PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: PIDA80

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I. Project Context

Country Context

1. Tanzania has shown a solid economic performance and high growth rates this past decade, but decreases in poverty have been marginal. Economic liberalization, sound macroeconomic policy and an expanding public sector have all contributed to a doubling in economic growth in the last ten years, from 4.1 percent in 1998 to 7.4 percent in 2008. The 2007 comprehensive Household Budget Survey (HBS) noted that while there had been marginal decreases in poverty rates, the actual number of the vulnerable poor below the basic needs poverty line has increased from 11.4 million to 12.9 million during that same period as a result of population growth. As of 2007, the income-poverty in Tanzania stands at very high levels, with 33.6 percent of the population, or 12.9 million persons, living below the basic needs poverty line and 16.6 percent, or 6.4 million people below the food poverty line.

2. The poorest 10 percent of the population did not benefit from economic growth. According to the recent study Tanzania: Poverty, Growth, and Public Transfers (WB 2011), the impact of economic growth on consumption (by income group) has been relatively equal, excluding the highest 10 percent whose consumption rose steadily fast and the lowest 10 percent of the population who became worse off.

3. The poor in Tanzania remain overwhelmingly rural, dependent on agriculture as their primary source of income and living in households with high dependency ratios. 84 percent of the vulnerable poor are rural households, highly dependent on agriculture (74 percent) both for income and food consumption. The average rural household has: a larger household (6.7 members compared to urban households with 5.7 members), a higher proportion of dependents (children under 15 years old and elderly over 61 years), and less adult labor force capacity (further limiting income earning opportunities and exacerbating poverty).

4. Food insecurity remains significantly high, particularly for rural Tanzanian households. Given rural households high dependence on agriculture for both income and food consumption, variations in rainfall and vulnerability to climatic shock mean that income and food availability can vary significantly. In any given year, approximately 2 million Tanzanian households are food insecure and 6 million are at risk of falling into food insecurity. In addition to limited and variable rainfall, rural Tanzanians suffer from: the inexistence of proper markets in rural areas to allow them to sell the extra harvest and/or buy more to offset deficits in their production; poor access to services and variations in soil quality. Food insecurity is also prone to seasonal variance in the supply and demand for food which, coupled with weak markets, leads to significant swings in prices and a drastic reduction in poor households' consumption. Seasonality is also translated into changing demand for labor. During the agricultural slack seasons, off-farm employment does not compensate for the drop in demand for agriculture-work, resulting in a gap of demand and supply for short-term employment during lean seasons.

5. While poverty varies in geographic terms, severe poverty exists everywhere -including the urban areas. In recent years, the number of people living in poverty in urban areas has increased. Approximately 1.8 million vulnerable poor, below the basic needs poverty line, are in urban households. A combination of a rapid rate of urban migration, a poorly performing urban economy, and a rapid expansion of the labor force, has led to rising urban unemployment.

6. Participation and enrolment in primary education remains high, but drops rapidly in secondary schools. Uptake of primary education has improved significantly in recent years, aided by the introduction of free primary schooling. The net enrolment rate now stands at 95.4 percent, and has stood at over 90 percent for 6 years. Enrollment rates are over 90 percent in all except one region. However, only 67.8 percent of children start school at the correct age (7 years old), and the percentage of primary cohort completing Standard VII lies at 62.5 percent representing a significant level of attrition. Although school attendance (not just enrolment) has also improved, almost 1 in 5 pupils are not attending school at any one time. Attendance by the poorest quintile is weakest at both primary and secondary schools, with poor children more likely to start school later and less likely to complete it.

7. Malnutrition remains stubbornly high, with long-term consequences for educational attainment and adult productivity. Poor nutrition in Tanzania, as elsewhere, is a consequence of a combination of inadequate and poor diets, poor caring practices, high disease burdens and poor hygiene and sanitation. Approximately 38 percent of children under five are stunted, with 13 percent severely stunted. Early childhood...
malnutrition has lifetime effects on productivity and well-being. Evidence from Tanzania also shows that improved nutrition increases years of schooling and school outcomes, and can raise long-term productivity (by 5-17 percent) and lifetime earnings (by 12 percent).

8. Tanzania is prone to extreme weather events; these may worsen as a result of climate change. Recurrent droughts in some regions are causing severe livelihood shocks to both pastoralists and farmers, resulting in a need for assistance and causing medium-to-long term damage to peoples’ livelihood strategies. These droughts have greater consequences in rural areas including depleting of community assets and savings and reduced employment opportunities in the wider economy.

9. Environmental degradation and soil erosion is becoming more widespread in recent years. Parts of the country with highly erodible soils, high rainfall and poor vegetative cover (such as Dodoma) have always been linked to high levels of degradation, but in recent years the problem has become more widespread. In the semi-arid interior plains, a vicious circle of lack of protective vegetation cover, over grazing, pressure from other land uses on pastoral lands and severe soil erosion are endangering livelihoods. Mountainous areas with higher rainfall and steeper slopes are at risk of greater and more severe soil erosion. A long history of cropping has depleted natural fertility levels in many areas of the country; reducing productivity and putting greater pressure on marginal lands.

