This is very welcome but (a) it is not enough and (b) it means that there are still shortfalls in funding for social sector projects such as education and health, and for the capacity building measures that would help to overcome the training and governance problems.

Estimated levels of external funding for 2002/03 to 2004/05

Sector	Thousands of dollars
Infrastructure	32620
Water and Power	21020
Health and welfare	9020
Education and skills development	8608
Agriculture and natural resources	4771
Housing	2200
Planning and development capacity	160
TOTAL	78399

There are some areas in the social sector which have to be tackled in the relatively short term so as to encourage more direct small-scale assistance not only from government but also from development NGOs and communities themselves. Various problems in small-holder agriculture, education and health can be tackled through micro-project activities which directly involve members of the communities. It might be possible to attract external support for these kinds of activities.

How the plan will be paid for

The ZPRP lists many areas where work has to be done to reduce poverty. At present there are three main difficulties in carrying out the work

- (a) not enough funding
- (b) not enough absorptive capacity (ie skilled people who are able and willing to do the work) and
- (c) some governance issues.

Much of the finance for the ZPRP will come from local money - both government and private. For this to be possible the government will have to ensure a stable economic environment that has:

- a 6-8% broad-based and widely-shared rate of growth
- inflation reduced from 5% to 4%
- a sustainable current account and fiscal balance

It will then be possible to

- increase the amount of money which the government takes in (revenue)
- spend it strategically and according to the plan (expenditure)
- co-finance poverty reduction initiatives that complement government efforts
- support private sector and community based initiatives



Acknowledgements

This plain language guide to the Zanzibar Poverty Reduction Plan (ZPRP) demonstrates the determination of the Revolutionary Government of Zanzibar to encourage stakeholder participation in policy formulation and design and in the implementation of poverty strategies and programmes.

The ZPRP Popularisation Task Force (ZPRP-PTF) thanks the government for providing the enabling environment for its work and for its encouragement of the participation of civil society organizations in the process. Particular thanks are due for the support, encouragement and moral commitment of the Permanent Secretary of the Ministry of Finance and Economic Affairs, his Deputy, and especially the Commissioner for External Finance. Thanks also to the Association of Non Government Organisations in Zanzibar (ANGOZA) for chairing the task force and providing office space and to the following organizations for providing representatives – Action Aid TZ, CHANGAMOTO, CODE-COZE, Ministry of Finance and External Affairs, NGO-RC, ZAFFIDE, ZAIADA.

Special thanks are due to the team from Hakikazi Catalyst (www.hakikazi.org) for facilitating the popularisation process. This includes Emmanuel Kallonga for co-ordinating and managing the overall process and his technical backup partner George Clark, from the Caledonia Centre for Social Development (www.aledonia.org.uk), for interpreting the document and writing the plain English text. Thanks also to Ally Masoud for the thought provoking cartoons; to Mr Ali Nabwa for the translation into Kiswahili and to the many readers, in government and non government organisations, who commented on and helped to fine tune the English and Kiswahili texts and the cartoons.

Design and Printing:
Colour Print Tanzania Limited

Members of the ZPRP Popularisation Task Force:

Mrs Maryam Abubakar
[Chairperson- PTF]

Mr Said Juma Othman
[Secretary-PTF]

Mrs Farhiya S Omar

Mr Hassan Khamis Juma

Mrs Maimuna O Ali

Mr Omar Jecha

Mrs Fatma Gh Bilal

Mr Hassan M Hassan


Ms Wahida A Salman
[Secretarial Services]

Facilitators

Emmanuel Kallonga
Hakikazi Catalyst

George Clark
Caledonia Centre for Social Development

Production of this guide and its associated dissemination process was funded by the United Nations Development Programme (UNDP).



The most significant departure in recent approaches to poverty reduction is the active encouragement of stakeholder participation in policy formulation, design and in the implementation of poverty strategies and programmes.

The principle is now deeply embedded in the planning process in Tanzania and it is the intention of the ZPRP to strongly support this development in the planning process in Zanzibar.

(ZPRP, Jan 2002)



Contact information:

If you want to comment on this document or find more information please contact:

Ministry of Finance and Economic Affairs
PO Box 1154/874
Zanzibar
Tel: 2231169/74
Fax: 2233107/2232852

OR

ZPRP-PTF
c/o ANGOZA
PO Box 4686
Zanzibar
Tel: (024) 2239325
Tel: 0747 411244
Email: angoza@zitec.org

Physical Location:
Mwanakwerekwe-OICZ/ANGOZA
Behind the police station