

Tanzania –Building a Productive Social Safety Net

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Guide to the presentation

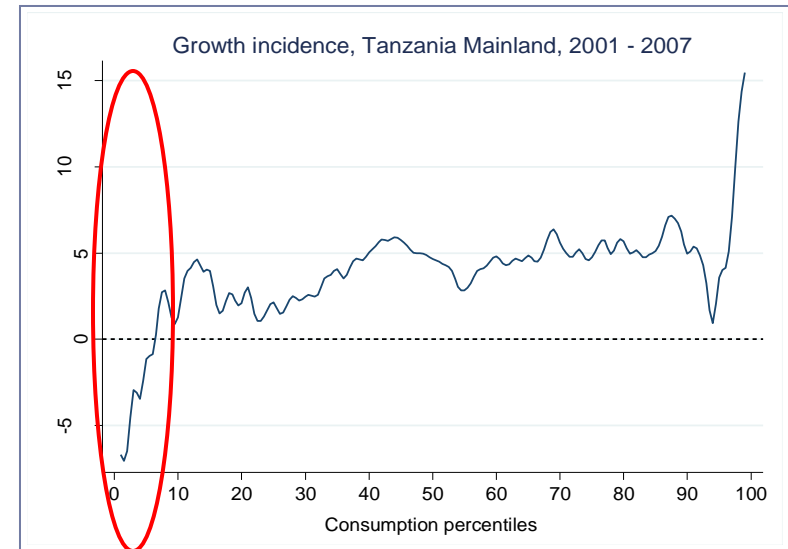
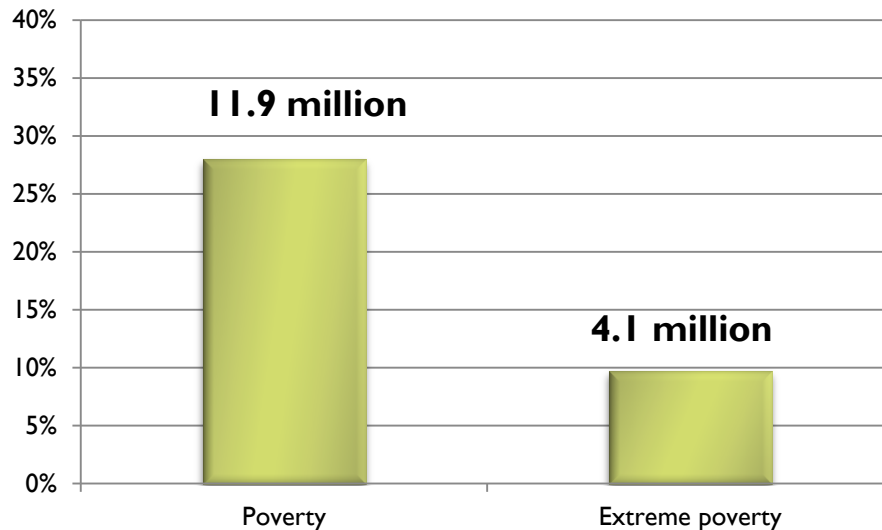
- ▶ Rationale
- ▶ Overall Approach
- ▶ Benefits and Costs
- ▶ Concluding remarks



Why a social safety net in Tanzania?

Good economic growth but poverty still high...

High economic performance (7% GDP annual growth average 2000-2012) but not pro-poor growth...