10. The government of the United Republic of Tanzania (URT) is facing the challenge of investing in the food security and human capital of the most vulnerable so that they can take benefit from economic growth. Notwithstanding good economic growth this past decade, the high levels of poverty and food insecurity; poor social indicators, such as malnutrition or completion of basic education, which is condemning the country to the intergenerational circle of poverty, mean that approximately 10 percent of the poorest Tanzanian households (who have not benefited from economic growth) require permanent support. Without this, they will suffer destitution, human capital loss, falling incomes and consumption, and limited access to opportunities, livelihoods and better jobs. Therefore, the Government of Tanzania requires a comprehensive social safety net to provide coordinated support as part of a systemic approach.

II. Sectoral and Institutional Context

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11. The Government of URT has recently launched the Second National Strategy for Growth and reduction of Poverty (NSGRP II) (MKUKUTA/MKUZA II). The NSGRP II participatory process identified actions under the following three clusters: (i) growth for reduction of income poverty; (ii) improvement of quality of life and social well-being; and (iii) governance and accountability. This strategy includes commitments to improving and increasing social protection provision for both the economically active and vulnerable groups through a range of actions including: increasing the number of the vulnerable economically active population reached by social protection interventions in order to enable them to engage effectively in economic activities; and strengthening systems for effective access to minimum social protection package and exemptions and waivers. The Government is also finalizing a draft of a National Social Protection Framework (NSPF) which aims to improve coordination and speed up an implementation of policies on social protection that were designed to improve the lives of the poor and most vulnerable groups in Tanzania (see Annex 8 for a précis).

12. In recent years, the Government has enabled and implemented a number of social protection type interventions. These include:
   (a) A costed plan of action for the National Strategy for Community-Based Care, Support and Protection of Most Vulnerable Children. This incorporates the provision of food support (in cash and in kind), provision of non-food goods and services (in cash and in kind) and the provision of training to caregivers on caretaking skills.
   (b) The WFP supported Food For Asset program which provides targeted food for work in identified food insecure districts.
   (c) Tanzania Social Action Fund’s (TASAF) Food Insecure Sub-projects intervention which provides employment through public works seeks to raise immediate consumption of food insecure households while building community assets which contribute to longer-term socio-economic benefits.

13. In order to maximize the impact of targeted programs on the poor and food-insecure population, different interventions need to be introduced and coordinated. In Tanzania, there are currently a large number of small transfer programs in implementation; many of them very small, fragmented, and with limited beneficiary coverage. According to the comprehensive study on Tanzania’s Poverty, Growth and Public Spending (WB 2011), the existing programs deliver intermittent and inconsistent benefits (at times duplicative); the promotional aspect of transfer programs is not well served; the human capital objective is only reached at a small scale; and the program coverage is patchy, uncoordinated and very limited. With high levels of poverty, a combination of programs needs to be introduced with the aim of increasing consumption and improving the health and nutrition condition of poor households through sustained, year-long transfers; smoothing household consumption during lean seasons and creating community assets; and improving human capital accumulation of poor and vulnerable children.

14. Building on the progress achieved in recent years, the Government in its TASAF III Program Document (2011) has adopted a new approach to providing support to the poor and food insecure in a systematic way. The new approach includes the development and consolidation of a comprehensive safety net that more effectively addresses the needs of the poor and that will be consolidated gradually. The government program will achieve its objectives through the following sets of actions:
   (a) Establishment of a national safety net incorporating transfers linked to participation in public works and adherence to conditionality;
   (b) Support to community driven interventions which enhance livelihoods and increase incomes (through community savings and investments as well as specific livelihood enhancing seed grants to facilitate asset building);
   (c) Targeted infrastructure development (education, health, water) to enable service poor communities to realize the objectives of the safety net and
   (d) Capacity building to ensure adequate program implementation by community, local government authorities, regional and national levels.

15. On the Government of the URT’s request, the World Bank, DFID and the USAID have committed to support the safety nets component of the program and the elements of the capacity building component which support the Government’s Program. The upcoming Bank support is underpinned and linked to other recent and ongoing collaboration explained below:
   (a) Social protection is one of the leading modalities identified by the Government of Tanzania to improve the impact of strong and inclusive economic growth in reducing poverty. The Bank has supported the Government with two phases of the Tanzania Social Action Fund (TASAF) since 2000 (see Box 1). In addition, it has significantly engaged in policy dialogue on social protection, and this program provides an opportunity to operationalize a substantial part of the results of this dialogue.
Development of a safety net system has been a country owned initiative that encourages both harmonization and enhanced coordination amongst government and development partners. In this regard, the World Bank, in response to requests from the Government and in consultation with other partners, has contributed technical assistance to developing options for the required transformation in the sector towards a comprehensive, predictable and Productive Social Safety Net program (PSSN).

