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Report No: PAD3139

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 323.7 MILLION  
(US\$450.0 MILLION EQUIVALENT)

TO THE

UNITED REPUBLIC OF TANZANIA

FOR THE

PRODUCTIVE SOCIAL SAFETY NET PROJECT II

August 16, 2019

Social Protection & Jobs Global Practice  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective June 30, 2019)

Currency Unit = Tanzania Shilling

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TZS 2298 = US\$1

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US\$1= SDR 0.71931579

## FISCAL YEAR

July 1 - June 30

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ABBREVIATIONS AND ACRONYMS

APA	Alternative Procurement Arrangement
AWPB	Annual Work Plan and Budget
BCT	Budget Literacy Training
CCT	Conditional Cash Transfer
CD	Country Director
CE	Citizens Engagement
CECA	Citizens Engagement, Communication and Advocacy
CERC	Contingency Emergency Response Component
CHW	Community Health Workers
CMC	Community Management Committee
COMSIP	Community Saving and Investment Group
CPF	Country Partnership Framework
CPI	Consumer Price Index
CRC	Citizens Report Card
CSC	Community Score Card
CT	Cash Transfer
DA	Designated Account
DFID	United Kingdom Department for International Development
DLIs	Disbursement Linked Indicators
DPs	Development Partners
ECD	Early Childhood Development
EHSGs	Environmental Health Safety Guidelines
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
FI	Financial Institution
FM	Financial Management
FTA	Financial Transparency and Accountability
FY	Fiscal Year
FYDP	Five Year Development Plan
GBV	Gender Based Violence
GDP	Gross Domestic Product
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HCT	Human Capital Transfer
HD	Human Development
IAG	Internal Auditor General
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
ICT	Information Communication Technology
IE	Impact Evaluation
IFC	International Financial Cooperation
IFMIS	Integrated Financial Management System
IFR	Interim Financial Report
ILFS	Integrated Labour Force Survey

IPF	Investment Program Financing
ISP	Implementation Support Plan
LE	Livelihoods Enhancement
LGA	Local Government Authority
LIPW	Labor Intensive Public Works
LMP	Labor Management Procedure
M&E	Monitoring and Evaluation
MAP	Multi-phase Programmatic Approach
MIS	Management Information System
MoFP	Ministry of Finance and Planning
MSME	Micro Small and Medium Enterprises
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review
NBS	National Bureau of Statistics
NCB	National Competitive Bidding
NCCS	National Climate Change Strategy
NEC	National Electoral Commission
NIDA	National Identification Authority
NIN	National ID Number
NOCP	National Open Competitive Biding
NPF	New Procurement Framework
NPP	National Procurement Procedure
NSC	National Steering Committee
NSPP	National Social Protection Policy
NSR	National Social Registry
OCGS	Office Chief Government Statistician - Zanzibar
PAA	Project Area Authority
PDO	Project Development Objective
PPA	Public Procurement Act
PP	Procurement Plan
PPRA	Public Procurement Regulatory Agency
PPSD	Project Procurement Strategy for Development
PRAMS	Procurement Risk Assessment & Management System
PSSN	Productive Social Safety Net
PW	Public Works
PWD	People with Disability
RA	Regional Administration
RAS	Regional Administration Secretariat
RCT	Randomized Control Trial
RPF	Resettlement Policy Framework
RVP	Regional Vice President
SA	Social Accountability
SCD	Strategic Country Diagnostics
SDR	Special Drawing Rights
SEP	Stakeholder Engagement Plan
SET	Sector Expert Team

Sida	Swedish International Development Cooperation Agency
SOP	Series of Projects
SPD	Standard Procurement Document
SVPO	Second Vice President Office
STEP	Systematic Tracking of Exchange in Procurement
SWC	Soil and Water Conservation
TASAF	Tanzania Social Action Fund
TDHS	Tanzania Demographic Household Survey
THBS	Tanzania Household Budget survey
TMU	TASAF Management Unit
TOR	Terms of Reference
TWG	Technical Working Groups
TZS	Tanzania Shilling
URB	Unified Registry of Beneficiaries
URT	United Republic of Tanzania
USAID	United States Agency for International Development
UNDP	United Nations Development Fund
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
VGPF	Vulnerable Group Planning Framework
ZHBS	Zanzibar Household Budget Survey

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DATASHEET

**BASIC INFORMATION**

Country(ies)	Project Name	
Tanzania	Tanzania Productive Social Safety Net Project II	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P169165	Investment Project Financing	Substantial

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

Expected Approval Date	Expected Closing Date
12-Sep-2019	30-Sep-2023

Bank/IFC Collaboration

No

**Proposed Development Objective(s)**

To improve access to income-earning opportunities and socio-economic services for targeted poor households while enhancing and protecting the human capital of their children.

**Components**

Component Name	Cost (US\$, millions)
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Productive Household Support (Benefits and Services)	731.90
Strengthening Institutional Capacity and Integrated Delivery Systems	151.40

**Organizations**

Borrower:	United Republic of Tanzania
Implementing Agency:	Tanzania Social Action Fund

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	883.31
<b>Total Financing</b>	633.80
<b>of which IBRD/IDA</b>	450.00
<b>Financing Gap</b>	249.51

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	450.00
IDA Credit	450.00

**Non-World Bank Group Financing**

Counterpart Funding	14.00
Borrower/Recipient	14.00
Other Sources	169.80
US: Agency for International Development (USAID)	3.40
Bill and Melinda Gates Foundation	2.90
The Global Fund to Fight AIDS, Tuberculosis & Malaria	8.50
International Fund for Agriculture Development	50.00
NORWAY, Gov. of (except for Ministry of Foreign Affairs)	17.50
OPEC FUND	20.00





SWEDEN: Swedish Intl. Dev. Cooperation Agency (SIDA)	67.50
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**IDA Resources (in US\$, Millions)**

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
National PBA	450.00	0.00	0.00	450.00
<b>Total</b>	<b>450.00</b>	<b>0.00</b>	<b>0.00</b>	<b>450.00</b>

**Expected Disbursements (in US\$, Millions)**

WB Fiscal Year	2019	2020	2021	2022	2023	2024
Annual	0.00	124.34	127.51	114.51	83.65	0.00
Cumulative	0.00	124.34	251.85	366.35	450.00	450.00

**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Social Protection & Jobs

**Contributing Practice Areas**

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

**Gender Tag**

**Does the project plan to undertake any of the following?**

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF	Yes
b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment	Yes
c. Include Indicators in results framework to monitor outcomes from actions identified in (b)	Yes

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category

Rating



1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Moderate

## COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any waivers of Bank policies?

Yes  No



**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

**Legal Covenants**

Sections and Description

The Recipient shall ensure that no activity under the Project shall involve irrigation schemes or related schemes in or linked to international waterways or important tributaries of such international waterways (Schedule 2, Section I A of Financing Agreement).

Sections and Description

The Recipient shall not later than ninety (90) days after the Effective Date submit, in form and substance satisfactory to the Association, terms of reference for the external audit for the Project (Schedule 2, Section IV 1 of Financing Agreement)

**Conditions**



Type	Description
Effectiveness	The Recipient has prepared and adopted, a Project Implementation Manual, in form and substance satisfactory to the Association (Article V of Financing Agreement)

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## I. STRATEGIC CONTEXT

### A. Country Context

**1. Tanzania has seen strong economic growth in recent years.** Growth averaged 7 percent on the Mainland and 6.6 percent in Zanzibar during the implementation of their respective Five-Year Development Plans (FYDP 2011/12 – 2015/16 and MKUZA II 2010/11 – 2014/15), making the United Republic of Tanzania (URT) one of the stronger economic performers in Sub-Saharan Africa. Gross Domestic Product (GDP) growth translated into substantial increases in average per capital income across the URT: from US\$510 in 2007, to US\$730 in 2011 and to US\$936 in 2017<sup>1</sup>.

**2. In recent years, poor people have significantly benefitted from the economic growth the country achieved.** Unlike during the period up to 2007, when growth benefitted mainly the country's richer groups and poverty rates remained stagnant, growth between 2007 and 2011/12 was pro-poor in Tanzania (World Bank, 2015<sup>2</sup>). The percentage of the population living in poverty (below the basic needs poverty line) on the Mainland reduced from 34.4 percent in 2007 to 26.4 percent in 2017/18; and those living in extreme poverty (below the food poverty line) decreased from 11.8 percent to 8.0 percent in the same period (Tanzania Household Budget Survey (THBS) 2017/18<sup>3</sup>). Inequality, as measured by the Gini Coefficient has increased slightly from 0.35 in 2007 to 0.38 in 2017/18 during this period and is still relatively low in the Sub-Saharan Africa context (THBS 2017/18). In Zanzibar, the poverty rate fell from 35 percent in 2009/10 to 30 per cent in 2014/15; and the extreme poverty rate from 12 per cent to 11 per cent in the same period (Zanzibar Household Budget Survey (ZHBS) 2014/15<sup>4</sup>).

**3. Despite these achievements, the number of people living in poverty and extreme poverty remain high. Over four million people continue to live in extreme poverty** across the United Republic of Tanzania. Due to population growth, despite the reduction in the extreme poverty rate, the absolute number of people living in extreme poverty did not decline between 2007 and 2017/18. Key characteristics of poverty in Tanzania include the following: (i) poverty is much higher in rural than urban areas; (ii) households engaged in non-agricultural business have been particularly successful at escaping poverty; (iii) inter-generational transmission of poverty is a particular challenge; and (iv) many non-poor households are clustered just above the poverty line, so are vulnerable to falling into poverty in the case of a shock.

**4. Poverty is much higher in rural than urban areas.** Over 80 per cent of poor and extremely poor Tanzanians live in rural areas. The poverty in rural areas declined from 39.1 percent in 2007 to 31.3 percent in 2017/18 and the average urban poverty also declined from 20.0 percent in 2007 to 15.8 percent in 2017/18. Poverty has declined from 22.7 percent to 19.2 percent in other urban areas outside the capital while in Dar es Salaam it decreased from 14.1 percent in 2007 to 8.0 percent in 2017/18 (THBS 2017/18).

**5. Households engaged in business activities have been more successful than others in escaping poverty.** Households relying on non-agricultural business as a main source of income appear to have experienced a remarkable decline in poverty, suggesting that the development of nonfarm employment can offer a pathway out of poverty. That said, agriculture continues to support the majority of Tanzanians, providing 67 percent of employment, yet is under-

<sup>1</sup> <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=TZ>

<sup>2</sup> World Bank (2015) *Tanzania Mainland Poverty Assessment*, Washington DC, USA.

<sup>3</sup> National Bureau of Statistics (NBS), Ministry of Finance (2019) *2017/18 Household Budget Survey, Tanzania Mainland*, Dar es Salaam, Tanzania.

<sup>4</sup> Office of the Chief Government Statistician, Zanzibar (2016), *Zanzibar Household Budget Survey 2014/15*.



developed and subject to the whims of nature, so investment in agricultural livelihoods will remain important to poverty reduction (World Bank, 2015).

**6. Inter-generational poverty transmission is a particular concern in Tanzania.** Personal and household circumstances, including in particular the educational level of parents, explain inequality to a greater extent in Tanzania than in most Sub-Saharan Africa countries. There is substantial intergenerational transmission of poverty: the children of parents without education are much more likely than others to grow up poor. Therefore, promoting education of children in disadvantaged households, particularly secondary education, is one of the key measures to break the inter-generational transmission of poverty in Tanzania (World Bank, 2015).

**7. In Tanzania, many households are clustered just above the poverty line, so are economically vulnerable.** To illustrate this point, were the poverty line to be just 25 percent higher - a mere additional TZS 300 (approx. 13 US cents) per adult per day - the poverty headcount would increase by more than 50 percent (World Bank, 2015). In the event of a negative shock, such as an adverse climatic event, loss of employment or the death of a breadwinner in the household, such a non-poor household can easily fall into poverty.

**8. Key human development challenges in Tanzania include a high rate of chronic malnutrition and low rates of continuation into secondary school, especially amongst children from poor households.** According to the 2015/16 TDHS<sup>5</sup>, 34 percent of children under five years old in Tanzania are stunted and the stunting rate is twice as high in the poorest quintile as in the richest (40 percent compared to 19 per cent). This is linked to inadequate diet: only 9 percent of Tanzanian children aged 6-23 months are fed in line with minimum acceptable standards regarding frequency and diversity (TDHS 2015/16). Poor hygiene and sanitation also contribute to malnutrition and, whilst there has also been progress in access to clean water, sanitation and hygiene, large disparities persist between urban and rural areas.

**9. Secondary school attendance is 6 percent for the poorest quintile compared to 41 percent for the richest** (TDHS, 2015-16). As children get older, the need to work, either on the family farm or in economic activities outside the home, becomes increasingly competitive with school for children living in poor households. Other contributory factors to school drop-out for girls are early marriage and pregnancy: the 2015/16 TDHS shows that 23 percent of girls aged 17 had already given birth or were pregnant.

**10. On the United Nations (UN) Gender Inequality Index 2017, Tanzania ranks 130 out of 189 countries.** Whilst Tanzania does better than the low-income country average with regard to the maternal mortality rate, share of women in Parliament and labor force participation, performance is low with regard to the percentage of women with secondary education and the adolescent birth rate. Other dimensions of gender inequality not captured by this index include women's time poverty and limited control over cash. Tanzanian women spend more than three and a half times as many hours on unpaid care work as do men (ILFS, 2015<sup>6</sup>). In a similar vein, preliminary findings of the draft Qualitative Assessment of Bottlenecks to Self-Employment and Household Enterprises (World Bank, 2017) are that, amongst Productive Social Safety Net (PSSN) beneficiaries, women have less time than men to engage in business activities, due to their much higher burden of domestic work. In addition, women in Tanzania are much less likely than men to receive cash earnings for the work they do (56 percent and 89 percent, respectively), and they are often disadvantaged in terms of access and control over resources and participation in decision-making processes. Concerning important decisions about women's own health care, major household purchases and visits to friends or relatives, whilst 35 percent of married women report participating in all these types of decision-making, 18 percent participate in none (TDHS 2015/16).

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<sup>5</sup> United Republic of Tanzania Demographic and Health and Malaria Indicator Survey 2015/16 (covering both Mainland and Zanzibar).

<sup>6</sup> National Bureau of Statistics (2015). 2014 Integrated Labour Force Survey – Analytical Report.



In Tanzania, married women generally exercise joint or sole control over their own cash (only 10 percent report that their husband alone determines the use of the wife's earnings); but 41 percent of women report that the husband alone decides on the use of his earnings (TDHS 2015/16).

## B. Sectoral and Institutional Context

**11. The Government of the URT has important policies in place to address poverty and vulnerability.** FYDP II (2016/17-2020/21) aims at economic transformation to enable Tanzania to become a middle-income country by 2025 and provides an overarching framework for all poverty alleviation and growth-related strategies in Tanzania. Social Protection is part of FYDP II's agenda, which includes: reducing poverty; addressing social and economic risks, deprivation and vulnerability; protecting human rights; and improving capabilities and labor market outcomes.

**12. In both the Mainland and Zanzibar, work has been undertaken to develop social protection policies and systems.** The Zanzibar Social Protection Policy (ZSSP) was published in 2015 and an Implementation Plan in 2016, and these include commitments to harmonize the systems of all social protection programs, including the PSSN, Social Pension and to link PSSN with large-scale nutrition programs. On the Mainland, a process is currently underway to transform the National Social Security Policy of 2003 into a comprehensive National Social Protection Policy (NSPP). The recent review of the implementation of the National Social Security Policy revealed several weaknesses including: (i) its focus on contributory social protection, the coverage of which is limited to a small segment of the population; (ii) fragmentation of programs and limited coverage; (iii) weaknesses in institutional arrangements and coordination; and (iv) a significant financing gap to implement the policy, especially in relation to programs such as the PSSN. The new NSPP is expected to be framed around four areas that will henceforth underpin all social protection programs in Tanzania. These are: (i) contributory social protection, including pensions; (ii) non-contributory social protection, including safety nets and cash transfers; (iii) demand side linkages with social services; and (iv) productive inclusion and livelihoods interventions. The Cabinet Paper for NSPP is under preparation and is expected to be tabled to the Cabinet Secretariat in FY 2019/20.

**13. The Tanzania Social Action Fund (TASAF) has evolved into a National Productive Social Safety Net system.** The Government of URT was implementing a traditional Social Action Fund from 2000, offering an approach to poverty alleviation that also supported the decentralization agenda by ensuring that citizens at the grassroots level had a voice in the planning and implementation of local development initiatives. During 2009 – 2012, under this Social Action Fund a conditional cash transfer (CCT) was piloted in three districts. A rigorous impact evaluation of the pilot showed significant impacts on health, education and household asset creation. On the basis of this, the traditional Social Action Fund interventions evolved into a comprehensive and integrated social safety net system.

**14. Since 2012, the Government has been implementing the first phase of the Productive Social Safety Net (PSSN I).** The objective of PSSN I is *to enable poor households to increase incomes and opportunities while improving consumption*. It targets 15 percent of the total population of URT, including all households living under the food poverty line (approximately 650,000 households) plus those at risk of falling under the food poverty line in case of a shock affecting their income (approximately 350,000 households).