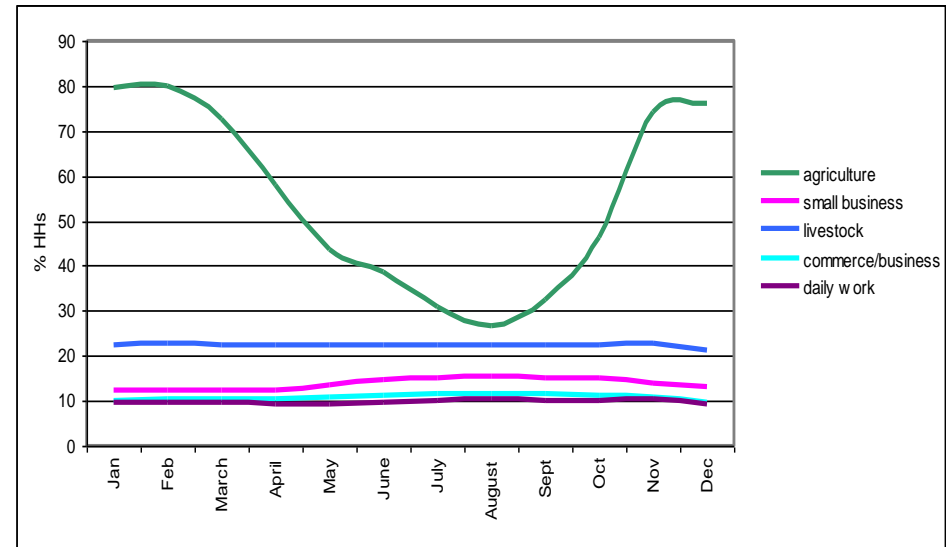


... and poverty remains high

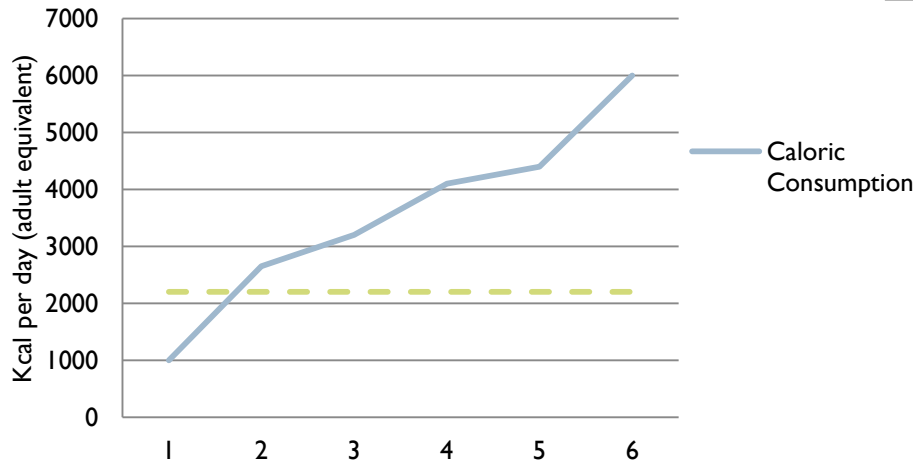
... a significant proportion of the population is still highly vulnerable...

Seasonal shocks deepen chronic poverty and prevent improving wellbeing of the poorest...

Seasonality in labor and livestock activities



Caloric Consumption by Wealth Quintile



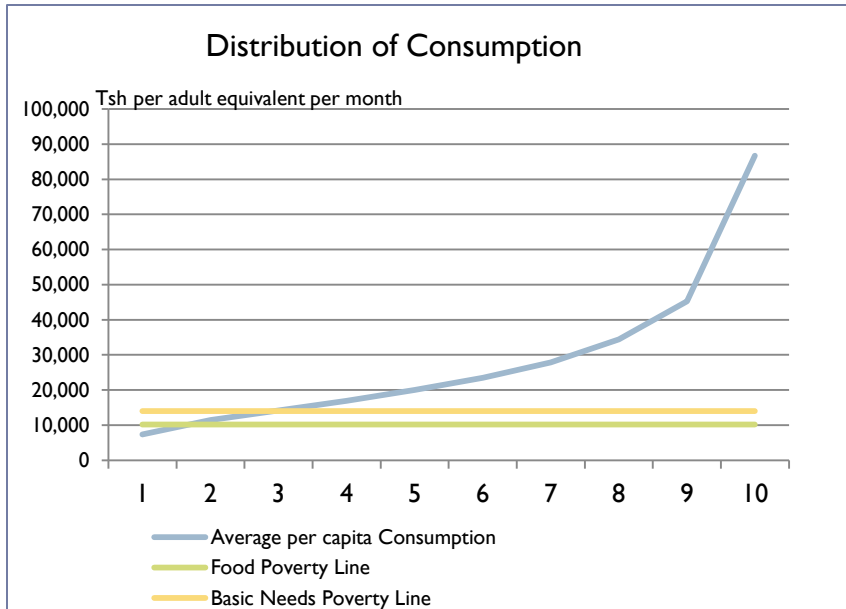
... perpetuating high levels of food insecurity

...and key social indicators remain at unacceptable levels

- Primary school** attendance: <90% (poorest: 40%)
- Secondary school** attendance: <15% (poorest: 60%)
- Stunting**: >40% (poorest: 60%)
- Births attended** by skilled staff: 31% (poorest 20%)
- Under 5 mortality**: >130 per 1,000
- Life expectancy** at birth: 52