Coordination action is already yielding tangible benefits to the URT especially in joint working arrangements that reduce transaction costs to the government leveraging additional financing for the program. DFID has made a commitment to align their support with the World Bank’s to the safety net component of the Government’s Program elaborated in the Government’s TASAF III Program Document. The Government has made a commitment to finance the infrastructure component of TASAF III. The World Bank will continue to lead dialogue with other potential donor partners both prior to and after the launch of TASAF III.

A recent study on poverty, growth and public transfer in Tanzania outlined the future potential and immediate needs with regards to safety nets in Tanzania. The study noted that despite the impressive economic growth in recent years, Tanzania had not achieved the desired accompanying decline in poverty. A large share of the population is clustered around the poverty line; for many of them increasing the returns to their labor – either in agriculture or off-farm, is key to moving out of poverty. Productive safety nets can accelerate poverty-reduction – by protecting immediate consumption while at the same time allowing the poor to participate more actively in the growth process, providing a cushion against shocks, and helping them escape inter-generational poverty traps. The design of the Tanzania Productive Social Safety Net has been informed by the findings of this study.

Finally, preparation of the PSSN has drawn upon global experience in supporting governments to consolidate safety nets, not only in Africa (Ethiopia Productive Safety Net Program (PSNP), Ghana, or Rwanda (Vision 2020 Umurengo Program - VUP) but in other regions, like LAC through conditional cash transfers, in the specific design elements incorporated in the TASAF III Program and therefore to support and make them operational in the Tanzania context.

III. Project Development Objectives

16. The overall objective of the APL series is to increase income and consumption and improve the ability to cope with shocks among targeted vulnerable population groups, while enhancing and protecting the human capital of their children.

17. The specific objective of the first phase of support (APL I) will be to create a comprehensive, efficient, well-targeted productive social safety net system for the poor and vulnerable section of the Tanzanian population. The Project will achieve this goal by assisting the government to enhance capacity to build the institutional and implementation blocks for a permanent and effective social safety net to: (i) increase consumption of poor and vulnerable households and invest in the education, health and nutrition of their children and pregnant women to reduce vulnerability and poverty in the mid- and long-term through the implementation of a conditional cash transfer program; and (ii) smooth consumption of the same group of households during lean seasons by providing a source of income through labor intensive public works, while creating community assets.

18. The Government decided to create a Productive Social Safety Net as part of its Social Protection Framework. The Tanzania PSSN (TPSSN) will support the poorest and the most vulnerable through a series of interventions aimed at (i) protecting households from seasonal and unexpected shocks affecting their income and assets, (ii) providing them with tools to mitigate current poverty and vulnerability, and (iii) promoting them to improve their living standards and get out of food poverty. The ultimate goal of the PSSN is to enable poor and vulnerable households to move on to a positive trajectory. First, by stabilizing food consumption and preventing long-term consequences of extreme poverty; and then, by focusing on enhancing capabilities, assets and livelihoods.

19. At the core of the PSSN is the provision of cash transfers to eligible households. Previous phases of TASAF focused on a range of social fund-related sub-projects, usually through a one-off intervention in selected villages and communities. The PSSN will target households as its primary goal and, depending on their specific situation, will support them through a combined intervention based on cash transfers linked to participation in public works and adherence to co-responsibilities. The safety net will be built and supported by a set of instruments to: (i) select the poorest and register program beneficiaries; (ii) monitor program implementer and measure results; (iii) improve coordination with existing assistance interventions; (iv) gradually incorporate or merge new programs into the PSSN; (v) rationalize the social protection expenditure to minimize overlaps and fill gaps; and (vi) create and strengthen links between the safety net interventions with other programs to support beneficiaries to take the opportunities offered by economic growth.

20. The PSSN will be implemented on the basis of two principles: First, the PSSN will be timely to achieve its objective of smoothing and increasing consumption as well as protecting assets; transfers need to be timed so that households receive income during or before the period of the year they need it most. Second, the PSSN will be predictable so that participating households have the assurance they will receive transfers in predetermined dates. This will allow households to make the best use of transfers, providing them with the security they need to make livelihood investments. Timeliness and Predictability shifts the programs from being an ad-hoc support with short-term impacts on households’ wellbeing to interventions which support households when they need it, thus enabling them to plan.

A. Project Components

21. To achieve the development objectives, the PSSN would support the implementation of the proposed operation based on 2 components:

Component 1 –Consolidation of Integrated Social Safety Net Interventions for extremely poor and food insecure households (Total Cost: US $142.6 million; IDA- US$135.7 million; DFID US$7,000,000)

22. In order to maximize the impact of a social safety net in Tanzania, different interventions will be coordinated to target the extreme poor and food insecure groups. In this framework, the entry point of the social safety net will be based on the implementation and scale up of two complementary interventions: labor intensive public works and cash transfers. Both programs offer complementary benefits for the same group of the population (extremely poor and food insecure) and consequently will be implemented in the same villages and target the same households. The cash transfer intervention is intended to increase the household income on a permanent basis while the public works program seeks to provide a predictable transfer during the lean season to encourage beneficiary families to avoid negative coping decisions, which include selling assets, pulling children out of school and sending children to work. The cash transfer scheme also involves a mid- to long-term element through the introduction of co-responsibilities to encourage beneficiaries to invest in the education and health of their children and pregnant women. The public works also seeks to provide a source of funds for beneficiaries to start accumulating some assets. Therefore, the combined interventions
will offer support to extremely poor families to cope with current low consumption and seasonal shocks, as well as opportunities for a sustained improvement of living conditions.

