

MAIR

MKUKUTA Annual Implementation Report (MAIR) - 2006/07



Cluster One: Growth and Reduction of Income Poverty

Cluster One deals with activities which promote “Growth and Reduction of Income Poverty”. The Broad Outcomes will be that “Broad based and equitable growth is achieved and sustained.”

Goals

- To ensure sound economic management
- To promote sustainable and broad-based growth
- To improve food availability and accessibility
- To reduce income poverty of both men and women in rural areas
- To reduce income poverty of both men and women in urban areas
- To provide reliable and affordable energy to consumers

Key Challenges

To achieve the desired goals, we will have to rise to the following eight challenges:

- Faster economic growth
- Better micro/macro linkages for pro-poor growth
- Better harmonisation of policies
- A wider range of exports
- Better availability of energy
- Improved rural development and agriculture
- Better labour market arrangements
- Better and more sustainable use of natural resources

Lessons Learnt and Way Forward

The way forward involves meeting the challenges that are listed above. Action will be needed in the following key topics:

Agriculture

The Agriculture policy needs to have a double focus. One focus is geared towards small-scale, low productivity farms as part of the poverty reduction

strategy. The other focus is to promote a revitalized commercial agriculture sector. Other ways of increasing agricultural productivity include improving the flow of market information and speeding-up the response of the private sector in using it.

Rural, Non-Farm Activities:

Rural non-farm activities should be scaled-up since these are promising areas for increasing rural employment, especially in the food processing and service sectors. This strategy can work in areas that are better served by roads, electricity and communications.

The critical ingredients for stimulating the development of a vibrant rural, non-farm economy are education levels and basic infrastructure. The government is determined to ensure that these are improved.

Financial Services:

The Government will increase the pace of implementing the second generation financial sector reforms. The sector will therefore continue to support economic growth by providing adequate and affordable financial services.

Energy

There is need to diversify our sources of energy. This can be achieved through promotion of regional cooperation in the energy sector, and through implementation of the Power Sector Master Plan.

Employment:

There is a need to implement the Youth Development Policy, the National Employment Policy, and the National Social Security Policy. These will help to create employment opportunities and an enabling environment for self-employment.

Public Finances:

There should be a strong focus on (a) attaining and sustaining sound financial management and accountability and (b) improving resource mobilization, allocation, and utilization.

Internationally there is a need to focus on economic diplomacy aimed at (a) attracting foreign markets and foreign investors and (b) negotiating for low interest loans and debt cancellation.

Natural Resources and the Environment:

Efforts are needed to:

- Improve governance in the sector
- Scale-up tree planting initiatives
- Enforce revenue collection targets
- Strengthen the Forest Surveillance Unit
- Prevent illegal harvesting

More support is also needed in data collection and analysis regarding the sustainability of the contribution of natural resources to national development.

For more information contact:

Ministry of Finance and Economic Affairs, P.O.Box 9111, Dar es Salaam

Tel: +255 22 2111174, Fax: 21103226

Email: mkukuta@gmail.com; Web: www.povertymonitoring.go.tz