**15. The impressive speed of scale-up meant that the PSSN I achieved its target of reaching and registering its intended beneficiary population of one million households by September 2015, ahead of target.** Cash transfers (CTs) have been provided for the past four years to over one million households in close to 10,000 villages/Shehias in all 161 Project Area Authorities (PAAs)<sup>7</sup>. These include: (i) a basic transfer for all targeted households; (ii) an additional

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<sup>7</sup> PAA is a generic term for LGAs/Zanzibar Administrative Authority or District, Town, Municipal and City Councils used by TASAF. During

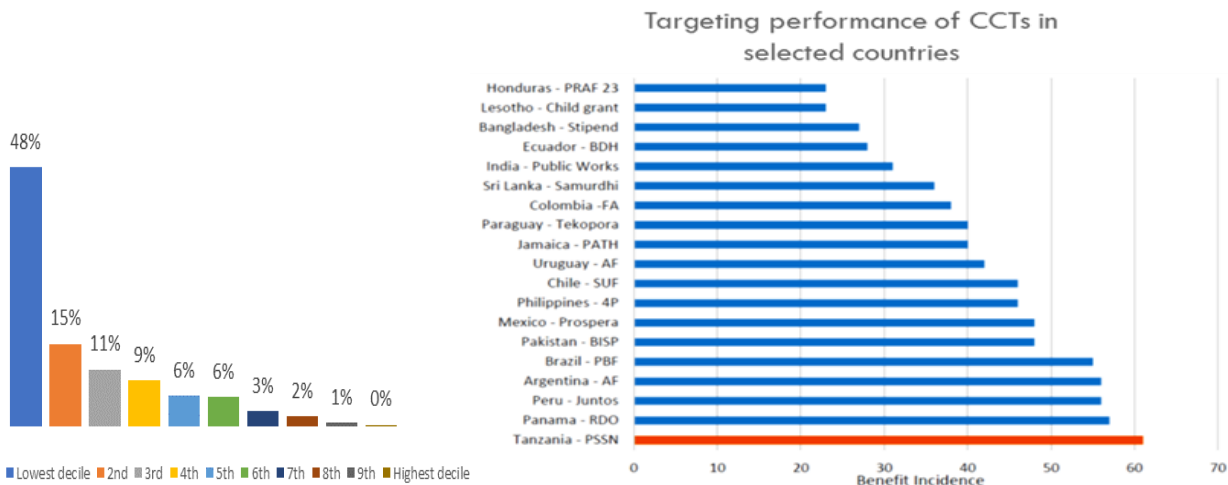


unconditional transfer for households with children; and (iii) CCTs with co-responsibility related to the uptake of health services for the youngest children and to school attendance for school-age children. In addition, public works (PW) have reached nearly 300,000 households in 44 PAAs to date, completing 6,000 subprojects. As for the productive inclusion and livelihoods component, piloting has started in eight PAAs. Moreover, more than 11,500 savings groups with 150,000 members (74 percent women) have been formed; and initial training on group organization, preparation of constitutions, savings mobilization, loan management and record keeping has been carried out.

**16. There has also been progress in systems development and capacity building, with many key elements of a social safety net system now in place.** PSSN I has established appropriate institutional structures for program management at national, PAA, ward and community levels: the computerized management information system (MIS) is functional; a Unified Registry of Beneficiaries (URB) capturing a full profile of over one million beneficiary households is in place; whilst beneficiaries still largely receive their transfers in cash, mechanisms for making electronic payments have been piloted in 16 PAAs; there is a grievance redress mechanism (GRM) in place; and the monitoring and evaluation (M&E) system has demonstrated its capacity to generate timely information on inputs, outputs and results.

**17. Key achievements of the PSSN I have included the consistent timely payment of CTs and strong targeting performance.** By May 2019, PSSN had transferred CTs on time for 31 consecutive bimonthly payment cycles. The PSSN has also been very successful at reaching the poorest of the poor in Tanzania: Over 60 percent of beneficiaries belong to the poorest consumption quintile and over 80 percent to the bottom two quintiles (see Figure 1). These results put PSSN among the best targeted interventions in the world, including in comparison with more mature programs in Latin America. A review of program MIS data also demonstrates the structural vulnerability of beneficiary households in terms of their limited labor capacity and high dependency ratios. Most are either severely or moderately labor-constrained: 16 percent of beneficiary households include no-one able to work; and 32 percent include only one person able to work, with an average of three dependents<sup>8</sup>.

**Figure 1. Percentage of PSSN beneficiary households in each consumption decile and targeting performance**



Source: Impact Evaluation Baseline 2016

**18. Results of the PSSN mid-line impact evaluation indicate that the Program has already had substantial human development and livelihood outcomes.** Early results show that PSSN, through the CCTs, has positive and statistically

phase 1 of PSSN there were 161 PAAs. These have since been sub-divided, creating 187 PAAs.

<sup>8</sup> TASAF review of MIS data.





significant results: (i) poverty reduction - households receiving cash transfers experienced an additional 10 percent reduction in poverty, accompanied by a 20 percent boost in monthly consumption; (ii) increased school enrollment by 10 percent, particularly primary school age children, which increased by more than 11 percent. In addition, the higher enrollment rate also helped improve the literacy rate particularly for primary school students by 14 percent compared to non-beneficiaries; (iii) increased use of health services. Beneficiary households are 8 percent more likely to visit a health provider, even when not sick for preventive care, which is 21 percent higher than non-beneficiaries. The impact was even higher for under-fives (15 and 22 percent respectively), a demographic for whom behavioral change is explicitly targeted through conditionalities; (iv) boosting productive investments, increasing self-employment of participants and shifting non-farm household enterprises into more productive sectors. Beneficiary households are 8 percent more likely to cultivate farm plots and 18.6 percent more likely to own or raise livestock. The incidence of input use, which tends to be very low, rose between 18 to 38 percent for agricultural inputs that are linked to higher productivity. PSSN beneficiaries shifted away from casual work into self-employment (which increased by 12.6 percent). Moreover, non-farm enterprises owned by beneficiaries tend to be in more productive sectors, 19 percent more in trade and 22 percent less in production; and (v) improved resilience to current and future shocks through increased savings, asset accumulation, improvement of housing conditions and take-up of health insurance. Participating in the program reduced the use of negative coping strategies (measured by a coping strategy index) by 19 percent. Beneficiaries improved their housing and living conditions by utilizing better roof materials (3 percentage points more likely to use higher quality building materials) and improving drinking water sources (4.4 percentage points less likely to use unimproved sources). The likelihood of having any savings grew by 23 percent among treated households and they were more likely to have transportation assets, communication assets including mobile phones and radios, and furniture (by 5.2, 6.4 and 6 percentage points respectively). They also experienced a threefold increase in health insurance registration.

**19. The vision of the Government is to consolidate the PSSN and build on its achievements to further strengthen its productive impacts.** The Government has identified PSSN as the key instrument to deliver social protection in the URT. The current priority is to consolidate and strengthen its effectiveness as a safety net that builds human capital and helps extremely poor households move into sustainable livelihoods. During the previous phase, not all components were rolled out simultaneously. A phased approach was always envisaged, but PW and livelihoods support were rolled out more slowly than planned due to funding shortages and capacity limitations. The Government has expressed a strong interest in scaling up these two components more rapidly in the next phase of the program, offering households an integrated package of support that enables a substantial proportion of current beneficiaries to graduate from reliance on the safety net into sustainable livelihoods in the medium to long term, and providing a continuing safety net for those who need it.

**20. PSSN will require long term investments to ensure sustainable results.** Sustained reduction of extreme poverty and enhanced livelihoods of poor households involves processes that PSSN II will set in motion, but that will only come to full fruition over the medium-term, including: (i) enhanced capacity, skills and knowledge that improve the productivity of beneficiary households and enable them to shift towards more lucrative economic activities; (ii) support to children to complete full cycles of early childhood development and education<sup>9</sup> that create human capital and reduce the inter-generational transfer of poverty; and (iii) asset accumulation and diversification by households to enable them to better manage future risks and shocks. While it is expected that a significant number of supported households will improve their livelihoods and be able to graduate from the program over time, it is also recognized that some beneficiaries will need long term social assistance. For this reason and given that PSSN II will support many new households, it is anticipated that the program will need to continue at scale for at least an 8-10-year period; so funding arrangements need to sustain financing beyond the end of the current phase.

<sup>9</sup> In education, full key cycle consists of completion of primary, transition to secondary, completion of secondary. In health, full key cycle means complete growth and development monitoring of children from zero to 36 months to prevent stunting, full vaccination scheme, deworming, etc.



**21. The Government has confirmed its commitment to continue investing in PSSN and the program is fiscally affordable.** While the program will continue to use financing from IDA and other Development Partners (DPs) in the short term, the Government is set to increase financing from domestic revenue over time. The fiscal requirement of PSSN is low by international standards, especially given the importance of the program as the primary safety net in the country. If the PSSN CT component's coverage remains constant, and if the PW component is rolled out universally, social assistance spending will increase to about 0.60 percent of GDP. Even with these increases, however, Tanzania's social assistance spending as a percentage of GDP will be much lower than the average for Sub-Saharan Africa.<sup>10</sup> With this in mind, the Government of URT has committed to developing a medium-term expenditure framework (MTEF) for the program by Mid-Term Review (MTR), including proposals for the Government to finance the program as part of the implementation of its forthcoming NSPP. As part of implementation of NSPP, the Government intends to prepare a comprehensive Social Protection Financing Strategy which will inform the PSSN MTEF. In the short term, recognizing the financing gap for the program as currently designed, the Government confirmed its plan to allocate budget from domestic sources and also seek to mobilize more resources from other DPs, as well as exploring the option of additional financing from IDA.

### C. Relevance to Higher Level Objectives

**22. The proposed project will contribute to the achievement of Government policy priorities,** including those set out in FYDP II (2016/17 – 2020/21), the Zanzibar Strategy for Growth and Reduction of Poverty III (2016 – 2020), the Zanzibar Social Protection Policy (ZSPP) and the forthcoming NSPP for the Mainland. While continuing to promote human development outcomes and modifying the benefit structure to strengthen impacts on secondary education, there will be several areas of innovation in the new phase, notably: a stronger focus on productive impacts; full digitalization of payments; design of strategies for recertification of beneficiary households and graduation; and a move from the existing registry of project beneficiaries to a social registry that will serve other programs. The project will create a platform to link the poor to a range of other services important to their development, including education, health, nutrition, early childhood development (ECD), agricultural extension and financial services. Given the increasing vulnerability to climate change and disaster risks, there will also be an emphasis on mainstreaming these issues, as well as continuing efforts to mainstream gender and citizen engagement.

**23. PSSN II is also aligned with the Country Partnership Framework (CPF) for the United Republic of Tanzania FY18 – FY22** (Report No. 121790-TZ, World Bank, 2018). The CPF has three strategic focus areas: 1. Enhance productivity and accelerate equitable and sustainable growth; 2. Boost human capital and social inclusion; and 3. Modernize and improve the efficiency of public institutions. The PSSN will contribute strongly to focus area 2: it is cited as the main instrument for realizing the social inclusion objective under this focus area; and will support other focus area 2 objectives, notably investment in the early years, and strengthening job-relevant labor force skills. It will also contribute to one of the objectives of focus area 1 - put credit within reach - by improving access to credit, particularly for micro, small and medium enterprises (MSMEs) and for women; and to focus area 3 through the development of core safety net systems and capacity building of institutions involved in program delivery at national and local levels.

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<sup>10</sup> Ajwad, M.I., M. Abels, M. Novikova, and M.A. Mohammed (2018). The mean for social assistance spending as a percentage of GDP in Saharan Africa is 1.55 percent; the median is 1.14 percent.



## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

24. The objective of the project is to improve access to income-earning opportunities and socio-economic services for targeted poor households while enhancing and protecting the human capital of their children.

#### PDO Level Indicators

- ❖ Direct project beneficiaries (number), of which female (percentage)
- ❖ Proportion of beneficiary households with food consumption score above “poor level” (percentage)<sup>11</sup>
- ❖ Proportion of benefits reaching the poorest 20 percent of the population (percentage)
- ❖ Eligible beneficiary households representative involved in functional income generating investments one year after receipt of livelihood grant (percentage) of which female (percentage).
- ❖ Primary school completion rate for children from beneficiary households (percentage)
- ❖ PSSN beneficiary households reporting benefits from community assets created through Public Works (percentage)

### B. Project Components

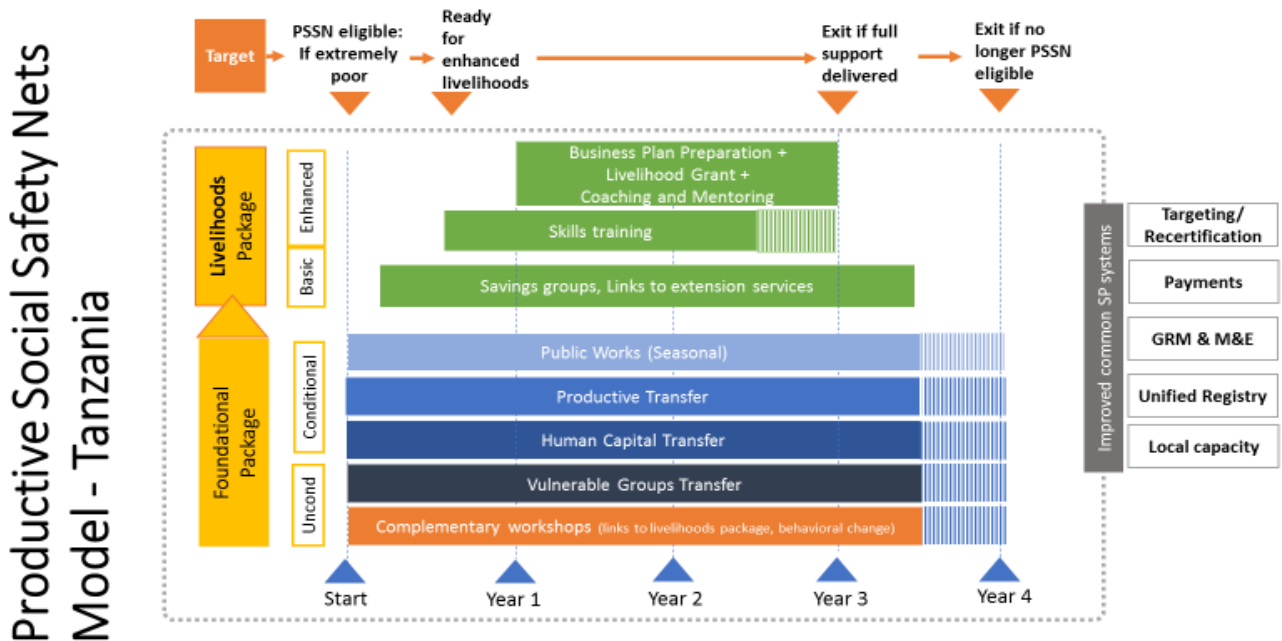
25. **Building on PSSN I, the PSSN II will achieve its objectives through the implementation of combined and integrated interventions.** It is envisaged that the combination of the proposed livelihood activities and cash transfers will increase household income through building household level assets, enhancing risk management, and facilitating a shift to more productive types of employment. Public works will create productive assets at community level and provide temporary employment opportunities to beneficiary households, further contributing to household income to mitigate food shortages during the lean season; and cash transfers will build human capital of children to ensure that they become productive members of society over time, and that beneficiary households can meet their consumption needs during the livelihood strengthening process. This will also strengthen household level resilience and diminish vulnerability to shocks over time. It is envisaged that providing households with integrated support, as outlined in Figure 2 below will enable a significant number of currently supported households to exit PSSN over time. It is recognized that not all households will make progress in the same way and some may not succeed, but most households are expected to significantly improve their situation and move towards more sustainable livelihoods.

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<sup>11</sup> [http://documents.wfp.org/stellent/groups/public/documents/manual\\_guide\\_proced/wfp197216.pdf](http://documents.wfp.org/stellent/groups/public/documents/manual_guide_proced/wfp197216.pdf)



Figure 2: Proposed PSSN II support model



26. **Activities under PSSN II will be structured into two components**

- a. Component 1: Productive Household Support (Benefits and Services)
- b. Component 2: Strengthening Institutional Capacity and Integrated Delivery System

**Component 1: Productive Household Support (Benefits and Services) (Total US\$731.90 million, of which IDA US\$373.70 million equivalent)**

27. This component will provide beneficiary households with an integrated package of support, including a foundational package and livelihoods support.

28. **The foundational package will provide transfers in the form of CTs and PWs.** CTs will enable households to ensure a minimum level of consumption; invest in productive activities; build resilience against shocks; and invest in their children's health and education to break the intergenerational transmission of poverty. Transfers will be largely conditional on education or health and nutrition-related behaviors, while labor constrained households including the elderly, people with disabilities, child headed households will receive unconditional transfers. In addition, PW will create productive assets at community level and provide temporary employment opportunities to beneficiary households, providing additional income to smooth consumption and mitigate shocks during the lean season. This package will form the foundation of the intended short- and long-term productive impacts of the program.

29. **The impact of the foundational package will be enhanced through livelihoods support (productive inclusion).** This will consist of: basic livelihoods support – awareness-raising, savings promotion and linkages to ward-level extension services; and an enhanced livelihood support package for selected households – encompassing training, coaching and a

livelihood grant. This livelihoods support will further strengthen the existing tendency, evidenced in PSSN I, for beneficiaries to use some of their transfer for productive investment.