23. The approach adopted by the PSSN, in which the target group for both interventions (public works and cash transfers) is the same household, requires a common targeting mechanism to select eligible households and a unified registry of beneficiaries. While the PSSN is nationwide, geographical targeting intra-district, and community targeting methods with additional verification tools to minimize inclusion errors (Component 1) will be used to reach the poor.

24. It is expected that the combined intervention will support about 280,000 households (more than 1 million people) during the first phase of the APL series. Preliminary estimates show that no less than 85 percent of the eligible households have both children less than 18 years of age and adults able to work, so they would be eligible to participate in the programs and receive the three modalities of transfers. Households will receive up to three transfers following their selection using a common targeting system: (i) a basic monthly transfer equivalent to US$5 to improve household consumption on an ongoing basis, transferred to all households registered in the program; (ii) a Variable Conditional Transfer for households with eligible members equivalent to up to US$5 per month per household to serve as an incentive for households to invest in the human capital of their children and the health of the pregnant women, which is subject to participants’ compliance with a set of activities; and (iii) a seasonal transfer linked to participation in labor-intensive public works to increase and sustain household assets, and smooth consumption during lean seasons for up to 60 days during a four-month period each year at a daily wage of US$1.35 per day. The final number of households actually receiving the Variable Conditional Transfer (linked to conditionalities) will be determined only when the supply side assessment is completed. This is the assessment to identify access to schools and health facilities as well as the quality of those services.

25. Given that the program will target the poorest segments of the population, it is expected to contribute to poverty reduction significantly. Preliminary estimates indicate that a combined intervention of cash transfers and public works under the above mentioned general framework and programs’ generosity would reduce the poverty headcount (FTG(0)) by around 8 percent and the poverty gap (FTG(1)) by about 15-20 percent as an annual cost equivalent to less than 0.25 percent of the GDP per year once full coverage of the PSSN programs is reached (accounting for targeting errors).

26. The government will scale up the interventions gradually, in the following stages: in 2012-2013 will cover up to 10 LGAs in the first year and up to 30 in the second year; and the second wave of the program will be delivered during the period 2014-2015 in which all LGAs in the country will be supported by the PSSN and the target of 280,000 households will be achieved.

Component 1A – Conditional Cash Transfers

27. The overall objective of the conditional cash transfer intervention is increasing household consumption throughout the year and improving food consumption (quantity and quality of meals) in order to reduce food insecurity and a number of related illnesses, while creating an incentive for extremely poor families to invest in the education and health of their children and pregnant women and prevent chronic malnutrition.

28. The cash transfer program will comprise two benefits. (1) A Basic Transfer (BT) equivalent to US$5 per month per household to be transferred to all eligible registered families; and (2) a Variable Conditional Transfer (VCT) for households with children younger than 18 and/or a pregnant woman equivalent to up to US$5 per households per month. The VCT will be transferred subject to compliance with co-responsibilities by each of the eligible members of the household, as follows:

   a. Education: Annual enrollment of school-age children aged 6-18 in pre-primary, primary and secondary schools (where available) and regular attendance of at least 80 percent of the school days per month.
   b. Maternal and Infant Health: For pregnant women attendance to regular ante-natal checkups, delivery at a health facility or assisted by skilled personnel and a post natal check up according to the country’s health protocol. For children younger than two years, regular check-ups at health services at least once every month including regular growth monitoring and counseling and distribution of micro-nutrients; and for children older than two years but younger than six years check-ups every two months. For all children youn ger than six years the health facility will provide full immunization.
   c. Workshops to reinforce nutrition practices and investment in human capital: At least one parent will attend monthly workshops organized by the program in coordination with the education, health and/or social welfare sectors to promote good nutritional practices, child care, home hygiene, water usage, as well as other topics including the importance of starting education at the right age.

29. As in other conditional cash transfer interventions, bimonthly payments under the PSSN will be authorized on the basis of compliance with co-responsibilities, following a management of benefits to be defined in the Manual of Operation. Transfers will be received by mothers. Beneficiary households with three or less eligible members (e.g., three children less than fourteen years or a pregnant woman and two school-age children) will register all three members in the program. Beneficiary households with register all eligible members in the program (i.e., children younger than 18 and pregnant women).

Component 1B – Labor Intensive Public Works Plus

Public Works Program

30. The objective of the Public Works (PW) Program under the PSSN is to contribute to the overall goal of ensuring timely and predictable transfers to poor and vulnerable households to help them build and maintain household assets, and smooth consumption. A secondary objective of the PW Program is to contribute to an enabling environment for development through creation of community assets. A number of other multiplier benefits are expected from the program that include, but are not limited to, increased incomes and related effective demand in local markets, savings and investment.

