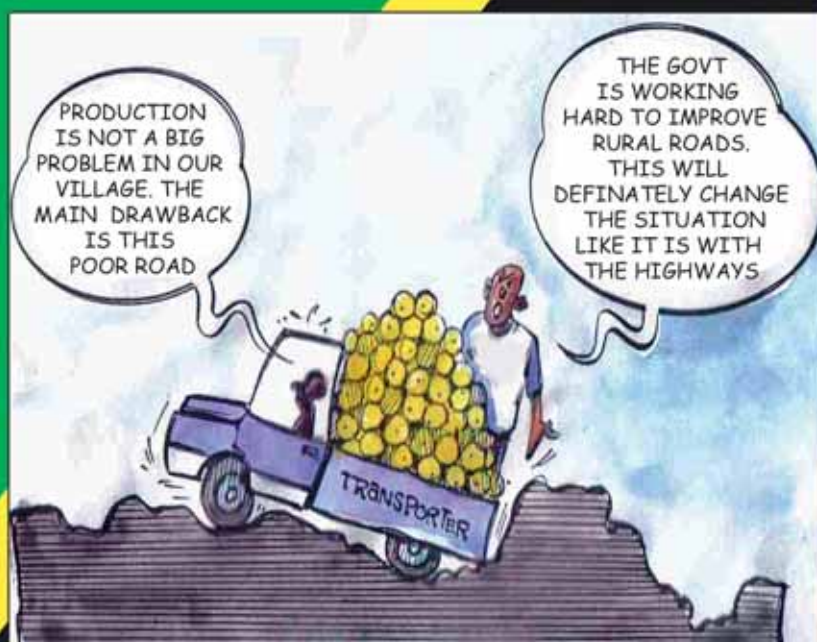


MAIR

MKUKUTA Annual Implementation Report (MAIR) - 2006/07



Summary of Key Issues and the Way Forward

MAIR's recommended way forward focuses on process. It calls for better communication which will allow for more coordinated action. This will justify and encourage a large scaling up of resources to the MKUKUTA strategy.

Better communication involves improved systems of information exchange and dialogue within and between stakeholder groups. It also means more meaningful involvement of Non-State Actors at all stages of the development process.

More coordinated action will follow from better communication. The task is to have all the stakeholders operating according to the MKUKUTA framework for action and budget planning, monitoring and reporting. Regular and well attended cross-cluster and cluster groupings at various geographical levels will facilitate this process. The various computerised data systems will also facilitate the process. A crucial oversight role will be played by the Inter Ministerial Taskforce on Planning, Budgeting and Reporting.

Scaling up of resources will be justified and encouraged by more coordinated and harmonised modes of action. Most Development Partner contributions will gradually find better fit with existing government budget lines. Private sector involvement (particularly through Public Private Partnerships) will be encouraged.

Cluster One: Growth and Poverty Reduction:

- Economic **infrastructure** is probably the most important factor for unleashing higher growth. In scaling up aid, infrastructure investment offers a high absorption capacity.
- There is an urgent need to improve the **agriculture** sector performance and promote more **agro-processing**. This will involve reducing or eliminating financial constraints (e.g credit facilities).
- The recent energy crisis showed how important **energy** is to the achievement of development results. It is important to explore alternative sources of energy - as per goal six of MKUKUTA.

- The progress on **rural roads** is not very encouraging. Efforts to step up resources and implementation should be part of the annual sector dialogue process.
- Recent **exogenous shocks** (drought and high oil prices) have shown that the economy is still vulnerable. Diversification, especially of exports and energy sources, and sufficient food reserves will be critical in building the economy's capacity to withstand and deal with shocks.

Cluster Two: Social Well being and Quality of Life:

- **HIV/AIDS** has undermined the otherwise quite positive results in **health** related indicators. An example is maternal mortality. Despite concerted efforts this has increased from 529 to 578/1000 live births. This poses a challenge. To reverse this trend we need to scale-up existing measures and develop new ones.
- **Abusive interactions** between age groups present an increasing challenge. There is need to scale up interventions to protect and care for vulnerable individuals and groups.
- **Unplanned settlements**, especially in urban centres, have become a threat to the environment. This calls for innovative and fast tracking measures including regularization of unplanned settlements.
- There is an increasing burden on the **elderly** and an increasing number of **orphans** and children from **poor households**. These groups require some kind of **social protection**. The fiscal implication of cash transfer to these groups is huge and there is therefore a need for targeting. We need studies to work out the affordability of social protection measures.
- Future development will depend on there being enough well educated and trained people in different fields particularly in education and health.
- A big challenge here is in paying for the human resource needs for improved social services. This not only demands a sustainable system of taxation, but is also likely to create pressures for higher civil service pay.

Cluster Three: Governance and Accountability:

- The low capacity of Local Government Authorities (LGA) to allocate, manage and account for resources calls for further actions to improve their delivery capacities.
- Auditing functions under the LGA require further strengthening. This is even more important after recent measures to accelerate implementation of the 'Decentralisation by Devolution' policy.
- The posting of information to the notice boards by LGAs has not necessarily led to improved access and use by communities.

Monitoring and Evaluation:

- There is a need to improve the management information systems in Ministries, Departments and Agencies (MDA) and sectors
- All stakeholders need to make concerted efforts to develop coordinated systems for data collection, analysis and use.

MKUKUTA Financing:

- There is a need to align MDA's strategic plans with MKUKUTA so that resource allocation is effectively carried through to the plans.
- The resources to finance MKUKUTA are not enough. This requires (a) Government to increase domestic revenue and (b) Development Partners to scale up and harmonize aid delivery practices.
- There is need for more effective (a) linking of resource allocation to expected results and (b) reporting on the results. This will require further work of streamlining the reporting systems.

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