**30. Under PSSN II, Component 1 will reach national coverage.**

- CTs, already operational in all PAAs, are expected to be scaled up to villages not yet covered (30 percent of villages), reaching over 1.2 million households at full scale.
- PW, currently operational in 44 PAAs, will be scaled up to all 187 PAAs and all villages; as will the new basic livelihoods sub-component.
- Enhanced livelihoods, currently at pilot stage in eight PAAs, will scale-up to 200,000 households in 44 PAAs.

**31. It is expected that the beneficiary household numbers will decline overtime.** Scale-up will be staggered, such that full-scale implementation is reached by 2021/22 especially for Public Works. At the same time, some households will exit PSSN II through re-certification that finds them no longer eligible; and others will exit after receiving enhanced livelihoods support, since this completes the full PSSN cycle of support. CCT and PWs will be implemented throughout the life of the program while the livelihoods support operates on time limited cycles of two years. For all these reasons, assuming that the program is fully operational and that there are no major shocks or crises affecting beneficiary households' income, it is estimated that beneficiary numbers will evolve approximately as set out in Table 1.

**Table 1 PSSN II Roll-out Plan: Estimated Households Benefiting by Type of Support and Year**

Support/Year	2019 / 2020	2020/2021	2021/2022	2022/2023
CTs*	1,167,243	1,219,347	1,086,054	1,010,785
PW	255,756	625,156	969,309	837,573
Enhanced livelihoods support	50,000	75,000	75,000	0
Basic livelihoods support	262,444	556,127	517,286	201,907

*\*CTs: include Households with labor capacity until they enroll in PWs + Households with No labor Capacity + Households with children*

**1.1. Cash Transfers (CT)**

**32. CTs will comprise three types of benefits, layered as follows:**

**(i) A fixed transfer offered to all PSSN households.** This transfer will be unconditional only for households with no labor capacity and will be referred to as *Direct Support*. Households with labor capacity will instead receive a time-limited *Productive Transfer*, which will be accompanied by soft-conditions in the form of community sessions and savings promotion; these households will receive the productive transfer only until they enroll in public works - once they start receiving PW transfers, the productive transfer will stop.

**(ii) A fixed transfer for vulnerable groups** provided to all households that include a child aged 0-18 years old (*Child Grant*) and to those that include a person with a disability (PWD) (*Disability Grant*). Households that include both a child and a PWD will receive both types of grant.



(iii) A variable *Human Capital Transfer (HCT)* offered to households with children, subject to compliance with health or education conditionalities, and varying depending on the number of children and the children's ages / educational stages.

**33. Building on PSSN I experience, the focus will be on enhancing productive and human capital impacts of transfers.** As in PSSN I, the CTs will continue to be delivered bimonthly to the mother/caregiver. In addition to promoting stronger linkages to productive and financial inclusion activities implemented under the livelihoods support package, the structure of cash transfers will be modified to more strongly support human capital creation. Design modifications will specifically promote: (i) increased impacts on maternal and young child health and nutrition; and (ii) completion of education cycles (i.e. completion of primary, transition from primary to secondary and completion of secondary level). Based on evidence generated during implementation, in-depth analytical work will be conducted to revisit the design by Mid-Term Review (MTR) as necessary.

**34. The existing community sessions to promote behavioral change will be strengthened.** In addition to informing beneficiaries about PSSN rules and procedures and promoting adherence to education and health conditionalities, these sessions will increasingly be used to promote linkages to existing services and deliver effective low-cost behavioral changes. The focus on maternal health, infant and young child nutrition within these sessions will be strengthened. Additional community sessions will be used to raise awareness on livelihoods-related issues (see basic livelihoods section below).

### **1.2. Public Works (PW)**

**35. Participation in PW will be open to PSSN-eligible households with labor capacity and willing to participate.** Households with labor capacity will be defined as those including at least one adult aged 18-65 years who is able to work. Households with multiple working age members will have the opportunity to send to public works any adult who is neither pregnant nor the lead caregiver of an infant (aged 0-2 years). Moreover, eligible households that have only one adult able to work who is pregnant or caring for an infant will continue to receive PW wages but will be granted a temporary waiver from the need to work and will be linked with nutrition services. These special provisions are made to avoid over-burdening women and to promote the nutrition and development of young children. They will ensure that the household receives income without compromising the availability of the lead caregiver to ensure appropriate nutrition, care and early stimulation. Options for supporting childcare at PW sites for children aged over two years will also be explored. The roll-out of Public Works will be gradual. Currently only 44 PAAs are implementing Public Works. In PSSN II, the existing 44 PAAs will implement PW starting from the first year; and the remaining 72 PAAs and 71 PAAs will commence PWs implementation during the second and third year respectively.

**36. A household will be eligible for PW throughout the life of the project.** Eligible households will have an entitlement of 60 working days per year that can be spread over a period of six months. The work will continue to be organized so as not to coincide with the peak agricultural season in the locality. The transfer size for Public Works payment is set in such a way that it is at or below the daily market wage rate for unskilled labor, so as not to distort the local labor market but still provide a meaningful income to program beneficiaries. At the start of PSSN II, the daily transfer rate will be 3,000 TZS (US\$1.3) and it will be reviewed annually and adjusted using the Consumer Price Index (CPI) for the URT. Payments will be made on time to maximize impact. The payment delays that sometimes occurred during PSSN I will be addressed: capacity building will speed up local procurement of inputs; and technological innovations will enable more rapid communication of attendance data for payroll preparation.

**37. The main aim of the labor-intensive public works is to provide temporary employment opportunities during the agricultural lean season to eligible households.** As such, a key principle of PW is that it is labor-intensive, so that most



funds are transferred to extremely poor households in the form of wages. On the other hand, it is also intended that the assets created should address supply-side constraints to livelihoods development and socio-economic service access of extremely poor households. To support this secondary objective, some capital-intensive targeted infrastructure sub-projects (including, for example, clinic or schoolroom construction) will be permitted within the overall budget ceiling for capital costs at PAA level. Such sub-projects will be balanced with other very highly labor-intensive ones in order that the principle of labor-intensive PW is maintained: overall labor-intensity of PW sub-projects will not fall below 75 percent in any PAA.

**38. The PW subprojects will continue to be selected through a participatory community-based planning approach.** PSSN PW sub-projects with the potential to adapt to and mitigate climate change risks and those that promote livelihood activities of beneficiary households and the community at large will be encouraged. These will include, but not be limited to, soil and water conservation measures such as terracing, afforestation, sea water protection structures, small scale irrigation, water supply for human and livelihood consumption etc. The participatory approach will be gender-sensitive, so as to ensure that projects respond to the priorities of women as well as men in the community.

**39. Planning of PSSN Public Works subprojects.** The PW subprojects are selected through a participatory community-based planning approach, in which experts from the project area authorities work closely together with Community Management Committees (CMC) to develop multi-annual community action plans. Each year the multi-year public works plan is reviewed and sub-projects for the upcoming year are prioritized in a village level participatory planning meeting. The highest priority sub-projects are then matched to the resources available for the coming year.

**40. PSSN PW sub-projects will support climate change risk adaption/mitigation and livelihoods.** PSSN PW Sub-Projects with potential to adapt to and mitigate climate change risks and those with direct link to and promoting livelihood activities of beneficiary households and the community at large will be prioritized. These will include but are not limited to soil and water conservation measures, afforestation, sea water protection structures, small scale irrigation, water points for human and livelihood consumption etc. For more details refer to Annex 4.

**41. PSSN II Benefit Structure.** In terms of the CCT, under the revised benefit structure a beneficiary household would receive a minimum of TZS 12,000 (US\$5.3) and a maximum of TZS 55,000 (US\$24.1) per month depending on the structure and compliance. Moreover, at full scale, i.e. with public works, the benefit would represent on average 18 percent of the household consumption; well within international good practices. Table 2 presents the detailed benefit structure of the project.



**Table 2: Proposed Benefit Structure under PSSN II per month**

Transfer Type	Transfer (Benefit)	Amount TZS.	Conditionality (Attendance)	Caps (TZS.)
Fixed	Direct support/ Productive transfer*	12,000	Enrollment in the Program	12,000
Fixed	Child grant	5,000	At least one child less than 18 years old	5,000
Fixed	Disability grant	5,000	Member with disability	5,000
Fixed	HCT: Infant	5,000	0- 5 years health	5,000
Variable	HCT: Child- lower primary (1-4)	2,000	Primary school	12,000
Variable	HCT: Child – Upper primary (5-7)	4,000	Primary school	
Variable	HCT: Child lower secondary	6,000	Lower secondary	16,000
Variable	HCT: Child high secondary	8,000	Upper secondary	
Minimum				<b>12,000</b>
<b>Maximum</b>				<b>55,000</b>
<b>Public Works</b>	Public Works transfer	3000*10 = 30,000		
<b>Livelihoods</b>	Livelihood grant	500,000		

\* *The productive transfer will be provided during the transition period until households with labor enroll in PWs*

### **1.3. Livelihoods Support (Productive Inclusion)**

**42. To enhance the productive impacts of the foundational packages, livelihoods support will also be rolled out.** This will consist of: (i) basic livelihood support for all PSSN beneficiary households with labor capacity, and (ii) an enhanced livelihoods support package for 200,000 households. As in the case of PW, livelihoods support will be targeted to households with labor capacity (at least one member aged 18-65 years).

**43. Basic Livelihoods Support:** The basic livelihood support package aims at promoting self-employment (farm and off-farm income generation activities) and wage employment opportunities through: (i) awareness-raising sessions that encourage households to invest their transfers productively and inform them about all available livelihoods services in the locality, including vocational education, apprenticeships, agricultural extension, and financial, small business and livestock services; (ii) support to household participation in savings groups; and (iii) linking households to available ward-level extension services by inviting extension agents to deliver community sessions. This support will be offered to all households with labor capacity in all PAAs during a two-year period. Coordination at PAA level with other relevant sectors will be strengthened to facilitate the provision of appropriate services to PSSN beneficiaries that enhance their productivity; and the training and awareness raising provided through basic livelihood support will be reinforced by the design of simple behavioral nudges, currently being piloted in collaboration with Ideas 42 (Non-profit design and consulting firm promoting behavioral science approaches).

**44. Enhanced Livelihoods Support:** The enhanced livelihood support package will provide a more comprehensive set of livelihood support activities to beneficiary households. It will be targeted to households with labor capacity resident in the 44 poorest PAAs where PW is implemented for at least three years. Enhanced livelihoods support will consist of a carefully sequenced set of activities, designed based on international experience with graduation programming. Attention will be given to ensuring that this support is appropriate to the needs of both women and men in beneficiary households.





- **Savings:** Participating households will first be encouraged to further increase and safeguard their savings and will receive training on different savings options. The savings promotion work will build on the experience of the community savings and investment promotion implemented in PSSN I; and savings groups will be linked to financial institutions.
- **Entrepreneurial skills training sessions** will be delivered to support households with the development of simple business plans and management of their productive assets; this training will be customized to take account of the low levels of literacy and numeracy of beneficiaries. Under PSSN I, this has been delivered face-to-face by: facilitators, who are skilled extension officers and deliver group training; and coaches - trained community members who provide follow-up support to smaller groups of participants. At the same time, the program has piloted tablet-based e-learning techniques: training materials are downloaded onto a tablet, which is shared with participants, enabling them to access the content directly. Dependent on the final results of the pilot, it is expected that, under PSSN II, increased use will be made of e-learning techniques, ensuring consistent quality of training and reducing training costs, but that this will still be complemented by some face-to-face group training and follow up support.
- **Livelihood grant:** Finally, households that have participated regularly in training sessions, are economically active, have accumulated some savings and developed a viable business plan, may apply for a one-time livelihood grant to finance their household enterprise or invest in specialized skills training to access wage employment. The size of the livelihood grant might vary depending on the chosen activity (which will usually be a small business but might in some cases be vocational training) and will not exceed TZS 500,000 (approximately US\$225) per household. After receipt of the livelihood grant, households will continue to receive coaching/mentoring support from service providers and extension staff to address any challenges with the implementation of their business plan.
- All households that complete the enhanced livelihoods process (including at least one year of coaching and mentoring after receiving the livelihood grant) will exit PSSN II, as they will have completed the full cycle of PSSN support.

***Component 2 - Strengthening Institutional Capacity and Integrated Delivery Systems (Total US\$151.40 million, of which IDA US\$76.30 million equivalent)***

45. The effective delivery of the benefits and services detailed above will be underpinned by the Strengthening institutional capacity and integrated delivery systems component.

### **2.1 Institutional Capacity Enhancement**

46. **Capacity building of program implementers.** The scale-up of PW and livelihoods components under PSSN II, the consolidation and modification of CCTs, and the introduction of a large-scale re-certification process will all challenge existing TASAF capacities. Systematic capacity building, particularly at sub-national levels, will be critical to program success. Carefully sequenced training, aligned with the PSSN II roll-out plan, will be provided to CMCs and extension staff in advance of the start-up of new PSSN II components in each PAA. Across all PAAs, systematic training will be provided to address challenges related to high staff turnover, with a particular focus on those areas where weaknesses were identified in PSSN I, including: understanding of the principles of safety nets and livelihoods services; promoting citizen engagement; and various operational issues, including financial management and procurement processes, managing updates to the Unified Registry of Beneficiaries (URB), implementation of safeguards, behavior change communication, and use of documented lessons learned to improve implementation. Other key measures to streamline capacities at implementation level will include updating the Terms of Reference (TOR) of CMCs to align with the new PSSN II design



and reviewing incentives for CMCs to ensure that these are sufficient to motivate performance whilst remaining cost efficient.

**47. Strengthening of inter-sectoral coordination.** In some cases, the key constraint on PSSN beneficiary access to services or livelihoods support is on the supply side. Whilst inter-sectoral coordination is good at the national level, it has been weaker at decentralized levels. Under PSSN II, linkages of the PSSN with other sectors at PAA level will be strengthened in order to promote a supply-side response to identified constraints. The management committee convened by the Local Government Authority (LGA)/PAA Director, which meets regularly, will proactively seek to address issues of PSSN II intersectoral coordination both from demand and supply sides. The newly envisaged Social Registry will also support this.

**48. Program management support.** This element will ensure ongoing effective program implementation and will cover staffing, logistics, regular monitoring and evaluation, supervision and implementation support, financial management, procurement and safeguard compliance monitoring, project coordination meetings, and other program management and regular coordination activities.

## 2.2 Integrated delivery system development

**49.** Systems development will include investments in the following: (i) strategies for targeting, re-certification and exit; (ii) the National Social Registry (NSR) and ICT/MIS tools; (iii) citizen engagement; (iv) M&E; (v) payments; (vi) a revamped development communication strategy; and (vii) gender mainstreaming.

**50. Targeting, re-certification and exit strategies:** The PSSN targeting system, which is already very effective, will be enhanced in two main ways during PSSN II. Firstly, clear selection criteria and processes will be developed for each program sub-component to ensure that every household receives the support most adapted to its needs. Secondly, based on a re-certification strategy developed during preparation, re-certification of existing beneficiary households will be carried out gradually over five years during PSSN II to ensure that they still meet program criteria, and those that are found to be no longer eligible will be exited. It is expected that a substantial number of households will exit the program during the course of PSSN II for various reasons, partly due to recertification that finds them no longer eligible, but also due to completion of the full program cycle of CTs, PW and enhanced livelihoods, or because of voluntary exit. In the early months of PSSN II, a comprehensive exit strategy will be developed that clarifies how these various processes will be operationalized.

**51. The targeting mechanism of the program comprises three elements** (i) a geographical targeting mechanism to identify and select PAAs, wards and villages; (ii) community targeting to identify extremely poor and food insecure households in selected villages; and (iii) a proxy means test to verify and minimize inclusion errors. Upon finalization and verification of the targeting process the final list of targeted and enrolled beneficiaries is captured in the URB, which is connected to a comprehensive MIS.

**52. The MIS, NSR and new ICT tools:** (i) *MIS:* Under PSSN II, the MIS will be upgraded to respond to new business needs of the modified program and further work will be carried out to ensure reliable connectivity for all PAAs; (ii) *National Social Registry:* An NSR will be developed that will bring together information from different programs (including PSSN) to promote joined-up support by all sectors to poor and vulnerable households. NSR design, operation and governance will be driven by the NSPP, but for the time being the registry will be located in and managed by TASAF. The Government is currently designing a national social pension program and TASAF has recently been asked to handle the delivery of this program through its system. PSSN II will continue to maintain a URB, which will be a subset of the NSR



data and include links to the full registry with clear protocols regarding adding, deleting and updating household information across the two databases. The NSR will need biometric information of beneficiaries to be effective, so will include National ID numbers (NIN) numbers, in order that it can be linked with the National Identification Authority (NIDA) database for identity uniqueness and authentication; and (iii) *New ICT tools*: The use of new ICT tools will be piloted to enhance communication, collaboration and citizen feedback. For example, consideration is being given to developing and testing a system that would enable PAA staff and CMCs to directly capture monitoring information at the community level on tablets (via special apps that will be developed) and then to upload the information into the MIS. Introduction of any new ICT tools will be based on feasibility assessments to ensure that required infrastructure and capacities are in place at PAA level before innovations are rolled out.