31. The beneficiary households, selected through the common targeting mechanism set up to identify all program beneficiary households, will be offered to participate in the labor-intensive public works program provided they have at least one adult able to work. The PW program will offer those households with a guaranteed number of working days (60) per year, with a limit of 15 days per month during each of the 4 months of implementation of PW activities. The same beneficiary households will be able to participate every year. The number of days, combined with the agreed daily wage rate, will provide them a predictable monthly cash transfer, every year during the period of implementation of the PW activity.
32. PW will operate only during certain periods of the year, when labor demand for agricultural activities is at its lowest – and just before and when additional income is most needed. The exact period of implementation of PW in each LGA will be determined at the LGA level, depending on the particularities of each LGA.

33. Participants to the PW program will work at a daily wage rate of US$1.35 per day in the initial phase of the program (this rate may be revised over the course of implementation to take into account increases in prices of the food basket and basic needs). This rate, which is lower than the average market rate for unskilled labor, will provide a certain degree of self-targeting. It is expected that only those participants with no other more attractive livelihood alternatives or employment opportunities will be willing to participate in the PW program.

34. In order to maximize the number of households that can benefit from the transfers the wage part of PW funding will represent a minimum of 75 percent of the Labor-intensive PW budget allocated for each LGA per year. This allocated budget per LGA, combined with the agreed daily rate and agreed number of days to be worked, will allow for a pre-determined number of households to participate in the PW program in each selected LGA. The 75 percent labor-intensity will be an average per LGA, as certain activities may use slightly more materials than others and will be compensated by others that will be more labor-intensive. The other 25 percent of PW budget allocation will be used towards financing administrative costs including technical supervision and monitoring and capital inputs. Financing for these costs will be transferred before the beginning of the public works activities to ensure that tools and materials are procured in a timely manner.

35. In addition to the criteria related to labor-intensity, PW activities will have to meet a number of criteria, such as addressing public goods and services, and meeting social and environmental safeguards requirements. A technical manual of labor-intensive activities will be developed before the start of the project and will propose a menu of possible activities to be financed by the project. This menu will guide the community planning and identification of PW subprojects at the local level. It may expand after the first year of implementation, depending on the evaluation of the first cycle of PW activities. It is expected that program will focus on small agricultural assets rehabilitation (such as small irrigation schemes), soil and water conservation, environmental and natural resources management activities, and small rural access roads. The technical PW manual will explore the range of activities to be funded and will include technical design, work productivity norms, social and environmental mitigations measures etc.

36. The Community Savings Promotion (COMSP) will complement PW activities of the program. The sub-component will focus on mobilization of savings through a group savings methodology. Activities to be financed will include community mobilization for savings, community groups institutional building, record keeping and technology based innovations (for example, using ICT where possible and provision of well designed savings massages to communities on a regular basis using mobile technology). The groups will be linked to legally-constituted financial institutions (FIs) to ensure that the poor operate in a viable and sustainable savings framework. In order to deduce evidence on the impact of this intervention, rigorous impact evaluation will be part and parcel of the sub-component implementation. For the experience obtained through implementing Community Savings and Investment Program (COMSIP) under TASAF II, see Box 1.

37. The objective of this component is to: (i) support the Government of URT in the process of institutionalizing the PSSN as part of the National Social Protection Framework; (ii) support TASAF to start the implementation of the PSSN under the current structure and gradually move towards permanent institutional arrangements; and (iii) support program management and monitoring and evaluation of the PSSN. The component will finance activities at national, district, and community levels aimed at improving accountability and transparency in the use of Project resources. It will have two sub-components:

Sub-component 2A – Institutional and Implementation Strengthening of the PSSN

38. The objective of this sub-component is to support TASAF and other implementing entities such as the department of Social Welfare in carrying out the required operational reform to effectively implement the PSSN. Given the shifted focus of the PSSN compared with the achievements and performance of TASAF under the previous two phases, there is need to provide ongoing support and assistance. The proposed operation will provide financial and technical assistance to implement activities including the following: (i) operational reforms and institutional strengthening that TASAF may require to improve efficiency in the implementation and monitoring of the PSSN; (ii) program management including procurement, financial management, supervision of operations including safeguards and human resource management; (iii) capacity building through training and technical assistance, advisory services, study tours and operational trips; (iv) use of ICT in support of Component 1A and 1B; (vi) research and development; and (vii) overall project development communication including IEC.

39. The proposed project will support the institutionalization of the PSSN in the context of the National Social Protection Framework through two sets of activities:

Institutional strengthening of TASAF, for both implementing the PSSN and becoming a key actor within the new NSPF through four sets of activities that were identified as key factors in TASAF’s new role:

(a) Integrating social intervention strategies for beneficiary communities that combine different social protection programs and initiatives in the same community.