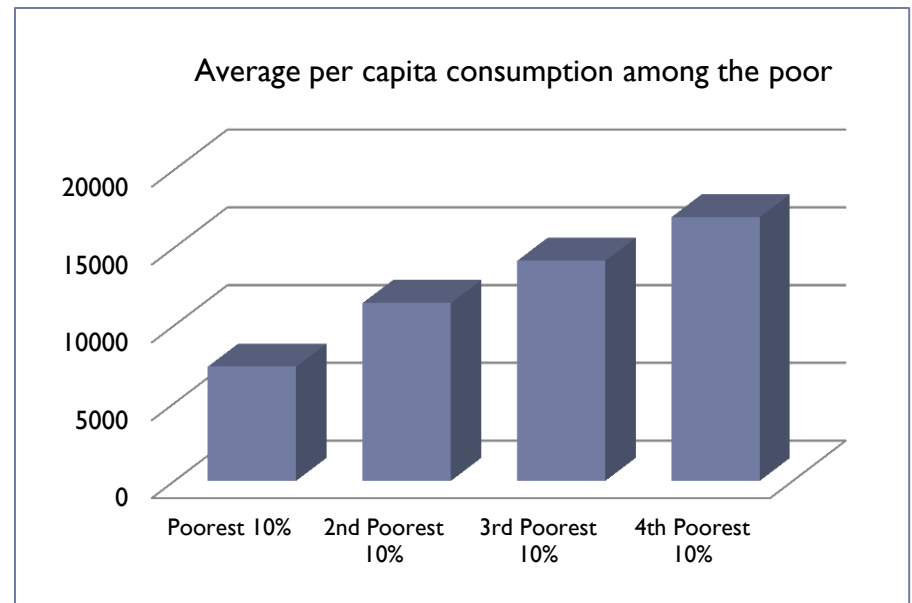


However, not everybody is equally poor



a significant number of people is very close to the poverty line...

... but there are differences among the poor.



Key issues

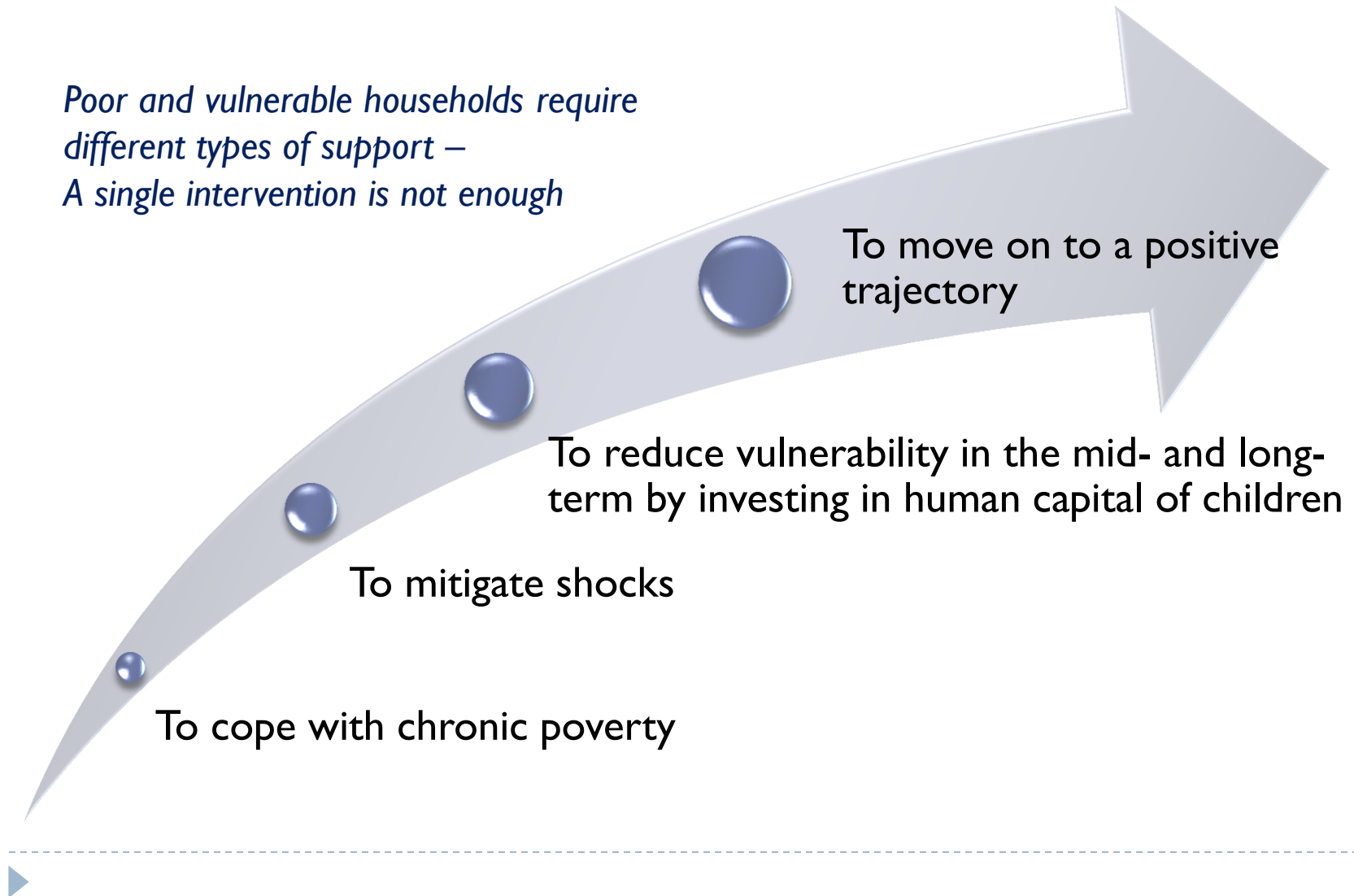
- ▶ Different risks and vulnerabilities
- ▶ A comprehensive approach operating as a system and not as a collection of programs
- ▶ Good targeting (limited budget)
- ▶ Strong operational support