**53. Citizen engagement:** PSSN-I has put in place a basic GRM system at all levels in all PAAs. In addition, an enhanced GRM has been developed and is being rolled out to all PAAs since December 2018 (to be fully implemented under PSSN II in all PAAs). However, citizens still need more awareness both of the GRM and of their social protection entitlements, because limited awareness undermines the effectiveness of the system. Under PSSN II, awareness about the program, beneficiary entitlements and how to raise a complaint will be enhanced, as a key underpinning to citizen engagement. Registration of complaints and tracking of follow-up and feedback to complainants will also be improved. Broader citizenship engagement will be promoted through the design and implementation of collective social accountability mechanisms, such as Community Score Cards (CSC), Citizen Report Cards (CRC) or social audits as an integral part of the program's monitoring and accountability systems.

**54. Enhanced development communication:** Reviews during PSSN II preparation found that communication about the program has been implemented and is guided by a development communication strategy. However, communication had not been sufficiently comprehensive or systematic in reaching all program stakeholders. The communication strategy now needs to be updated and an implementation plan developed, so that communications under the PSSN II effectively address existing and emerging communication priorities. These priorities include the need to communicate to beneficiaries, communities and all other stakeholders about program innovations to be introduced under PSSN II, such as the stronger focus on productive inclusion, the new recertification and exit strategies, and changes to the benefit structure and conditionalities. Development communications activities will be closely monitored so that their contribution to the overall objectives of the project can be ascertained.

**55. M&E:** PSSN II will reinforce and fine tune the M&E systems developed under PSSN I, ensuring that a well-defined M&E plan is developed. This plan will set out processes, information requirements, tools and methodologies for data collection, analysis and reporting, and will clearly define roles and responsibilities, including in respect of the uptake of lessons and recommendations from annual and semi-annual reviews. The vision under PSSN II is to transform data collection, processing and information management into an integrated system across all levels of operations (national, regional, and PAAs). In particular, the quality of reports generated at PAA level and the direct use of these reports at that level to improve program delivery will be enhanced. Moreover, a new impact evaluation will be conducted consisting of a baseline at the start of PSSN II and two follow up surveys, which will assess the impacts of selected elements of the program.

**56. Payments.** Under PSSN II there will be a gradual shift from the current system of cash payments to electronic payments, based on a phased roll-out plan. The roll out plan will take account of system requirements, lessons learned in the pilots and the varying infrastructure and capacities in different PAAs. The current electronic payments approach is based on a strategy paper<sup>12</sup> that has recommended moving from community-based payments to digital payments in

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<sup>12</sup> Caroline Pulver, 2017, Concept Note: TASAF e-Payments System. Unpublished document.

three stages – (a) technical foundation stage; (b) learning by doing pilots; and (c) scaling up electronic payments. The first two stages are already underway. A pre-requisite for the use of e-payments is an established linkage between the NSR and NIDA databases (as mentioned above), so work on this will be completed during the first year of PSSN II.

**57. Gender Mainstreaming.** PSSN II will implement several provisions to empower women. Under PSSN I, the majority (83 percent) of primary recipients of household benefits were women and this focus on women as the main recipient will continue under PSSN II. Given that women are far more likely to exercise control over the use of their own cash than their husband’s (see para 10 above), this is an empowering feature of program design. According to qualitative evidence from the recent UNDP Gender Review of PSSN I (UNDP, 2017), community members perceive that it has led to increases in women's decision-making and bargaining power, with knock-on benefits for the community as a whole. On the other hand, UNDP (2017) finds that PW has the potential for both positive and negative gender outcomes: positive in terms of increasing women's access to and control over cash; but negative in terms of potentially over-burdening women with work, given their existing heavy burden of domestic work. Provisions within PW in PSSN II are designed to mitigate this risk (for example, households with a sole worker who is pregnant or caring for an infant will continue to receive PW transfers while being temporarily exempt from work, and the provision of creches at PW sites will be considered). In addition, increased attention will be given to gender issues in the design of PSSN II community sensitization sessions, including by taking account of gendered roles, challenging gender stereotypes where relevant and increasingly involving men in the sessions. The effect of these provisions will be closely monitored under PSSN II and revisions will be made as necessary. To mitigate any potential Gender Based Violence (GBV) associated with the delivery of the project services, specific Environmental and Social Management Plans (ESMPs) will specify ways to address potential GBV. A Gender Action Plan will be developed to further strengthen positive gender impacts. (For more details please see Annex 5).

### Project Cost and Financing

**58. The World Bank will use an investment project financing instrument for this operation.** The proposed project will be implemented for a period of four years and total estimated project costs are US\$883.3 million. The operation will be funded through a US\$450 million equivalent IDA Credit, co-financing from other DPs, and Government contributions. Currently not all required resources have been secured. The Government has confirmed that it will ensure a fully financed project budget. To achieve this, the Government will continue to allocate resources through its budget and will mobilize more funds from other DPs during the implementation of the program.

**Table 3: Project financing in (US\$ Million)**

Project components	Project cost	IBRD/IDA financing	Trust Fund	Co-Financing
1. Productive Household Support (Benefits and Services)	731.9	373.7	0	152.6
2. Strengthening Institutional Capacity and Integrated Delivery System	151.4	76.3	0	31.2
<b>Total</b>	<b>883.3</b>	<b>450.0</b>	<b>0</b>	<b>183.8</b>
<b>Financing gap</b>	<b>249.5</b>			
Government in kind contribution including regular staff salary and logistics at all levels				<b>112.5</b>



### C. Project Beneficiaries

**59. PSSN II will continue to target the poorest and most vulnerable households and will scale-up to full national coverage.** By the end of PSSN II, targeted households in all villages in all 187 PAAs across the URT will have had access to CTs and (if they have labor capacity) also to PW and basic livelihoods support. Households in new villages (about 30 percent of the total project beneficiaries) will continue to be targeted through a combination of community-based targeting and a proxy means test; and the number of households reached in each village will be guided by geographical targeting based on poverty maps. Recertification of existing beneficiary households, and efforts to address exclusion errors in existing villages will ensure that the program continues to reach the poorest households.

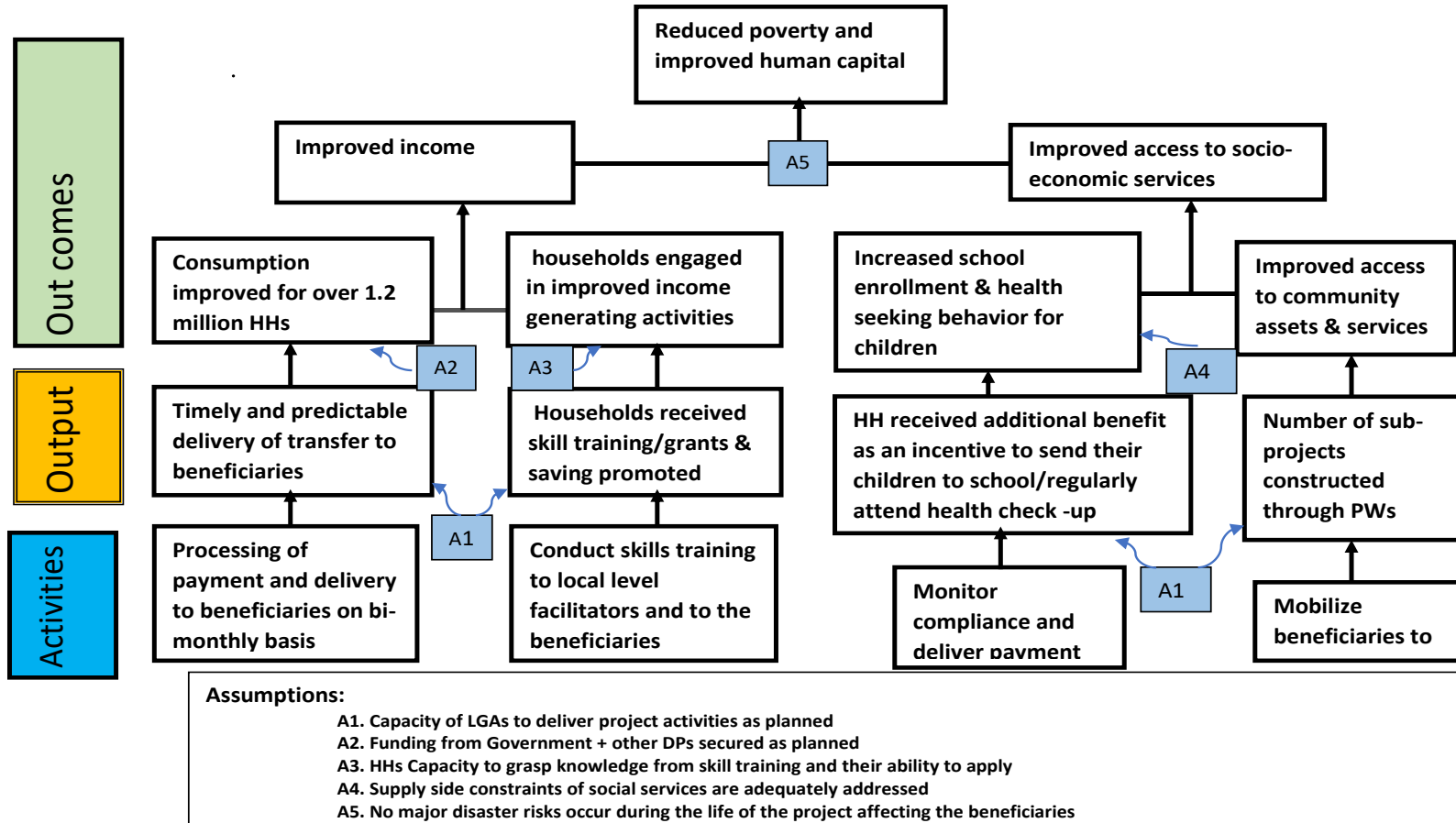
**60. There will be a stronger focus on targeting each element of the project to the households to which it is most suited:**

- **Cash Transfers:** A *productive cash transfer* will be offered to all PSSN II households with labor capacity until they enroll in Public Works. Households without labor will receive *direct support* (unconditional transfers). Supplementary *child and disability grants* will be offered only to households that include children or people with disabilities (PWDs). Additional variable *Human Capital Transfers* will be offered to families with children complying with health and education co-responsibilities.
- **Public Works:** Public Works will be offered only to those households with labor capacity (including at least one member aged 18-65 years able to work). Households with just one worker where that worker is pregnant or caring for an infant will receive PW wages but be granted a temporary waiver from the need to work.
- **Livelihoods support:** The basic livelihoods support will be offered to all PSSN II households with labor capacity, whilst the enhanced livelihoods package will be offered to 200,000 selected households that have labor capacity and live in the 44 poorest PAAs.

**D. Results Chain**

**Figure 3: Result Chain**

**Problem statement: about 28% Tanzanians live in poverty due to limited income opportunities and access to social services**





## E. Rationale for World Bank Involvement and Role of Partners

**61. The World Bank has been providing support to Tanzania for over 50 years.** The World Bank is currently among the lead partners working closely with the Government in its effort to reduce poverty and promote economic growth. Since 2000, the World Bank has been supporting poverty focused interventions implemented through TASAF. Currently, through the PSSN program, the World Bank is one of the main financiers of the national safety net program with a total allocation of US\$420 million IDA lending over the period of 2012- 2019 (P124045)<sup>13</sup> (about 60 percent of the total available budget). The World Bank's support will be important because it has a technical leadership role in safety nets and broader social protection policy, and because it has been successful in leveraging support and financing from other partners. The World Bank played a key role in bringing together 11 development partners to provide technical and financial support to the program in a harmonized and coordinated manner.

**62. The World Bank delivers various useful analytical work.** The World Bank has been supporting the Government in conducting various analytical work and has provided technical assistance during the design and scale up of this important national safety net program, by bringing in international experience and expertise. The World Bank has a number of ongoing and recently completed analytical products that have informed the design of a well-functioning safety net: (i) Defining a future of safety net and sustainability (2018); (ii) Social Protection Public Expenditure Review (2018); (iii) Bottlenecks to Self-Employment & Household firms (2017); (iv) PSSN Impact Evaluation (2016); (v) TZ-Systems Based Approach for the PSSN (2017); (vi) Value chain mapping; and (vii) Job diagnostics.

## F. Lessons Learned and Reflected in the Project Design

**63. PSSN cash transfers have significant impacts.** According to the rigorous impact evaluation carried out for PSSN I, the program had positive impacts on household assets, savings, resilience and employment. This is despite the fact that conditionalities were focused on education and health and that PW and livelihoods components were rolled out more slowly than anticipated, so the results are almost entirely attributable to the transfers themselves. International evidence supports the conclusion that CTs can have positive productive impacts: by providing a guaranteed and predictable source of income CTs can lift beneficiary households' liquidity, savings and credit constraints, thereby enabling investment; and they can have economic multiplier effects that promote local area development, benefiting both beneficiary and non-beneficiary households<sup>14</sup>. Factors underpinning these productive impacts include the timeliness and predictability of transfers (timeliness of CTs was already very good under PSSN II and timeliness of PW is being improved) and the adequacy of transfer levels (which will be enhanced under PSSN II).

**64. Given this, CTs will remain the bedrock of PSSN II, whilst livelihoods support will be rolled out in order to further strengthen productive impacts.** Analysis carried out for the program,<sup>15</sup> revealed that poor households face important barriers in accessing existing livelihood opportunities, programs and services. Information gaps, low human capital (especially illiteracy), exclusion and lack of confidence, prohibitive cost of programs, and/or remoteness make it especially hard for the poorest to access programs and services that can help them build their productive potential. This indicates a key role for PSSN II in linking its beneficiaries to productive opportunities – hence the new basic livelihoods component.

<sup>13</sup> PSSN is also supported by DFID (US\$160 million), Sida (US\$90 million), USAID (US\$10 million), Irish Aide (US\$ 11.8), and UN agencies (US\$4.5 million).

<sup>14</sup>These conclusions are supported by two meta-reviews of the findings of impact evaluations of government unconditional cash transfer programs in seven countries in sub-Saharan Africa – Ethiopia, Ghana, Kenya, Lesotho, Malawi, Zambia and Zimbabwe (Daidone et al, 2017; and Thome et al, 2016); and by a systematic review of the global evidence on productive impacts of cash transfers (Bastagli et al, 2016).

<sup>15</sup> Teshome, A. and Elly, T. (2015) *Livelihood Enhancement Analytical Work for the Productive Social Safety Net in Tanzania*.



**65. Whilst transfer levels were carefully set at the outset of PSSN I, the real amounts received by households have eroded over time as a result of inflation and operational challenges** (such as delays in updating household composition and in linking children to schools). Since adequacy of transfers is key to productive impacts, transfer levels will be updated under PSSN II to ensure adequacy and be inflated annually with reference to the CPI. To ensure that households receive the full amounts to which they are entitled, increased attention will be given to ensuring that the beneficiary registry is kept up-to-date and that waivers of conditionalities are systematically issued when a service is unavailable due to supply side constraints.

**66. Despite the positive impacts of PSSN I in many areas, including primary schooling, PSSN I had no significant impacts on secondary schooling.** The way in which conditionalities are framed has been reviewed in order to better promote secondary schooling. This has involved strengthening the incentives for children to complete primary education and transition into and remain in secondary school. However, during implementation, it is expected that in-depth analytical work will be conducted to revisit the design by Mid-Term Review as necessary.

**67. Capacity demands of the program have been and will remain high, due to rapid scale-up and program complexity.** Capacities are constrained at community and PAA levels, in the latter case partly due to high staff turnover. It will be important to undertake a capacity gap assessment and to develop a plan to systematically address identified gaps.

**68. Sometimes the key constraints on household service access are due to difficulties in the supply of those services. Strong cross-sector linkages are required to address these.** In some cases, access to health, education or livelihoods opportunities of PSSN beneficiaries has been constrained by a lack of infrastructure or service provision. Under PSSN II, training and supervision of PAA staff will emphasize coordination, and the new National Social Registry will also support joint working. Further analysis will be undertaken to better understand the constraints that sometimes prevent sectors playing their intended roles and these constraints will be addressed.

**69. The current phase of the program adopted and implemented the Vulnerable Group Planning Framework (VGPF) to ensure the specific needs of different vulnerable groups are effectively addressed and the project interventions will pose no harm to their livelihood and social cultural norms.** The process was started with a comprehensive Free, Prior and Informed Consent leading to the preparation of the VGPF. The VGPF was prepared and made available in English and Swahili, to ensure that vulnerable groups recognized by the framework are able to fully participate in program activities. Similarly, specific screening forms to identify and recognize the presence of vulnerable groups in project activities were developed. Various design features of the project including targeting as well as, the planning and implementation, Monitoring and Evaluation of the interventions (CCT, PW and LE) have been adapted to the specific needs and conditions of various vulnerable groups and communities. In order to ensure that vulnerable communities are represented in decision-making bodies at the local level, members of vulnerable groups have been selected in the CMC that manages the project on daily basis with a representation of up to 20 percent. As this project will be the first project in Tanzania to follow the newly adopted Environment and Social Standard 7 (ESS7) (Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities) requirements, the implementation of this policy in the context of Tanzania will require close and careful monitoring by the World Bank. For further details refer to Annex 1.





### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

**70. Arrangements and capacities built over time are judged largely adequate for the implementation of PSSN II.** Given this, institutional and implementation arrangements will remain largely the same under PSSN II as under the previous phase.

**71. At the national level,** the National Steering Committee (NSC) will continue to be the overall overseer of the project. It will be responsible for setting the strategic framework, clearing the annual work plans and budgets, as well as reviewing progress reports and monitoring the outcomes of PSSN activities. The NSC will also be charged with endorsing sub projects and transfers that have been previously scrutinized through the established procedures. PSSN will continue to be managed by the TASAF Management Unit (TMU), headed by an Executive Director appointed by the State House and staffed with appropriately qualified individuals. Technical assistance will be recruited, as and when required, to support the further development of the program using World Bank procurement procedures. The TMU will be responsible for day to day operations and coordination of PSSN II, providing support to PAAs and responding to community-driven requests; and will be directly answerable to the Permanent Secretary under the President's Office, State House. Sector experts from respective ministries will be responsible for PSSN-related work in relevant ministries and for facilitating and ensuring adherence to sectoral norms, standards and policies. Additionally, they will act as a technical working group (TWG), responsible for monitoring and steering progress towards the program goals, presenting their views, comments and technical advice to the NSC for further guidance and approval.

**72. In Zanzibar,** the PSSN II will be coordinated by the Second Vice President Office (SVPO). The SVPO appoints Coordinators for Pemba and Unguja and a Focal Person to oversee all PSSN activities. Unguja and Pemba will each have a Steering Committee (SC) that will perform similar functions to the LGA Finance Committee, and a Management Team with responsibilities similar to the PAA Management Teams described below.

**73. Regional Level.** The Regional Secretariat will be important champions of implementation coordination in their jurisdictions. Regional capacities in respect of the PSSN will be strengthened, to ensure effective oversight and monitoring and promote learning and knowledge-sharing based on documented and validated best practices that will be approved by the NSC. In each region on the Mainland there will be a TASAF focal person in the Regional Secretariat who receives, reviews and consolidates PSSN implementation progress reports from LGAs for onward transmission to the TMU. The regional focal persons will also be directly responsible for ensuring the uptake of lessons from joint reviews to address implementation challenges

**74. At PAA level,** PSSN II will continue to be overseen by the PAA Finance Committee, which is responsible for approving all program expenditures and sub-projects once members are satisfied that sub-projects were identified by communities in a democratic and participatory manner and are in line with sectoral norms and standards. On a day to day basis, the program will be managed by the LGA Director, who signs a Memorandum of Understanding (MOU) articulating roles and responsibilities of each sector and coordination of PSSN activities. The LGA Director appoints a focal person for PSSN funded activities and an accountant to handle financial matters, including the consolidation of PW payrolls.

**75. At the community level, the Village Council /Shehia's Advisory Urban Council/Mtaa Committee will continue to be the overall overseer of PSSN II.** They will mobilize resources and ensure effective delivery of the project, and security and sustainability of the assets and facilities created. In addition, these councils will facilitate and monitor the



performance of CMCs. The CMCs are democratically elected from community members and beneficiaries and will continue to play important roles in facilitating effective delivery of the project interventions throughout the project cycle, including in targeting, enrollment, sensitization, payments, grievance management, information, education and communication.

## B. Results Monitoring and Evaluation Arrangements

**76. The current M&E system has demonstrated its capacity to generate timely information on inputs, outputs and results. Under PSSN II, these systems will be reinforced and fine-tuned.** An M&E strategy and plan with clear timelines will be developed and integrated into the annual work plans for the project.

**77. Monitoring.** Regular monitoring will continue to involve data collection at community level and input of data into the MIS; and there will be an increased focus on encouraging and equipping teams at decentralized levels to make direct use of this monitoring information to improve program delivery. The MIS-based monitoring will continue to be complemented by regular standardized spot checks and technical reviews of the main project processes (targeting, updating of URB, payments, co-responsibilities, delivery of public works and livelihood enhancement services etc.). The TMU will prepare annual and quarterly reports for submission to Government and DPs not later than 45 days after the end of the period being reported on; and an MTR will be conducted. In addition, under PSSN II, collective citizen engagement processes (such as community score cards and/or citizen reports) will be used to enhance citizen monitoring of the program and hence its accountability to the poor communities it is intended to serve. Various audits will also be carried out for accountability purposes, including internal and external financial audit, technical audits of public works subprojects and value for money audits, as appropriate.

**78. Evaluation.** A series of rigorous impact evaluations are being conducted under the current program: a baseline survey was conducted in 2015, a midline survey was finalized in July 2019, and an end line survey is expected at the end of the current phase of the program (2019/20). The impact evaluation for the PSSN II will include three follow ups building as much as possible on the current Impact Evaluation (IE) design. Taking into account the current evaluation design for the PSSN I and the entry and exit of households expected throughout PSSN II, the project will look at the possibility of using the PSSN II IE as a follow up of the current IE in order to measure longer term impacts of the program, including in some cases follow up of households after exit. The PSSN II evaluation will also include new modules to evaluate innovations of particular interest: depending on feasibility, these might look at the impacts of the livelihood component, of support to ECD, and/or of the outcomes of the shift to electronic payments. In addition, process evaluations and qualitative studies will be carried out to assess new program elements and processes, and to document lessons learned. This evaluation is expected to be carried out through a contract with a reputable international consultancy firm or research institution (in partnership with local research institutions) for the design of survey instruments, training and technical assistance during data collection, data analysis and report writing. The contracted institution will coordinate with the National Statistics Offices in the Mainland and Zanzibar (NBS and OCGS) who will continue to be responsible for data collection.

## C. Sustainability

**79.** Sustainability has been built into the design of the program in the following ways.

**80. Sustainability of impacts at household level.** Sustainability of household-level impacts is at the core of the design of PSSN II. The intention of scaling up and extending the scope of the program under PSSN II is to ensure that extremely poor households receive support that is sufficiently comprehensive and durable to enable those who can 'graduate' in



the medium to long term to do so. If the program is implemented as planned, PSSN II and its subsequent envisaged phase should enable many extremely poor households, not simply to move temporarily out of poverty, but to progressively build the asset base, human capital and resilience necessary to sustain themselves out of poverty for the longer term.

**81. Sustainability of systems and institutions.** PSSN II will build on PSSN I and continue to be implemented through Government structures. Component 2 of the program will build program capacity and systems, contributing to institutional sustainability. It will also promote inter-ministerial co-ordination at national and sub-national levels, thereby contributing to the building of a sustainable social protection system, in line with the draft NSPP. The PSSN core elements already feature in the draft NSPP as important investments in the social protection system of Mainland Tanzania and will be further reflected in the NSPP implementation strategy to be developed.

**82. Financial sustainability.** The funding of PSSN II has been structured in such a way that the Government's contribution will grow and progressively replace DP support over time. An MTEF will be developed for the program by MTR to enable forward planning and ensure that scale-up aligns with available medium-term financing, ensuring financial sustainability of the program beyond PSSN II.

**83. Alignment with the National Social Protection Policy.** The Government is currently finalizing the National Social Protection Policy. The policy is expected to provide strategic direction for existing and future programs in the social protection sector, including PSSN II, in terms of institutional coordination, programmatic alignment and financial sustainability. The draft policy has highlighted social assistance programs such as PSSN to be one of the key instruments to deliver social protection services to the poor and vulnerable population of Tanzania.

## IV. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis

#### a) Technical

**84. The design of PSSN II is coordinated with the new NSPP preparation process.** As the PSSN is a flagship national social protection program, there has been a two-way interaction between the PSSN and the development of the new policy: the previous experience of PSSN has informed the NSPP with respect to non-contributory social protection instruments; and the new phase of PSSN will be aligned with the priority pillars of the new policy and its agreed institutional and delivery mechanisms. The long-term sustainability of the project beyond the current phase will also be guided by the implementation strategy of the new policy.

**85. PSSN II adopts an integrated intervention model.** The design of PSSN II integrates the delivery of project benefits and services to beneficiary households in order to effectively meet their short term basic and consumption needs, promote sustainable livelihood opportunities and invest in the human capital of children. PSSN II addresses key poverty and vulnerability challenges in Tanzania, including the particular challenge with inter-generational poverty transmission, building on the achievements of PSSN I, whilst aiming to further strengthening its productive impacts.

**86. The proposed intervention model draws on evidence from international and national experience.** Implementation experience in Tanzania and other African countries as well as other international experience (in middle and low-income countries) has demonstrated that a combination of CTs, PW and livelihood support can have a significant impact on the socio-economic well-being of program beneficiaries. The selected approach also responds to recent



analytical work on poverty and vulnerability in Tanzania, findings of the PSSN I evaluation work and simulations to estimate the impact of the proposed activities.

**87. The scale and scope of the program necessitates gradual roll-out.** The scale of the program in terms of caseload, geographic coverage and components will make it complex, creating challenges for smooth and timely delivery of proposed activities. For this reason, the design rightly proposes a gradual roll-out of PW and livelihoods enhancement activities, as well as of the expansion to new villages. In particular, the design of the program introduces innovative livelihood services to complement transfers, with the objective of facilitating households' graduation out of social assistance over time, an approach which is informed by evidence from graduation programs. However, it is noted that the graduation programs on which the evidence of success is based provide a level of technical support to beneficiary households that will be challenging to deliver at scale. A comprehensive roll-out plan and detailed operational manual will be developed before the start of the program and specific assessments of available capacity at the local level to deliver the required services will be carried out. Based on the implementation experience during PSSN I and previous experience of TASAF with support to savings groups, the proposed rollout of livelihoods support seems feasible, but will require close monitoring to ensure timely and effective delivery. Agreements with TASAF are in place to further strengthen the capacity of the livelihood enhancement unit.

**88. Investing in local capacity and effective delivery systems will be critical to achieving the desired outcomes.** Given that delivery of program services is highly decentralized and that the program will have national coverage, substantial investments will be required in systematic capacity building, especially at the local level, as well as in the enhancement of delivery systems. Key delivery system investments include the planned shift from the current community-based payment system to electronic payments, which is expected to improve the efficiency of transfer delivery to beneficiaries, while also ensuring strong accountability and reducing fiduciary risks. In addition, enhancement of the MIS will improve the effectiveness of monitoring and the systematic flow of information, thereby facilitating evidence-based decision-making.

**89. There will be a strong emphasis on linkages with complementary programs and cross cutting issues.** Lessons from PSSN show that the program has significant potential to make strong cross-sectoral contributions and improve the impact of sectoral investments. The proposed design of PSSN II further emphasizes the importance of sectoral linkages, especially for impacts on nutrition and ECD, gender and social development, and mainstreaming of climate change. This is adequately reflected in the description of the core components of the program.

#### **b) Economic and financial analysis**

**90. There is a large body of evidence on positive impacts of similar safety net programs.** Cash transfers can have significant positive impacts on the livelihoods of beneficiary households, as well as on the communities in which they live. The evidence largely supports the theory that cash transfers, by providing a guaranteed and predictable source of income, can lift households' liquidity, savings and credit constraints, thereby enabling investment. Most cash transfer programs reviewed have significant positive impacts on four dimensions of production: risk management and savings, livestock accumulation, agricultural inputs and labor<sup>16</sup>. Moreover, cash transfers support families to invest in the human

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<sup>16</sup> These conclusions are supported by two meta-reviews of the findings of rigorous impact evaluations of government unconditional cash transfer programs in seven countries in sub-Saharan Africa – Ethiopia, Ghana, Kenya, Lesotho, Malawi, Zambia and Zimbabwe (Daidone et al, 2017; and Thome et al, 2016); and by a systematic review of the global evidence on productive impacts of cash transfers (Bastagli et al, 2016).



capital of their members from the very early years and throughout the entire life-cycle. Cash transfers have demonstrated impacts on child nutrition, health and development in the early years, schooling, child labor, sexual and reproductive health, mental health, and criminal behavior, among others. See para 18 for a more detailed description of the impact of the cash transfer.

**91. The productive assets created through public works are contributing to improved production and productivity,** while promoting natural resource management and mitigation of the effects of climate change. Construction of water catchments such as “charco” dams improve access to water for livestock and small-scale irrigation. Planting fruit tree seedlings creates income opportunities for households, while the rehabilitation of degraded areas through various water and soil conservation activities will improve the productivity of the land and protection of the environment. While it is not possible to calculate a composite economic rate of return because the specific public works projects under PSSN are not identified in advance and expected rates of return vary widely depending on location, a growing body of evidence from the regular monitoring visits to PSSN work sites, as well as reviews of similar programs in the region, show the positive impact public works, like the ones implemented by PSSN, are having on livelihoods in program communities. For instance, evidence from the program in Ethiopia suggest that small-scale irrigation projects have increased incomes by between 4 to 25 percent. In addition to health gains from greater access to clean water, water projects significantly reduce the distance women and children travel to fetch water. The participatory planning processes used to identify PSSN public work activities are also expected to improve social capital in communities. Finally, cash transfers related to PSSN public works activities have a positive impact and multiplier effect on community and local markets.

**92. To understand the potential impacts of the proposed change to the PSSN program, ex-ante microsimulations were conducted with the latest available nationally-representative household data.** For consistency, the simulations carried out followed the same methodology used for PSSN I<sup>17</sup>, to estimate the possible impact of the PSSN II package (cash elements) on various measures of poverty reduction, as well as school enrollment. Assuming transfers are perfectly targeted and that cash benefits are accumulated over time, the findings of these simulations suggest that with or without the restructuring of the PSSN program, there will be significant impact on the reduction of extreme poverty level in Tanzania, which has been evidenced by the impact evaluation results during PSSN I implementation. Moreover, the findings also suggest that the proposed scale-up of the program, including expansion of public works and enhanced livelihoods components, and revised benefit levels and structure for CCT, could be expected to result in greater impact on poverty, income inequality and human capital development, even when compared to PSSN I.

**93. To summarize, the ex-ante microsimulations demonstrate that the proposed scale-up could have significant impacts on extreme poverty and improve school enrollment among the beneficiary households.** The proposed scale-up of the program could lead to even higher impacts on both the poverty level, the income inequality level and the school enrollment among the children in the beneficiary households. Specifically, with an assumption of 80-90 percent compliance rates the proposed restructuring could reduce poverty headcount by 12.9 percentage points. Even when incorporating operational constraints, such as imperfect targeting (based on the current Proxy Means Test performance) the simulations show the restructuring has the potential to reduce poverty headcount by 9.9 percentage points, as well as reduce the poverty gap and inequality by 2.1 and 2.9 percentage points respectively. Beyond the benefits on poverty reduction, the model estimates the CCT component of the program would also shift more than 243,600 children back to school, increasing to more than 95 percent and more than 80 percent respectively the primary and secondary school enrollment rate.

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<sup>17</sup> Leite G. Phillippe and Fruttero, Anna (2010). Toolkit on Simulating the Impact of Conditional Cash Transfer Programs on Children Behavior.

**Table 4. Potential Benefit of the Proposed PSSN II (Baseline, HBS 2012)**

Scenarios	Impacts on Extreme Poverty, Headcount				Impact on Poverty Gap Among Extreme				Gini			
	Baseline	1 year reduction, p.p.	3 year reduction, p.p.	5 year reduction, p.p.	Baseline	1 year reduction, p.p.	3 year reduction, p.p.	5 year reduction, p.p.	Baseline	1 year reduction, p.p.	3 year reduction, p.p.	5 year reduction, p.p.
<i>Perfect Targeting</i>												
Scenario 1: PSSN I benefit structure	14.7%	3.5	9.3	10.5	2.8	0.8	2.0	2.3	34.1	0.5	1.8	2.3
Scenario 2: New benefit structure (CCT+PW+Livelihoods)	14.7%	4.7	10.3	12.9	2.8	1.1	2.2	2.6	34.1	0.7	2.2	3.2
<i>Imperfect Targeting</i>												
Scenario 1: PSSN I benefit structure	14.7%	2.8	7.2	8.4	2.8	0.7	1.6	1.8	34.1	0.5	1.6	2.0
Scenario 2: New benefit structure (CCT+PW+Livelihoods)	14.7%	3.8	8.0	9.9	2.8	0.9	1.8	2.1	34.1	0.7	2.0	2.9

**Table 5. Potential impact on school enrollment rates**

Age Group	Perfect Targeting			Imperfect Targeting		
	Baseline	Scenario 1	Scenario 2	Baseline	Scenario 1	Scenario 2
Age 6-11: G1-5	65.38%	99.48%	99.48%	64.68%	99.57%	99.57%
Age 12-13: G6-7	78.06%	94.75%	95.09%	78.59%	94.51%	95.84%
Age 14-16: Lower second	49.95%	79.29%	82.01%	50.92%	83.85%	85.92%
Age 17-18: Upper second	34.77%	77.36%	80.46%	34.98%	82.18%	84.52%
<b>All age</b>	<b>59.36%</b>	<b>91.91%</b>	<b>92.90%</b>	<b>59.31%</b>	<b>93.08%</b>	<b>94.05%</b>

**94. PSSN is low cost in relation to its benefits.** Total social assistance spending in Tanzania is 0.45 percent of GDP in 2016: very low compared to its comparator countries and to the Sub-Saharan Africa mean of 1.55 percent of GDP. PSSN if implemented at full scale will cost about 0.4 percent of GDP and 2.4 percent of the state budget. The number of people relying on social assistance will decline over time as the country grows and opportunities expand for citizens. Therefore, the program could be affordable and sustainable if the Government defines a strategy to create fiscal space in the medium to long term.