(b) The managing model of these integrated social intervention strategies at the national, regional and local levels (Local Government Authority – LGA), in order to harmonize the coordination schemes that each program encourages at different levels.

(c) Training and technical assistance to enhance capacity for the institutional staff. Under this component, training and technical assistance resources will be shared with key actors of the partner institutions in the implementation of the new social protection framework.

(d) Strengthening the process of internal coordination within TASAF: (i) by adjusting its management tools; (ii) restructuring TASAF internal organization at national and sub-national levels; and (iii) enhancing the TASAF institutional leadership role that is expected for
implementing both the PSSN and the NSPF.

Institutional support to other actors involved in the decision-making and implementation of SP programs will include:

The set of activities included in this sub-component will help the Government of Tanzania to increase the effectiveness of its social protection spending by helping enhance its capacity to (1) plan programs and policies, (2) inform budgetary allocation, (3) coordinate program design and implementation, (4) monitor program implementation and progress, and (5) evaluate the impact of specific interventions. Through this component, the project will support activities to strengthen the overall government institutional arrangements for social policy in its role of steward of social protection through the following activities:

(a) Strengthening Government capacity for improved policy and decision making, coordination, and monitoring in the social sectors. This set of activities will finance technical assistance, advisory services, and training to enhance government’s capacity to develop effective institutional arrangements for policy-making and coordination, generate the knowledge and tools required for informed and coordinated decision making, and foster greater governance and transparency in the social sectors.

(b) Enhancing Government capacity for knowledge generation for informed policy making. This subcomponent intends to finance activities of knowledge generation which will provide an information basis for coherent and coordinated decision-making and for greater effectiveness of social spending. Among others, such activities include the analysis of public spending and services in the social protection sector, the analysis of living conditions and access to services, as well as impact, and institutional assessment of selected social programs.

(c) This sub-component will also include diagnostic activities about local service provision to support beneficiary families and encourage their demand for social services.

Component 2B – Development of systems for implementation of social safety net intervention

40. To support the implementation of the social safety net interventions (Public Works and Targeted Cash Transfers), the proposed operation will provide assistance to develop and finance a set of instruments and systems that need to be in place before or during the initial stages of both programs. Specifically, the proposed project will support the following activities:

(a) A unified Registry of Beneficiaries of Social Programs (URB). Beneficiaries of the social safety net interventions will be registered in a URB and selected through a single targeting scheme.

(b) Management Information Systems. The APL I operation will provide support to strengthen, complement and integrate current information systems operated by TASAF.

(c) Information Education and Communication Campaigns (IEC). Even though TASAF has gained much experience regarding CCTs and public works, the full implementation of the PSSN requires a different approach compared with the current intervention system of TASAF. Therefore, as the international experience shows, both Programs will be accompanied by comprehensive IEC strategies at national, regional, LGA and community levels.

(d) Supply side assessments. These will be undertaken to determine the specific co-responsibilities that will be enforced in each village and inform TASAF and the education, health and nutrition sectors on where social infrastructure and service provision needs to be updated.

(e) Strengthening operational capacity of TASAF and CMCs. The implementation of the PSSN and the scale up of a cash-for-work and a conditional cash transfer require significant capacity enhancement.

Component 2C – Development and strengthening of the M&E systems

41. The PSSN M&E system will transform data collection, processing and information management into an integrated data system to facilitate the operation of PSSN components (CT, PW and COMSP) through the entire cycle, across all levels of government (CMU, Regional, and Local Government Authorities). To implement the M&E system, the project will finance consultant and non-consultant services, IT equipment, goods and operational costs to carry out the following activities:

(a) A comprehensive impact evaluation based on a baseline and at least two follow up surveys contracted with a recognized international firm.

(b) Regular process evaluations to assess program’s operations. These evaluations will be carried out for both CT and PW interventions, the first one after one year of expansion.

(c) Beneficiary surveys and qualitative evaluation. The program will hire firms to run two beneficiary surveys and focus groups to gather beneficiary perception on the program.

(d) Design and test grievance mechanism and enhance program accountability mechanisms

(e) Field-based sampling verifications (spot checks) to assess whether program is being implemented as planned.

(f) Audits. Regular audits including financial and technical

Activities funded by Government and other donors (Total Cost: US$31.5million; Government of URT US$26.0 million; Spain US$5.5 million)

42. An agreement had been reached during the preparation of the PSSN that construction of health and education infrastructure for closing service gaps will be funded by part of the Government’s resources and other development partners’. It is anticipated that there will be other donors coming in at a later stage who might be interested to fund such infrastructure. The aim is to provide support to communities who need such public infrastructure to have better access to improved basic services in education and health so the children can attend school; and enable pregnant women, the elderly, and children attend clinics. In this regard, the infrastructure support will be directly linked to Subcomponent 1 A. The infrastructure to be supported will include: teachers’ houses, classrooms, sanitation facilities, basic solar systems for lighting, connections to the national electricity grid where feasible and furniture. Sector norms and standards will always determine the list and service packages.