How would a safety net in Tanzania look like?

Need for a productive social safety net system approach

*Poor and vulnerable households require different types of support –
A single intervention is not enough*



To move on to a positive trajectory

To reduce vulnerability in the mid- and long-term by investing in human capital of children

To mitigate shocks

To cope with chronic poverty

Objective of the productive social safety net



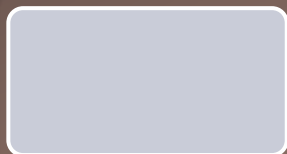
Increasing consumption of extremely poor on a permanent basis



Smoothing consumption during lean seasons and shocks



Investing in human capital



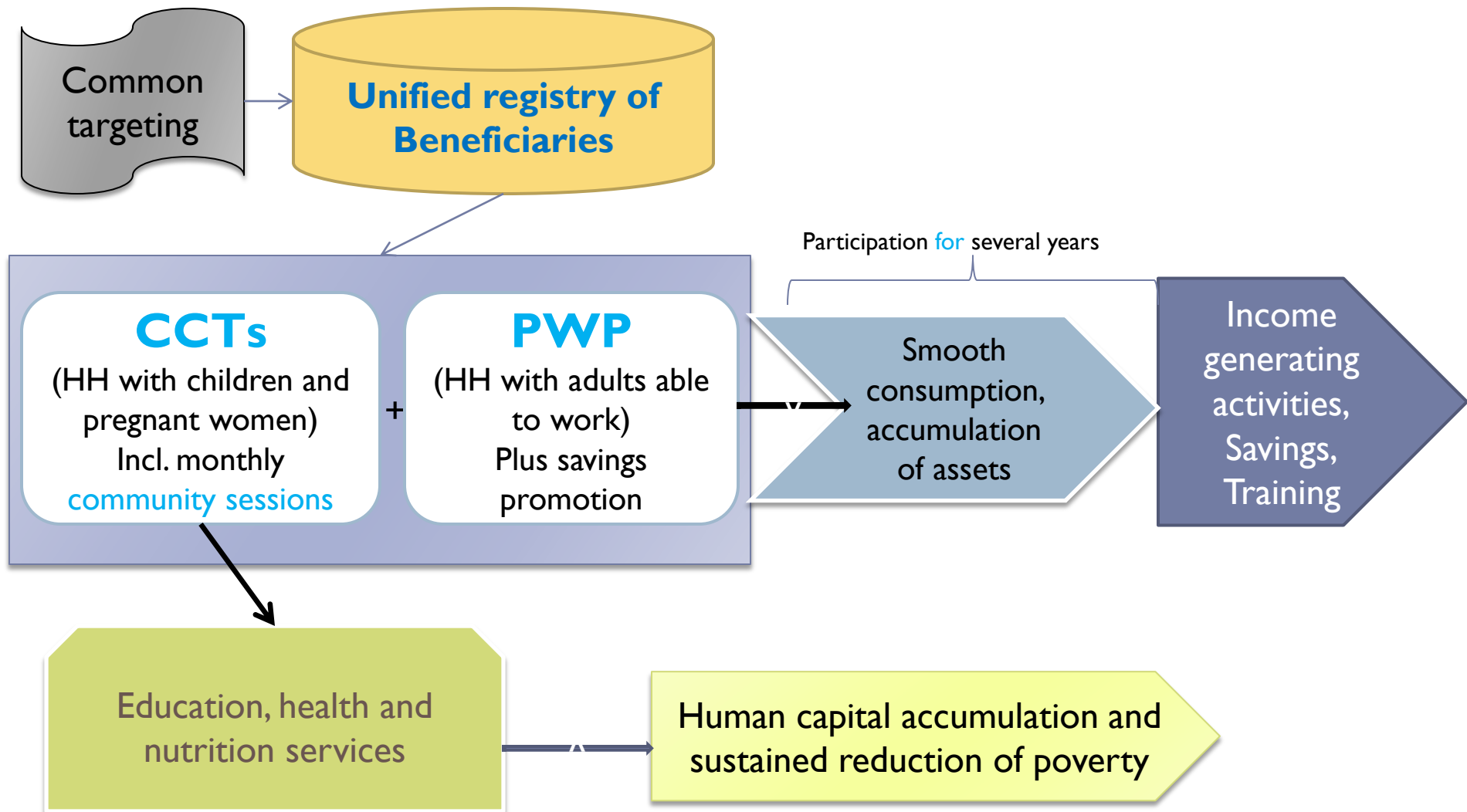
Strengthening links with income generating activities



Increase access to improved social services



A productive social safety net to support the poor and vulnerable in Tanzania



*A family could be beneficiary of both programs

The Tanzania Productive Social Safety Net

- ▶ Provision of **predictable** and **timely** cash transfers through a combination of :
 - ▶ CCTs for poor and vulnerable households (Education, health, nutrition)
 - ▶ Participation in seasonal cash-for-work programs during the lean season and shocks **The same group of households will be beneficiary of both programs**
- ▶ ***Institutional reform***
 - ▶ *At the Social Protection sector level (Coordination, institutional responsibilities, rationalization of SP expenditures)*
 - ▶ *Implementing agency level (from a social fund to a safety nets approach)*
- ▶ **Instruments to support a system approach**