## B. Fiduciary

### a) Financial Management

**95. The Financial Management (FM) assessment conducted annually found adequate financial management arrangements for PSSN II.** These have been established over time during the implementation of PSSN I. The project has an adequate internal control environment including reporting structures, policies and procedures, information management systems that facilitate financial reporting, and experienced accounting staff. Accounting and reporting systems will require an upgrade of the current EPICOR software in use to include the use of a budget module and the development of a financial reporting module that suits the project needs.

**96. The TMU will take full fiduciary responsibility for the project and a fiduciary team is in place with adequate skills.** At PAA level, PAA Treasurers will be in overall charge of financial management aspects of the project, including records keeping and reporting to TMU. Currently, the TMU has established an adequate internal controls system to track and monitor cash transfers to beneficiaries. Under PSSN II, TASAF will establish an e-payment system with the use of payment agents who will be responsible for transferring funds directly to beneficiaries. The internal audit department



will need to be strengthened with IT expertise to address risks associated with advancements in the use of technology in project delivery.

**97. Disbursement Arrangements: PSSN II will use advances, reimbursement, direct payments and special commitments as disbursement methods.** The TMU will initially submit a cash flow forecast projection for six months to receive the initial deposit in the designated bank account. Subsequent withdrawal requests will be made according to project needs, based on the cash forecast submitted in unaudited interim financial reports. Important to note is that the cash flow projections have to be supported by annual work plans and procurement plans. In addition to the advance method of payment described above: reimbursements can be requested for eligible costs incurred; payments can be made directly to contractors or service providers upon notification of their satisfactory performance by the project authorized officials; and payments may also be made for special commitments basing on the agreed terms and conditions. The use of advances will be reported on a quarterly basis using unaudited interim financial reports (IFRs). The use of retroactive financing option has also been agreed.

**98. Implementation Support Arrangements.** Financial management action plans to strengthen financial systems are included in Annex 1 of this PAD. FM implementation support missions will be conducted at least twice every year based on the current risk assessment of the project. In addition, project performance will continue to be monitored through regular desk reviews of unaudited IFRs and reviews of annual audit reports.

#### **b) Procurement**

**99. Procurement Procedures.** Procurement activities under the proposed Project will be carried out in accordance with: the World Bank's "Procurement Regulations for Investment Project Financing (IPF) Borrowers" (Procurement Regulations) dated July 2016 and revised in November 2017 and August 2018 under the "New Procurement Framework (NPF); the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated July 1, 2016; and the provisions stipulated in the Financing Agreement.

**100. A Project Procurement Strategy for Development (PPSD) and a Procurement Plan (PP) have been prepared.** The Borrower has prepared a PPSD identifying optimum procurement strategies for meeting the development objectives of the project, based on which the PP for the first 18 months has been prepared, setting the selection methods to be used by the Borrower in the procurement of goods, works, non-consulting services, and consulting services under the project. The PP will be updated at least every 12 months, or as required, to reflect the actual project implementation needs. Each update shall require World Bank approval and will be publicly disclosed in accordance with the World Bank disclosure policy.

**101. A Procurement Capacity Assessment was carried out in May 2018 for the TMU and in October 2018 for the selected PAAs, Regional Administration Secretariats (RASs) and Communities.** The assessment reviewed the organizational structure, functions, staff skills and experience, and adequacy for implementation of the project of the TMU, a sample of PAAs, RASs and Communities. The TMU has a good track record of implementing World Bank-financed projects. The TMU has successfully implemented TASAF II (P085786) and is currently implementing PSSN I (P124045). The assessment revealed that TMU, PAAs and RASs have established all the necessary arrangements for adjudicating and managing procurement activities in accordance with the provisions of the Public Procurement Act (PPA) and its Regulations. For the last three years the procurement performance of the TMU has been satisfactory.

**102. The assessment revealed that the TMU's procurement specialists have adequate experience of managing procurements in accordance with World Bank procurement guidelines.** Two of TMU's procurement specialists attended



training for Procurement Regulations for Borrower in Kigali from June 18 to June 22, 2018. However, the assessment revealed that at the PAA, RAS and community levels procurement capacity is low – inadequate planning, inadequate knowledge and skills/experience in managing procurement activities as per the procurement manual; and inadequate records filing and management systems.

**103. Identified risks, mitigation measures, capacity building and action plan agreed.** Given the fact that procurement arrangements are decentralized to community level and that there are substantial capacity gaps at the PAAs, RASs and communities, the overall project procurement risk was assessed to be “Substantial”. The residual risks after the implementation of the mitigation measures is “Moderate”. Details of the mitigation measures to address the identified risks, the action plan and the procurement arrangements for the project are presented in the procurement section of Annex 1.

**C. Legal Operational Policies**

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

**D. Environmental and Social**

104. The PSSN II environmental and social risk rating is classified as substantial under the World Bank ESF, based on the type of project and nature of its activities which are primarily cash transfer and public works program for which potential environmental and social risks and impacts are substantial. The PW program activities include soil and water conservation, e.g. soil bunds, community access roads, multi-purpose tree nurseries and woodlots, water supply points e.g. hand-dug well, spring protection, small-scale irrigation, environmental cleaning, gully control, sediment traps, and community ponds. Sub-projects will enhance environmental and social risks and impacts management as well as social protection since they offer opportunities for work and earnings at the same time. The potential environmental risks and impacts that would need to be explored further include issues related to water and energy use efficiency, conservation and use of natural resources and cultural heritage. The potential social risks and impacts that would need to be explored further relate to the capacity of subnational agencies. Other potential risks may be related to child labor, elite capture and exclusion of disadvantaged individuals and communities. This project does not pose any indirect or long-term impacts.

105. The Project has been prepared under the World Bank’s new Environment and Social Framework (ESF). Six ESF Standards are relevant for the project. The following documents were finalized and disclosed in country and at the World Bank’s website on April 6 and April 8, 2019 respectively: (1) Environment and Social Management Framework (ESMF); (2) Labor Management Procedures (LMP); (3) Resettlement Policy Framework (RPF); (4) Environment and Social Commitment Plan (ESCP); (5) Stakeholder Engagement Plan (SEP); and (6) Vulnerable Group Planning Framework (VGPF). Where necessary, Environment and Social Management Plans and Vulnerable Group Plans (VGPs) will be prepared, consulted upon and disclosed during project implementation. For details refer to Annex 1.





## V. GRIEVANCE REDRESS SERVICES

**106. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and World Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## VI. KEY RISKS

**107. The overall risk for the PSSN II is rated as moderate.** The major anticipated risks of specific relevance to the project and the proposed mitigation measures are described below. (The risk ratings are categorized as High, Substantial, Moderate and Low).

**108. Political and governance risks are moderate.** The continued strong support from Government and positive experience during the implementation of PSSN so far suggests that political and governance risks associated with PSSN continue to be moderate. Implementation of the PSSN over the past years has demonstrated that the program has developed sound program governance principles, rigorous implementation arrangements and solid operational tools. This is coupled with a steadily increasing capacity to plan and implement the program: there are effective institutional and implementation arrangements at central, regional and local levels and key systems are in place, such as an effective targeting system, an MIS which links all the PAAs with the TMU electronically, a URB, a GRM, and a rigorous impact evaluation. The program design will be completed by the time of the next election in 2020 and the election will not pose any political risk for delivery of PSSN II. Nevertheless, even though improving over time, the political buy-in for the project at the senior leadership level is still in need of reinforcement. Ongoing World Bank management and other DP engagement and the generation of strong evidence on impact of the program will be required. Very recently, the top senior Government leadership, including the President of the URT, expressed full support for the program, including all elements as per the design.

**109. Sector strategy and policy risks are moderate.** The Government is in the process of transforming the National Social Security Policy of 2003 into a comprehensive NSPP. The Cabinet Paper for NSPP is under preparation and is expected to be tabled to the Cabinet Secretariat in FY 2019/20. The current lack of a coherent policy would, in the short term, pose a risk related to lower prioritization of the sector by Government compared to other sectors with policies already in place. It would also create a gap in institutionalizing the program and ensuring its long-term sustainability. The task team will closely engage in the on-going policy dialogue and provide technical assistance in the finalization of the NSPP, ensuring that safety net programs are recognized as an important social protection instrument.

**110. Risks related to the technical design of the project are substantial.** PSSN has been under implementation since 2013 and its core design elements and components remain largely unchanged. The approach taken in the design of the program, which proposes a layering of CCT, PW and livelihood enhancement interventions, is expected to further strengthen impacts of the program on livelihoods of the beneficiaries and speed up the vision of the Government to



graduate poor people out of poverty. However, such integrated design and the scale up of Public Works and Livelihood components will require strengthened implementation capacity. The negative perception about the cash transfer that prevailed earlier have improved overtime. The Government is positive about the design of the new phase which puts greater emphasis on economic participation through a combination of Cash Transfer, Public Works and Livelihood components.

**111. Institutional capacity for implementation and sustainability related risks are moderate.** While there are strong capacities and systems at the central level, institutional and technical capacities at PAA and community level remain relatively low and variable, especially in relation to the newly expanding components of the program, such as PW and livelihood enhancement. However, the implementation of the PSSN over the past years has demonstrated that the program has developed rigorous implementation arrangements and solid operational tools which will facilitate smooth roll-out of the project. The risks related to capacity will be further mitigated through continued efforts to build capacity, and regular follow up and provision of additional technical support, as required. The project has a specific component focused on strengthening capacities and delivery systems. A specific capacity building assessment will be completed before the project implementation begins.

**112. Stakeholder related risks are moderate.** Overall, the main actors related to the social protection sector in Tanzania continue to support the PSSN. This is demonstrated by the Government's interest to continue investing in PSSN through additional IDA credits and the continued support of key DPs. Nevertheless, the current financing gap does present a risk. Maximizing program productive impacts depends on households receiving the full proposed 'treatment', including CTs and asset grants of an adequate level, as well as complementary training, coaching and service linkages. If limited financing slows down the roll-out of the components or leads to reduced transfer levels, then anticipated impacts will be compromised: households might still be protected from the worst effects of poverty, but productive impacts will be less likely to materialize. A detailed financing plan and sustainability strategy is discussed and reflected in the project document for follow up dialogue with the Government and DPs.

**113. Fiduciary risks are rated as substantial.** The implementation of the PSSN over the last three years has shown satisfactory fiduciary performance and the financial management and procurement systems that are in place provide reasonable assurance that World Bank proceeds are being used for the intended purposes and that reports produced by the system can be relied upon to monitor the project. However, given the nature of the project in terms of decentralized delivery down to village level and associated capacity gaps, there are still substantial fiduciary risks. The proposed mitigation measure will be to continue building fiduciary capacity at all levels and strengthen regular monitoring and supervision by the World Bank and TMU. In addition, the plan to fully roll-out e-payments at an early stage of the proposed new project will increase accountability and will minimize the risk related to fraud.

**114. Environmental and social risks are rated as Substantial.** The current project has been complying with the safeguard policies triggered. There is strong capacity at the national level with three safeguards staff hired to monitor safeguard compliance and provide capacity support to PAAs implementing the program. Since the start of the PW sub-projects, Environmental and Social Management Framework (ESMF) screening procedures were satisfactorily applied and, where necessary, mitigation measures were identified. However, there is still a capacity gap at the local level; as the PW and livelihood enhancement components roll-out to full scale there may be a demand for more capacity to effectively implement necessary safeguard measures. To mitigate this potential risk, specific capacity building plans will be developed as part of the design and adequate resources will be earmarked for the implementation and monitoring of safeguard compliance requirements. PSSN II will adopt the new Environmental and Social Framework and this will require putting in place the necessary capacity at national and local levels to effectively implement the new safeguard standards. Capacity building interventions are already part of project design under component II.



**Results Framework**

**COUNTRY: Tanzania**

**Tanzania Productive Social Safety Net Project II**

**Project Development Objectives(s)**

To improve access to income-earning opportunities and socio-economic services for targeted poor households while enhancing and protecting the human capital of their children.

**Project Development Objective Indicators**

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
<b>Improve access to income-earning opportunities and socio-economic services for targeted households</b>							
Direct project beneficiaries (Number)		5,267,031.00	5,602,766.00	5,852,865.00	5,213,059.00	4,851,768.00	4,851,768.00
Of which female beneficiaries are (Percentage)		52.00	52.00	52.00	52.00	52.00	52.00
Proportion of beneficiary households with food consumption score above "poor level" (Percentage)		50.00	50.00	52.00	52.00	54.00	54.00
Proportion of benefits reaching the poorest 20 percent of population (Percentage) (Percentage)		60.00	60.00	60.00	60.00	60.00	60.00
Eligible beneficiary households		0.00	0.00	60.00	65.00	70.00	70.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
representative involved in functional income generating investments one year after receipt of livelihood grant (Percentage)							
Of which female beneficiaries are (Percentage)		0.00	0.00	60.00	60.00	60.00	60.00
Primary school completion rate for children from beneficiary households (Percentage)		28.00	28.00	30.00	30.00	30.00	30.00
PSSN beneficiary households reporting benefits from community assets created through Public Works (Percentage)		0.00	50.00	60.00	70.00	80.00	80.00

**Intermediate Results Indicators by Components**

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
<b>Component 1 (Cash Transfer and Public Work)</b>							
Beneficiaries of safety net programs (Number)		5,267,031.00	5,602,766.00	5,852,865.00	5,213,059.00	4,851,768.00	4,851,768.00
Of which female beneficiaries are (Number)		0.00	52.00	52.00	52.00	52.00	52.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Beneficiary households receiving Cash Transfer (both conditional + Unconditional) (Number)		1,052,154.00	1,167,243.00	1,219,347.00	1,086,054.00	1,010,785.00	1,010,785.00
Beneficiary households receiving transfer through public works (Number)		255,756.00	255,756.00	625,156.00	969,309.00	837,573.00	837,573.00
PSSN beneficiary HHs receiving their cash payments within first 10 days of the next month following the payment cycle (Percentage)		0.00	70.00	80.00	90.00	90.00	90.00
Proportion of children in beneficiary households aged 0-24 months old attending health facilities regularly (Percentage)		95.00	95.00	95.00	95.00	95.00	95.00
Proportion of children in beneficiary households aged 6-18 years enrolled in primary schools with more than 80% of attendance a month (Percentage)		95.00	95.00	95.00	95.00	95.00	95.00
Proportion of eligible children in beneficiary Households linked to secondary school (Percentage)		5.00	5.00	7.00	7.00	8.00	8.00
Proportion of beneficiary households receiving disability benefit (Percentage)		0.00	2.00	4.00	5.00	6.00	6.00
PWP sub-projects/community assets created through project (cumulative) (Number)		0.00	6,000.00	16,000.00	24,000.00	27,000.00	27,000.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Person days provided in PWP (cumulative) (Number (Thousand))		0.00	15,345.00	52,869.00	111,065.00	161,319.00	161,319.00
PW subprojects with clear maintenance plan and sustainability measures (Percentage)		0.00	50.00	60.00	65.00	70.00	70.00
Proportion of Sub-projects for which ESMF screening is completed and necessary mitigation measures are identified for any potential negative impacts (Percentage)		0.00	70.00	80.00	90.00	100.00	100.00
Proportion of PW sub-projects with direct positive contribution for climate change adaptation/risk mitigation (Percentage)		0.00	40.00	45.00	50.00	50.00	50.00
<b>Component 1 (Livelihood Enhancement)</b>							
Beneficiaries HHs participating in functional saving groups (Percentage)		0.00	40.00	45.00	50.00	50.00	50.00
of which female beneficiary households are (Percentage)		0.00	60.00	60.00	60.00	60.00	60.00
Beneficiaries receiving information on livelihood enhancement services (Number)		0.00	359,426.00	628,037.00	567,412.00	193,412.00	1,119,676.00
of which female is (Percentage)		0.00	60.00	60.00	60.00	60.00	60.00
Eligible beneficiary HHs receiving enhanced livelihood		0.00	50,000.00	75,000.00	75,000.00		200,000.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
support including appropriate basic and skill training and livelihood grant (Number)							
of which female beneficiaries are (Percentage)	0.00	60.00	60.00	60.00	60.00	60.00	60.00
Training recipients reporting improved skills as a result of the training provided by the project (Percentage)	0.00	50.00	60.00	60.00	70.00	70.00	70.00
Of which female beneficiaries are (Percentage)	0.00	60.00	60.00	60.00	60.00	60.00	60.00
Livelihood Income Generating Activities (IGAs) with approved business plans that are set up within six months of receiving livelihood grant support (Percentage)	0.00	60.00	70.00	80.00	80.00	90.00	90.00
<b>Component II Component II: Strengthening Institutional Capacity and Integrated Delivery Systems</b>							
Beneficiaries reporting that project investments reflected their needs (Percentage)	0.00	50.00	60.00	70.00	80.00	80.00	80.00
Of which female are (Percentage)	0.00	52.00	52.00	52.00	52.00	52.00	52.00
Participating PAAs reporting improved capacity to deliver the PSSN as a result of program support (Percentage)	0.00	70.00	70.00	80.00	90.00	90.00	90.00
Staff reporting satisfaction with the training delivered by the project (Percentage)	0.00	70.00	80.00	80.00	90.00	90.00	90.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
PSSN beneficiaries receiving their cash payments through e-payments (Percentage)		10.00	30.00	50.00	60.00	70.00	70.00
Of which female beneficiaries are (Percentage)		60.00	60.00	60.00	60.00	60.00	60.00
PAAAs that prepare and submit progress reports/compliance monitoring information on timely manner (Percentage)		80.00	80.00	85.00	90.00	90.00	90.00
Complaints and grievances addressed within 1-2 months of initial complaint being recorded (Percentage)		60.00	60.00	70.00	80.00	80.00	80.00
CMC members that have received the required annual training/refresher training (Percentage)		0.00	80.00	90.00	90.00	90.00	90.00
of which female are (Percentage)		0.00	50.00	50.00	50.00	50.00	50.00