However, following the experience of TASAF II, the subproject ceiling will be US$40,000, which is sufficient to provide functional infrastructure. To date the government has made available US$30 million for this intervention.

43. The Government of Spain will support infrastructure as in teachers’ houses, water and capacity building for the district level staff and community management committees in five districts. Annex 12 has the details.
USAID will support a government-led program that aims at building a national social protection system. USAID will make available US $450,000 for the first year and US$450,000 for the second year of the first phase as support towards national systems development and strengthening of psychosocial support to Most Vulnerable Children program.

III. Project Development Objectives

The Project Development Objective of APL Phase 1 is to create a comprehensive, efficient, well-targeted productive social safety net system for the poor and vulnerable section of the Tanzanian population.

IV. Project Description

Component Name
Component 1 # Consolidation of Integrated Social Safety Net Interventions for extremely poor and food insecure groups (Total Cost: US$229 million; IDA-US$151 million)
Component 2 # Institutional Strengthening (Total Cost: US$67 million; IDA US$64 million; USAID US$750,000)

Contingencies (Unallocated)

V. Financing (in USD Million)

<table>
<thead>
<tr>
<th>For Loans/Credits/Others</th>
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<td>(IDA)</td>
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<td>UK British Department for International</td>
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<td>Development (DFID)</td>
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<td>Total</td>
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</tbody>
</table>

VI. Implementation

44. The project will be implemented in 5 years. During the first year after effectiveness the project will emphasize on enhancing government capacity and consolidating the institutional building blocks of a social safety net as a system through component 2. Therefore, during the first year it is expected that expansion of coverage of the PSSN program (cash transfers and public works) will be modest (less than 5 percent). Full expansion will start during the second year of implementation after the project reaches the following key milestones:

(a) TASAF has adopted the adequate administrative structure at central level, and will have hired adequate staff (in quality and quantity) and the main tools to implement the program have been developed and are in operation (URB, MIS and necessary IT equipment).
(b) Payment mechanisms have been assessed and a decision has been taken regarding the payment system that will be adopted in each of the LGAs, which will be acceptable to IDA.
(c) The implementation plan and the technical manuals have been fully developed and are acceptable to IDA.

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(c) The implementation plan and the technical manuals have been fully developed and are acceptable to IDA.

46. The government will scale up the program according to the roll-out plan to reach all LGAs by the fifth year of implementation. As explained in annex 2 from the second year the government will incorporate a number of LGAs to the PSSN each year until all LGAs are reached. Actual implementation of the cash transfer and the public works programs in each LGA will be subject to compliance with the following activities:

(i) Signing of the MOU; (ii) a payment agent acceptable to the Bank has been contracted; (iii) the LGA TA officer has been hired; and (iv) the supply side assessment has been finalized and the co-responsibilities by village have been defined.

B. Institutional and Implementation Arrangements

47. TASAF institutional and implementation arrangements will build on progress made in TASAF I and II with regards to operating within existing Government structures and under the direction of the Decentralization by Devolution Policy. At National level, the National Social Protection Framework set by the Government of Tanzania mandates TASAF as one of the lead agencies for operationalizing social protection, while at Regional, Zanzibar and LGA level existing Government entities will provide the main program staffing. The governance structure of the program will be enhanced through: activities to increase understanding of the program by stakeholders, including beneficiaries; a strengthened grievance procedure; strong community participation; a robust system for managing payments and; a rolling training program to ensure effective implementation (see Annex 8 for further details).

48. At the national level, TASAF will be under the President’s Office with oversight vested in the National Steering Committee (NSC). Members of the NSC will be drawn from the public and private sectors and will take into account the sector ministries that have a safety net mandate (see Annex 3 for details). The NSC is responsible for setting policy, clearing the annual work plans and budgets, as well as reviewing the progress reports and monitoring the impacts of the PSSN activities. As explained in annex 2, TASAF will be administratively restructured to ensure that the day-to-day operation including the PSSN is carried out in accordance with Operational Manual; and is answerable to the NSC. Sector Experts Teams (one for the mainland and one for Zanzibar) will be drawn from relevant line ministries and composed to technically support and coordinate relevant program activities. The existing Social Protection Thematic Working Group (SPWG) will continue to meet regularly on the broad range of social protection issues and programs in Tanzania. Development partners of TASAF III and their Government counterparts will form a sub-committee of this working group to facilitate regular oversight of the program.

49. At the regional level (on the mainland), the Regional Administrative Secretary (RAS) will appoint a TASAF focal person from among the Regional Secretariat staff to liaise with LGA Directors in the respective region and get and consolidate implementation progress reports from LGAs. The RAS will strengthen accountability by reviewing trends in PSSN funded activities.

50. At the LGA level (on the mainland) the program will be managed by the District Executive Director who will sign a Memorandum of
is key to contributing to sustainability of project impacts. The Government has established a single monitoring and evaluation system for the NSGRP II for both Tanzania Mainland and Zanzibar. The PSSN is linked to the national monitoring system. The primary data will be collected by the Village Council, with technical assistance from the extension workers at the Ward and LGA levels, as well as the specialized non-governmental organizations working in the LGA areas. Data will be consolidated at the LGA for analysis and sharing with the regional and national level for further aggregation and dissemination.