 - ▶ Common targeting process
 - ▶ Single registry of beneficiaries
 - ▶ Comprehensive and integrated MIS
 - ▶ Formal and common payment system



Who will be supported by the social safety net and how much will it cost?

Benefits and beneficiaries

- ▶ Overall goal: Reduce Extreme Poverty by half
- ▶ Target population: Population under the food poverty line and transient extreme poor
 - ▶ 900,000 households (about 5.5 million people)
- ▶ Benefits
 - ▶ From the CCT:
 - ▶ Basic benefit: US\$5 per month
 - ▶ Variable benefit: up to additional US\$5 per month (additional benefit for secondary enrollment)
 - ▶ From the cash-for-work:
 - ▶ US\$1.35 per day for up to 60 days in three months

Participation in the two programs equivalent to about 30-35% of annual households consumption



Expected significant impacts

- ▶ Ex-ante simulations indicate:
 - ▶ Extreme poverty reduction of about 50%
 - ▶ Extreme poverty gap reduction of 40%
- ▶ Impact Evaluation of the CCT shows positive results in health, education, asset diversification and savings
- ▶ The cost once the program to reach the 0.9 million households: <0.6% of the GDP





Concluding Remarks



Main Challenges

- ▶ Moving from a social fund intervention towards a social safety net approach
- ▶ **Capacity at LGA and ward levels** to facilitate scaling up of a community-based approach
- ▶ Ensuring predictable and timely transfers to the targeted groups—adequate operational tools
- ▶ **Constructing and broadening the evidence base to rationalize SP expenditures to ensure sustainability**