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Direct project beneficiaries	Beneficiaries directly receiving project benefits	Quarterly	MIS	Regular monitoring	TMU





	from different project components				
Of which female beneficiaries are		Quarterly	MIS	Regular monitoring	TMU
Proportion of beneficiary households with food consumption score above "poor level"	Estimated consumption for 28 days per adult equivalent	Every two years	Impact evaluation	Survey	TMU/External evaluators
Proportion of benefits reaching the poorest 20 percent of population (Percentage)	The proportion of the project benefits that directly goes to the poorest 20 percent of the total population.	Every two years	Impact Evaluation	Survey	TMU/External evaluators
Eligible beneficiary households representative involved in functional income generating investments one year after receipt of livelihood grant	Proportion of beneficiaries who either: (a) established or expanded a business with a livelihood grant and is still operational 12 months later.	3 rounds	Spot checks	survey	TMU/External evaluators
Of which female beneficiaries are		Annual	MIS	Regular monitoring	TMU
Primary school completion rate for children from beneficiary households		Every two years	Impact Evaluation	Survey	TMU/External Evaluators
PSSN beneficiary households reporting benefits from community assets created through Public Works	Self-reported indications by those beneficiaries directly involved in PW regarding the convenience of the timing/intensity and payment of the PW projects.	Every two years	Impact Assessment	Survey	CMU/External evaluators

**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries of safety net programs	Beneficiaries receiving support from both CT and Public Works	Quarterly	MIS	Regular monitoring	TMU
Of which female beneficiaries are		Quarterly	MIS	Regular monitoring	TMU
Beneficiary households receiving Cash Transfer (both conditional + Unconditional)	Beneficiary households directly benefiting from different cash transfer elements (productive transfer, direct transfer, HD transfer, child grant, disability grant).	Quarterly	MIS	Regular monitoring	TMU
Beneficiary households receiving transfer through public works	-	Quarterly	MIS	Regular monitoring	TMU
PSSN beneficiary HHs receiving their cash payments within first 10 days of the next month following the payment cycle	Measure the timeliness with which the payments system is working. Payments are expected to occur once every two months.	Quarterly	MIS	Regular monitoring	TMU
Proportion of children in beneficiary households aged 0-24 months old attending health facilities regularly	This indicator measures the proportion of children who are able to attend regular checkup, immunization and nutrition advices.	Quarterly	MIS	Regular monitoring	TMU
Proportion of children in beneficiary households aged 6-18 years enrolled in primary schools with more than 80% of attendance a month	This indicator measures the compliance related to enrollment and school attendance by children from	Quarterly	MIS	Regular monitoring	TMU



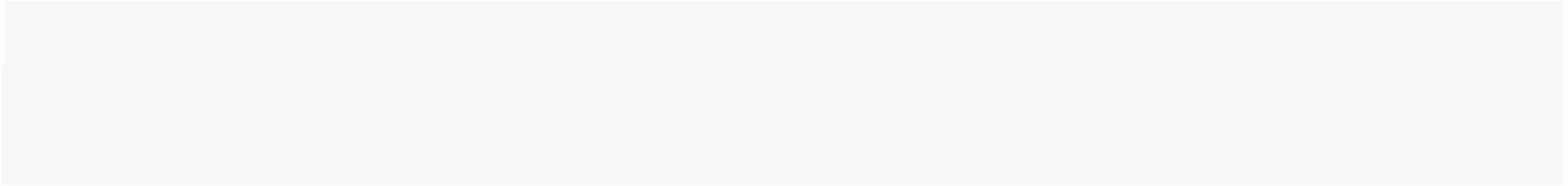
	the beneficiary HHs as per the design of CCT.				
Proportion of eligible children in beneficiary Households linked to secondary school	This indicator tracks children linked to secondary and vocational training by receiving HD variable benefit provided by the project	Quarterly	MIS	Regular monitoring	TMU
Proportion of beneficiary households receiving disability benefit	tracks people with disability in beneficiary households who are receiving additional disability grant from CT	Quarterly	MIS	Regular monitoring	TMU
PWP sub-projects/community assets created through project (cumulative)	This indicator tracks the number of major PWP sub-projects completed each year	Quarterly	MIS	Regular monitoring	TMU
Person days provided in PWP (cumulative)	Measures the numbers of days of employment created in PW projects each year.	Quarterly	MIS	Regular monitoring	TMU
PW subprojects with clear maintenance plan and sustainability measures	This measures the proportion of projects undertaken in the PW that have a clear maintenance and sustainability plan at the local level (if the project requires it)	Annual	PW reviews	Assessment	TMU/External TA
Proportion of Sub-projects for which ESMF screening is completed and necessary mitigation measures are identified for any potential negative impacts	This indicator tracks whether the PW sub-project planning and implementation follows the required safeguard compliance requirements	Annual	PW reviews	Assessment	TMU



Proportion of PW sub-projects with direct positive contribution for climate change adaptation/risk mitigation	The indicator estimates the level of linkages of PW sub-projects with climate change	Annual	PW reviews	Assessment	TMU/external TA
Beneficiaries HHs participating in functional saving groups	This indicator tracks beneficiary engagement in saving groups	Quarterly	MIS	Regular monitoring	TMU
of which female beneficiary households are		Quarterly	MIS	Regular monitoring	TMU
Beneficiaries receiving information on livelihood enhancement services		Every two years	Impact evaluation/S pot checks	Survey	TMU/External reviewers
of which female is		Quarterly	MIS	Regular monitoring	TMU
Eligible beneficiary HHs receiving enhanced livelihood support including appropriate basic and skill training and livelihood grant	The detail of what enhanced livelihood support constitutes is presented in the component description	Quarterly	MIS	Regular monitoring	TMU
of which female beneficiaries are					
Training recipients reporting improved skills as a result of the training provided by the project	The proportion of beneficiaries who self-report an improvement in skills as a result of the training provided by the project	Annual	Spot checks	Survey	TMU/External reviewers
Of which female beneficiaries are					
Livelihood Income Generating Activities (IGAs) with approved business plans that are set up within six months of receiving	This indicator tracks the IGAs and associated business plan developed as per the	Annual	MIS	Regular monitoring	TMU



livelihood grant support	design				
Beneficiaries reporting that project investments reflected their needs	tracks the beneficiary perception about the project	Every two years	Process evaluation	Survey	TMU/External evaluator
Of which female are		Every two years			
Participating PAAs reporting improved capacity to deliver the PSSN as a result of program support	Self-reported assessment of the local government’s capacity to deliver safety net and livelihood services.	Every two years	Process evaluation	survey	TMU/External valuator
Staff reporting satisfaction with the training delivered by the project	This indicator tracks whether the project staff receive training on PIM.	Annual	MIS	Regular monitoring	TMU
PSSN beneficiaries receiving their cash payments through e-payments	This indicator tracks the effectiveness of the roll-out of e-payment	Quarterly	MIS	Regular monitoring	TMU
Of which female beneficiaries are		Quarterly	MIS	Regular monitoring	TMU
PAAs that prepare and submit progress reports/compliance monitoring information on timely manner	This indicator tracks the effectiveness of the preparation and submission of various project reports	Quarterly	MIS	Regular monitoring	TMU
Complaints and grievances addressed within 1-2 months of initial complaint being recorded	This indicator tracks implementation of GRM as per the design	Quarterly	MIS	Regular monitoring	TMU
CMC members that have received the required annual training/refresher training		Annual	MIS	Regular Monitoring	TMU
of which female are		Annual	MIS	Regular monitoring	TMU





## ANNEX 1: IMPLEMENTATION ARRANGEMENTS AND SUPPORT PLAN

### COUNTRY: Tanzania

### Tanzania Productive Social Safety Net Project II

#### Implementation Arrangements

1. The project institutional arrangements for PSSN II will continue to operate within the existing Government structures which follow the direction of the Decentralization by Devolution Policy. Tanzania is divided into 25 geographic administrative regions headed by Regional Administrative Secretaries (RAS), which comprise 164 local government authorities (LGAs) including Pemba and Unguja in Zanzibar. The Project Area Authorities (PAAs) are headed by the district executive director/municipal director. Below the district is the ward level headed by the ward executive officer. The lowest level of government is the village council (on the Mainland) or shehia (in Zanzibar) with a village executive officer. 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 PAA levels existing Government entities provide the main program staffing.

2. The implementation and coordination arrangements for the PSSN II will therefore be largely anchored on the existing platforms and seek to further strengthen capacities in existing institutions and committees, and existing systems that are pertinent to project implementation. Participation in the current oversight, coordination and technical committees will be expanded to new members where they are expected to add value in accordance with the PSSN II objectives and the renewed focus on enhancing the productive focus of its interventions. The NSC chaired by the Permanent Secretary in the Office of the President will continue to provide overall strategic guidance to project implementation and coordination; the TMU will continue to provide overall implementation coordination at the national level; and regional and district authorities will maintain their role as implementation champions in their localities. In addition, ward and community level structures will retain their implementation and facilitation roles, albeit with enhanced capacity and support for them to perform their functions more capably. These arrangements, which are explained in section III (A) of this PAD, are further detailed below.

#### National level

3. **National Steering Committee:** The NSC will continue to be the overall overseer of the project. It will be responsible for setting the strategic framework, clearing the annual work plans and budgets, as well as reviewing progress reports and monitoring the outcomes of PSSN activities. The NSC will also be charged with endorsing sub projects and transfers that have been previously scrutinized through the established procedures. The NSC will be appointed by the President of the URT.

4. **Tanzania Social Action Fund:** PSSN II will be managed by the TMU, headed by an Executive Director appointed by the State House and staffed with appropriately qualified individuals. Technical assistance will be recruited, as and when required, to support the further development of the program using World Bank procurement procedures. The TMU will be responsible for day to day operations and coordination of PSSN II, providing support to PAAs and responding to community-driven requests; and will be directly answerable to the Permanent Secretary under the President's Office, State House. Sector experts from respective ministries will be responsible for PSSN-related work in relevant ministries and for facilitating and ensuring adherence to sectoral norms, standards and policies. Additionally, they will act as a



technical working group (TWG), responsible for monitoring and steering progress towards the program goals, presenting their views, comments and technical advice to the NSC for further guidance and approval. The TMU will serve as secretariat to the NSC.

**5. Technical Working Group.** Under the coordination of the TMU, the Sector Experts Team (SET) will constitute a TWG responsible for close monitoring and steering implementation progress towards the program goals. The SET will present their views, comments and technical advice on various submissions to the NSC for further guidance and approval. The TWG and the TMU will ensure regular and adequate collaboration with the President's Office to ensure smooth project implementation and support to implementers.

### **Zanzibar (Unguja and Pemba Islands)**

**6. In the Zanzibar Islands,** the PSSN II will be coordinated by the SVPO. The SVPO appoints Coordinators for Pemba and Unguja and a Focal Person in the office of the SVPO to oversee all PSSN activities. Unguja and Pemba will each have a SC that will perform similar functions to the LGA Finance Committee, and a Management Team with responsibilities similar to the PAA Management Teams.

### **Sub National Level**

**7. Regional Level.** The Regional Administrative Secretariat will be important champions of implementation coordination in their jurisdiction. Regional Administration capacities in respect of the PSSN will be strengthened, to ensure effective oversight and monitoring and promote learning and knowledge-sharing based on documented and validated best practices that will be approved by the NSC. In each region on the Mainland there will be a TASAF focal person in the Regional Secretariat who receives, reviews and consolidates PSSN implementation progress reports from PAAs for onward transmission to the TMU. The regional focal persons will also be directly responsible for ensuring the uptake of lessons from joint reviews to address implementation challenges

**8. At PAA level.** PSSN II will continue to be overseen by the PAA Finance Committee, which is responsible for approving all program expenditures and sub-projects once members are satisfied that sub-projects were identified by communities in a democratic and participatory manner and are in line with sectoral norms and standards. On a day to day basis, the program will be managed by the LGA Director, who signs a MOU articulating roles and responsibilities of each sector and coordination of PSSN activities. The LGA Director appoints a focal person for PSSN funded activities and an accountant to handle financial matters, including the consolidation of PW payrolls.

**9. At the community level, the Village Council /Shehia's Advisory Council/Mtaa Committee will continue to be the overall overseer of PSSN II.** They will mobilize resources and ensure effective delivery of the project, and security and sustainability of the assets and facilities created. In addition, these councils will facilitate and monitor the performance of CMCs. The CMCs are democratically elected from community members and beneficiaries and will continue to play important roles in facilitating effective delivery of the project interventions throughout the project cycle, including in targeting, enrollment, sensitization, payments, grievance management, information, education and communication.

### **Financial Management**

**10. Budgeting Arrangements.** The project will prepare annual budgets for the project period which will be reviewed on an annual basis. Annual Work Plans and Budgets (AWPB) will be prepared by TMU and submitted to the Parliament for approval through State House vote as part of the development budget. The TMU will finalize and communicate its





AWPB before the commencement of the financial year. Budget procedures and timelines will be documented in detail in the **Financial Management Manual**. Budget performance will be monitored against actual costs and reported on a quarterly basis through IFRs. Currently TMU uses a manual system to track its budget performance. It is expected that a budget module in EPICOR Integrated Financial Management System (IFMS) will be activated to facilitate monitoring and reporting of budget performance.

**11. Accounting System.** The project shall maintain adequate financial records in accordance with accepted international accounting standards and practices. For general purpose financial reporting, TMU is using International Public-Sector Accounting Standard (IPSAS) - *Cash Basis of Accounting* issued by International Public Sector Accounting Standards Board (IPSASB). The basis of accounting is adequate based on the nature of TMU activities. The current accounting software in use is EPICOR v 9.05 integrated financial management system. Records of payments made to beneficiaries of CCT and PWP components are maintained in a web-based MIS database which is interfaced with EPICOR, hence records of payment made to beneficiaries are automated. PAAs have access to MIS which is used to record payments to beneficiaries. For accounting purposes, PAAs are using EPICOR v 10.00. The version used by PAAs interface with PlanRep (budgeting software used by PAAs) and has commitment control to monitor expenditure lines. TMU will upgrade and configure its EPICOR version to address limitations in budgeting and reporting. The Chart of Accounts for PSSN II will be developed based on cost categories.

**12. Staffing.** The TMU takes full fiduciary responsibility of the project. The existing fiduciary team within the TMU has adequate skills and some key accounting staff have been working since PSSN I and hence are familiar with the project operations. There are a total of 12 staff in the Accounts department including Director of Finance and two managers. They have received training on IDA financial and disbursement procedures and guidelines.

**13. At the PAA level,** PAA Treasurers will be in overall charge, overseeing project funds to be transferred to the communities. The recent FM supervision completed in PAAs indicated that there is an adequate and qualified accountant appointed to manage PSSN financial operations. Training on fiduciary procedures will be provided to all FM staff throughout the life of the project.

**14. Internal Controls, including policies and procedures.** There are sufficient financial accounting policies and procedures in place to ensure that the project complies with the relevant World Bank policies. These include the internal control activities and accounting procedures which are documented in the current project Financial Management Manual. The Financial management manual will be updated to address project developments in delivery model which have resulted in some changes in key financial management processes e.g. payment systems. In addition, social accountability mechanisms will be incorporated as part of the updated Manual. Social accountability arrangements will include public reporting of financial and non-financial reports/information, independent complaints handling, corruption reporting, and community participation in the activities of the project involving the beneficiary communities.

**15. Internal Audit function:** TMU has established an adequate internal audit function which is headed by the Director of Internal Audit. The unit has an audit strategy and plan based on a risk assessment. The audit unit is comprised of seven qualified internal auditors. The unit issues report on a quarterly basis based on their review of the internal control system of the project; and monitor execution of audit recommendations. Basing on the current project information systems and IT projects such as e-payments, MIS and utilization of internal audit data analytics tools, it is recommended that the capacity of the internal audit function be strengthened by hiring internal auditors with IT expertise, preferably CISA qualified.