52. At the village level, the existing Village Council and Assembly will play key roles in program oversight with a number of specially constituted community committees playing key operational roles. The basic and conditional cash transfer component will be managed by a Community Cash Transfer Management Committee (CCTMC) who will also have responsibility for conducting the initial household identification process as part of the program targeting. Public Works implementation will be managed by a Community Public Works Management Committee (CPWMC) which will be selected by the public works beneficiaries from amongst their number.

Results Monitoring and Evaluation

53. The Government has established a single monitoring and evaluation system for the NSGRP II for both Tanzania Mainland and Zanzibar. The PSSN is linked to the national monitoring system. The primary data will be collected by the Village Council, with technical assistance from the extension workers at the Ward and LGA levels, as well as the specialized non-governmental organizations working in the LGA areas. Data will be consolidated at the LGA for analysis and sharing with the regional and national level for further aggregation and dissemination.

54. The data analysis will be done at two levels, first at the LGA level and at the National level. At the LGA level all data will be captured into a simple computerized MIS at the district level. The necessary computing capacities and the technical know-how will be strengthened through the capacity building program under the LGSP II complemented by the PSSN. However, a village level paper-based system will be strengthened by the Institutional Support Component. Regular monitoring of data will be augmented by data from other sources such as process monitoring that will inform if the activities are happening at the expected standard time.

55. Given the size of the project and the innovative character of the combined intervention, it is necessary to carry out continuous assessments (quantitative/qualitative surveys and sport checks), process evaluation and household impact evaluations to track project progress, inform further scale up, calibrate its processes, know beneficiary perception and feedback, and measure outcomes and results. With these objectives, the proposed project will finance the following activities: (i) A rigorous independent impact evaluation of the combined safety net intervention (public works plus and cash transfers); (ii) regular process evaluations, (iii) beneficiary assessments; (iv) transparency and accountability assessments, including Community Score Cards and Citizen Report Cards, social audits and controls, feedback tools from beneficiaries and civil society; and (v) financial and technical audits (internal audits and independent audits). The main monitoring and evaluation activities are:

(a) Independent technical audits will be undertaken to ascertain the quality of the works, the management of the transfers and the overall financial management and procurement in the program.

(b) Independentstudies and reviews to assess progress towards achievement of the planned outputs.

(c) Impact evaluation using randomized strategy will be commissioned at project inception with the purpose of informing the stakeholders if the intended impacts have been realized, over a 36 months period based on the villages selected for the first year of program implementation. (A baseline survey will be conducted at the beginning of the program, and follow up surveys after 18 and 36 months).

(d) Community score cards, citizen report card exercises and reporting by mobile phones in order to empower communities to exact accountability from the district level staff.

56. Extra costs will be incurred to purchase vehicles, computers, internet connection and to cover training and training materials for National, Regional, LGA, Ward and Village level staff needed to support the PSSN activities.

Sustainability

57. Sustainability has been built into the design of the program in the following ways:

58. Financial sustainability: Funding of the project has been structured in such a way that the government will provide substantial amounts to demonstrate political will and commitment, with the understanding that the government’s contribution will grow and compensate for reductions in development partners’ support. The government has already pledged US$30 million for the first phase of the project, and a commitment to increase financing to social protection is a condition for effectiveness for phase II. The challenge will be for all the donors and the Government honoring their pledges in a timely manner.

59. Sustainability of Systems and Institutions. TASAF will be strengthened through an administrative restructure to ensure adequate management and operation of the PSSN in the mid- and long term, and the adequate institutional arrangements will be also enforced by government regulation and norms. Day-to day program implementation will continue to be the responsibility of the LGA administration, or its equivalent in Zanzibar, in accordance with the Government’s decentralization policy. The Program will equip this administration through capacity building and the appropriate tools and systems to implement the program effectively. These include the URB (which is expected to be a resource for other social protection actors, including the MVC program), the MIS, and the revisions to the payment mechanism (which will move responsibility for making transfer payments to companies and institutions that already have that capacity, and away from temporary community committees). Communities will continue to play a key role in the management and monitoring of interventions engendering their ownership which is key to contributing to sustainability of project impacts.
Sustainability of Impacts at Household Level. Interventions covered by this project, will not by themselves result in significant levels of graduation out of poverty but should enable benefitting households to take advantage of other opportunities, reverse any decline in livelihoods and move on a positive trajectory. Furthermore, this program actively supports households to invest in the future; through investments in health and education for children (through the variable conditional transfer); investment in labor intensive public works (through public works component) and savings (through the community savings promotion sub-component). The results of these investments will continue to have positive impacts on households and their communities after they exit the program.

VII. Safeguard Policies (including public consultation)

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<th>Safeguard Policies Triggered by the Project</th>
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<td>Projects in Disputed Areas OP/BP 7.60</td>
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</tbody>
</table>

VIII. Contact point

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