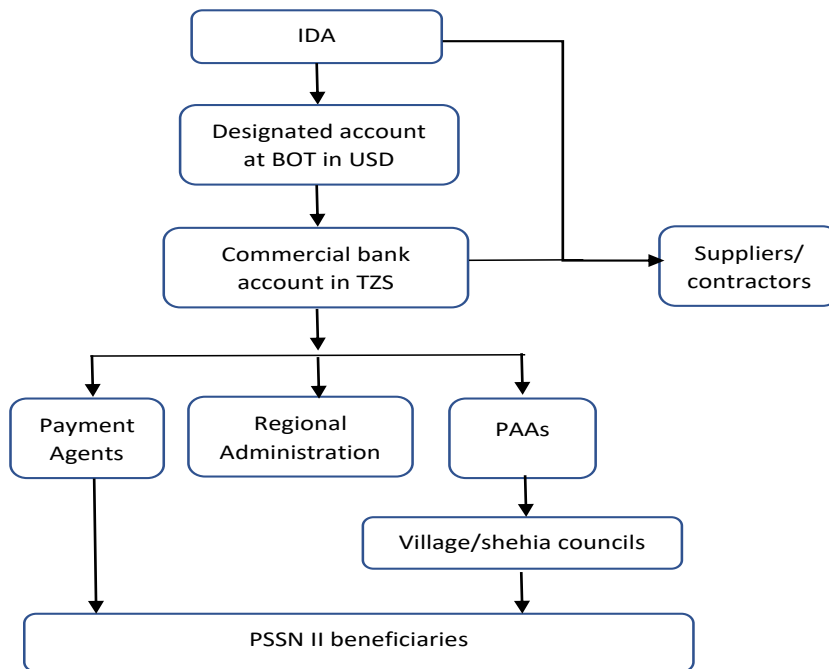
16. The PAA internal auditors are managed by the Internal Auditor General (IAG). Strengthening of Internal Audit functions across Government including PAAs is continuing, including capacity building of internal auditors in modern audit techniques and development of audit tools. A quality assessment is conducted by the IAG. Internal audit reports from PAAs are submitted to the TMU on a quarterly basis. TMU management will have an MoU with PAAs to monitor project performance including conducting quarterly internal audits.

17. **Financial Reporting Arrangements:** The project shall prepare unaudited IFRs at the end of each quarter and submit to the World Bank not later than 45 days after the end of the quarter. IFRs shall cover all sources of funds to the project and expenditure by agreed project components. The format and content of the IFRs were discussed and agreed upon during negotiations. The proportionate percentages to be agreed amongst the donors for financing various components shall be applicable in a separate apportionment table to be part of the IFR.

18. **External Audit Arrangements:** The project will be audited by the Controller and Auditor General. The external audit terms of reference was agreed upon during negotiations. The audit report together with the management letter will be submitted to the World Bank not later than six months after the end of the financial year. TASAF is required to disclose the audited financial statements in a manner acceptable to the World Bank. Following the World Bank’s formal receipt of these audited financial statements from TASAF, the World Bank will make them available to the public in accordance with *The World Bank Policy on Access to Information*.

**Funds Flow and disbursement arrangements:**

**Figure 1.1: Flow of Funds in PSSN II**



19. **Fund flow arrangement:** The project will maintain a project Designated Account (DA) at the Bank of Tanzania. The currency for the designated bank account will be in United States dollar (US\$). The project will have a TZS project bank



account which will be held at a commercial bank for project implementation purposes. The TMU will assess the credibility of the commercial bank to determine whether it meets World Bank requirements applicable to DAs vis: (a) that the Bank is financially sound; (b) audited regularly; and (c) able to perform a range of banking transactions and having a satisfactory banking network. Transfers from the IDA credit will be made into the US\$ DA. Transfers will also be made from the US\$ DA to the project account to finance transactions in TZS (see Figure 2.4 below on Flow of Funds in the PSSN).

**20. Payment Agents:** The TMU scale up e-payment will be delivered through multiple Payment Service Providers such as commercial banks with wide coverage network and mobile phone companies. In the meantime, TMU will continue to transfer funds to beneficiaries through the commercial bank with a community-based payment system at the village level.

**21. For the CCT component,** beneficiaries registered for cash transfers will receive payments through the agent. The CMCs will be responsible for completing payment returns forms that will be forwarded to the PAA for verification by the Coordinator/Accountant. The TMU will be responsible for ensuring data entry into the MIS system at the PAA. TMU will analyze this information and proceed with disbursement of funds to the payment agent for transferring the money to beneficiaries.

**22. For the PWP component,** at the PAA level, 25 percent of subproject funds for PWP materials and other administrative costs will be transferred through the PAA. The other 75 percent will be managed in the same way as other cash transfers. When e-payment is rolled out, the 75 percent will be transferred by the TMU directly to the beneficiaries through the agent after receiving the payroll from the PAA. Further details on this PWP labor intensity ratio will be in the Project Manual. The CMCs will be responsible for maintaining the attendance register and for preparing a payroll in pre-designed forms that will be forwarded to the PAA for verification by the accountant.

**23. Disbursement Arrangements.** Disbursement methods for the project will be a combination of advances to the designated account, reimbursement for pre-financed eligible expenditures, direct payment to a third party (supplier or contractor) and through special commitments to pay the third party. The project will initially submit a cash flow forecast projection for six months to receive the initial deposit in the designated bank account. The six-month projection will be based on an agreed 'Work Plan' of the project. Subsequent requests for advances will be made on a quarterly basis by providing six-monthly forecasts in unaudited IFRs. Supporting documentation for other disbursement methods, using either reimbursement, direct payments and special commitments methods, will include copies of records evidencing eligible expenditure and any other documents specified in the disbursement letter. The TMU will retain all the original supporting documents. Detailed procedures for release of funds from the commercial bank for project activities will be included in the Financial Management Manual. The project has an option to apply for retroactive financing.



**Table 1.1: Disbursement threshold by cost categories**

Category	Amount of the Financing Allocated (SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Cash Transfers Program under Part 1.1 (a), (b) and (c) of the Project	123,400,970	100%
(2) (a) Labor Payments for Subprojects under Part 1.2 of the Project (b) Goods, works, non-consulting services, consultants services and Operating Costs for Subprojects under Part 1.2 of the Project	77,692,690 25,897,560	100%
(3) (a) Grants for the Livelihood Enhancement Program under Part 1.3 of the Project (b) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Part 1.3 of the Project	16,490,730 24,715,600	100%
(4) Goods, non-consulting services, consultants' services, audits, Training, and Operating Costs under Part 2 of the Project	55,502,450	100%
<b>TOTAL AMOUNT</b>	<b>323,700,000</b>	

**24. If ineligible expenditures are found to have been made** from the designated and/or operating bank accounts, the Government will be obligated to refund the same. If the designated account remains inactive for more than six months, the Ministry of Finance may be requested to refund to IDA the amounts advanced to the designated account.

**25. Financial management action plan.** The action plan below indicates the actions to be taken for the project to strengthen its financial management system.

**Table 1.2 Action Plan**

	Action plan	Due date	Responsible party
1	Upgrading of EPICOR IFMS to accommodate budget module and reporting	Within six months after effectiveness	TMU
2	Development of chart of accounts for the project	Before project effectiveness	TMU
3	Updated Financial Management procedure manual at TMU level, PAA and village levels including procedures for payment agents.	Within three months after effectiveness	TMU



	Action plan	Due date	Responsible party
4	Agree on format and contents of IFRs	Upon negotiations	TMU and World Bank
5	Agree on the Terms of Reference for the annual external audit	Within three months after effectiveness	TMU and World Bank
6	Recruitment of IT auditors, preferably, CISA qualified	Within one year after effectiveness	TMU
7	Updating of internal audit manual to align with International Professional Practices Framework standards and project risks.	Within three months after effectiveness	TMU
8	Establishment of MoU between TMU and PAAs Accounting Officers on fiduciary responsibilities including internal audit.	Within three months after effectiveness	TMU

**26. Implementation Support Arrangements.** The financial management performance status of the project will continue to be monitored over the life of the project through implementation support missions which will be conducted at least twice every year based on the current risk assessment of the project. In addition, desk reviews will be conducted by a review of quarterly IFRs and annual audit reports.

**Procurement**

**27. Procurement procedures.** Procurement activities under the proposed project will be carried out in accordance with the World Bank’s “Procurement Regulations for IPF Borrowers” (Procurement Regulations) dated July 2016 and revised in November 2017 and August 2018 under the “New Procurement Framework (NPF), and the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated July 1, 2016, and the provisions stipulated in the Financing Agreement.

**28. A PPSD and PP have been prepared.** The Borrower has prepared a PPSD identifying optimum procurement strategies for meeting the development objectives of the project, based on which the PP for the first 18 months has been prepared, setting the selection methods to be used by the Borrower in the procurement of goods, works, non-consulting services, and consulting services under the project. The PP will be updated at least every 12 months, or as required, to reflect the actual project implementation needs. Each update shall require World Bank approval and will be publicly disclosed in accordance with the World Bank disclosure policy.

**29. Systematic Tracking of Exchanges in Procurement (STEP).** The World Bank’s system for tracking of exchanges in procurement (STEP) will be used to prepare, clear, and update Procurement Plans and conduct all procurement transactions to be undertaken by the TMU.

**30. Procurement Templates.** The World Bank’s Standard Procurement Documents (SPDs) shall be used for procurement of goods, works, and non-consulting services under the International Competitive Bidding (ICB) approach. National Bidding documents may be used under National Open Competitive Procurement Procedures (NOCP) subject to the exceptions stipulated in the Procurement Plan. Similarly, selection of consultant firms shall use the World Bank’s SPDs, in line with procedures described in the Procurement Regulations.

**31. Publication (Advertising).** The Borrower is required to prepare and submit to the World Bank a General Procurement Notice. The World Bank will arrange for its publication in *United Nations Development Business online*



(UNDB online) and on the World Bank's external website. Specific Procurement Notices for all procurement under ICB and Requests for Expressions of Interest for all consultancies estimated to cost not less than US\$300,000 shall be published in at least one newspaper of national circulation in the Borrower's country, or in the official gazette, or on a widely used website or electronic portal with free national and international access, and in *UNDB online*.

**32. National Procurement Procedures (NPP).** NOCP may be used while approaching the national market, provided that the procurement procedures are consistent with the World Bank's Core Procurement Principles pursuant to paragraph 5.4 of the Regulations and the World Bank's Anti-Corruption Guidelines and Sanctions Framework and that the contractual remedies set out in its Legal Agreement apply. Other national procurement arrangements (other than NOCP), that may be applied by the Borrower (such as limited/restricted competitive bidding, request for quotations/shopping, direct selection), shall be consistent with the World Bank's Core Procurement Principles and it will be ensured that the World Bank's Anti-Corruption Guidelines and Sanctions Framework and contractual remedies set out in its Legal Agreement apply. In all cases, the national procurement procedures to be used shall give due attention to quality aspects.

**33. Public procurement in Tanzania is governed by a new law effective July 7, 2016,** the Public Procurement (Amendment) Act No. 5 of 2016, construed as one with the Public Procurement Act No. 7 of 2011 and the associated Regulations. Under the new Act, procurement functions remain decentralized to procuring entities with the Public Procurement Regulatory Authority (PPRA) continuing to provide oversight functions for public procurement. In addition, the new Act has maintained the definitions of fraud and corruption with regards to coercive practices, collusive practices, and obstructive practices. The new Act has however introduced, among others: (i) mandatory inclusion of local firms and experts in consultancy contracts; (ii) domestic preference to both international and national competitive bidding; (iii) a requirement to set-aside contracts to be used for capacity building of local firms; (iv) a requirement to set-aside contracts below a set threshold to be awarded to local firms only; (v) negotiations with the lowest cost evaluated bidder to reduce price in the case of goods, works and non-consulting services; (vi) fixed budget method for goods, works and non-consulting services; and (vii) established and approved procurement standards by the Government.

**34. The new Act has been reviewed by the World Bank and found to be satisfactory to a large extent, except for the following provisions:** (i) there will be no preference accorded to domestic suppliers and contractors under National Competitive Bidding (NCB) for goods, non-consulting services, and works under this project; (ii) there should be no mandatory requirement for inclusion of local experts and firms for the consulting assignments; (iii) negotiations with the lowest evaluated bidder to reduce price in the case of goods, works and non-consulting services where competitive methods have been used shall not be allowed; (iv) the fixed budget method shall not be used for goods, works and non-consulting services; and (v) procurement standards established and approved by the Government may be used, provided that they are not restrictive. Furthermore, in accordance with paragraph 5.4 of the Procurement Regulations, the following shall be observed: (i) the request for bids/request for proposal document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation to the World Bank's right to sanction and the World Bank's inspection and audit rights; and (ii) rights for the World Bank to review the Borrower's procurement documentation and activities.

**35. Training and Workshops.** The project will finance training and workshops, if required, based on an annual training plan and budget which shall be submitted to the World Bank for its prior review and approval. The annual training plan will identify, inter alia: (i) the training envisaged; (ii) the justification for the training; (iii) the personnel to be trained; (iv) the duration for such training; and (v) the estimated cost of the training. At the time of the actual training, the request



shall be submitted to the World Bank for review and approval. Upon completion of the training, the trainees shall be required to prepare and submit a report on the training received.

**36. Procurement Implementation Arrangements.** Procurement activities under the project will be undertaken at four levels – National/TMU, RASs, PAAs, and Communities, the same set up as under PSSN I. Procurement activities to be carried out at the National/TMU level will be for those packages to be processed as per the Procurement Regulations and transacted in STEP. Procurement activities at RASs, PAAs and community levels will be carried out in accordance with the Procurement and Stores Manual to be prepared for the project as part of the overall PIM. Various procurement activities will be undertaken at the village/community level for the items to be used in the implementation of subprojects through Public Works. The TMU will have overall responsibility for providing technical support and monitoring of procurement activities including random field visits and reviews of procurement processes and documentation to ensure that the procedures described in the manual/handbook are adhered to and proper records are kept. TMU will also be responsible for conducting ex-post procurement reviews on the compliance of procurement procedures stipulated in the manual at the RASs/PAAs and community levels and share reports with the World Bank on a regular basis. Procurement post review should (i) verify the applicability of the procedures and processes stipulated in the manual; (ii) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample; (iii) review and comment on contract management issues as dealt with by the RASs, PAAs and Communities; (iv) review capacity of the RASs, PAAs and Communities in handling procurement efficiently and devise mitigation measures; and (v) propose improvements in the procurement process in the light of any identified deficiencies.

**37. Procurement Assessment.** A procurement capacity assessment of TMU and selected PPAs was conducted in May 2018 and October 2018 respectively. The assessment reviewed the organizational structure, functions, staff capacity and adequacy for implementing PSSN II. The assessment fed into the Procurement Risk Assessment and Management System (PRAMS). TMU has a good track record of implementing World Bank-financed projects: TMU has successfully implemented TSSF (P085786) and is currently implementing PSSN 1 (P124045). The assessment revealed that the TMU, PAAs and RASs have established all the necessary arrangements for adjudicating and managing procurement activities in accordance with the provisions of the PPA and its Regulations. For the last three years procurement performance of the TMU has been satisfactory. The assessment further revealed that TMU's Procurement Specialists have adequate experience of managing procurements in accordance with World Bank procurement guidelines. Two of TMU's Procurement Specialists attended training for Procurement Regulations for IPF Borrowers (July 2016 revised November 2017 and August 2018) in Kigali from June 18 to June 22, 2018. As for the PAAs and RASs, the community assessment revealed that procurement capacity is low. Based on the PPRA's Procurement Compliance Audit for FY 2012/13, FY 2013/14 and FY 2015/16, the TMU have attained overall compliance levels of 89.29, 90.70 and 98.00 percent respectively.

**38. Identified risks, mitigation measures, capacity building and action plan agreed.** Given the nature of the project in terms of decentralized procurement arrangements up to community level and associated capacity gaps at the PAAs, RASs and communities levels, capacities of RASs, PAAs and communities need to be strengthened through training and technical support for effective implementation of the procurement activities under the project.

**39. The overall project procurement risk was assessed to be "Substantial".** The risk is reduced to a residual rating of "Moderate" in view of the mitigation measures proposed in Table 1.3.



**Table 1.3: Procurement Risks and Mitigation Measures**

<b>Risk</b>	<b>Mitigation Measure</b>	<b>Timeframe</b>	<b>Responsibility</b>
Inadequate procurement planning and unclear approving authorities at RASs, PAAs and Community Level	Revise Procurement and Stores Procedural Manual to streamline planning process, approving authorities and provide sample of a simple procurement plan	Prior to Project Effectiveness	TMU
	Conduct training on the Procurement and Stores Procedural Manual including templates provided therein.	Throughout project implementation	
Inadequate knowledge and skills/experience in managing procurement activities as per the Procurement and Stores Procedural Manual	Conduct training for responsible staff at the RAS, PAA and Community levels on the procedures provided in the Procurement and Stores Manual.	Throughout project implementation project	TMU
	TMU to conduct ex-post procurement reviews on the compliance of procurement procedures stipulated in the manual at the RASs, PAAs and communities and share reports with the World Bank.		
Inadequate record filing and record management system at RASs, PAAs and communities	Establish a sound filing and records management system including training responsible staff. Procurement and Stores Manual should provide checklists of the records to be kept at all levels for each transaction.	Throughout project implementation	TMU/RASs/PAAs and Communities

**40. Procurement oversight and monitoring arrangements:** The World Bank exercises its procurement oversight through a risk-based approach comprising prior and post reviews as appropriate. The World Bank sets mandatory thresholds for prior review based on the procurement risk rating of the project. The requirement for a prior or post review shall be specified in the PP. The World Bank will carry out post reviews of procurement activities undertaken by the Borrower to determine whether they comply with the requirements of the Legal Agreement. The World Bank may also use the services of PPRA for carrying out post reviews for the project.

**41. Frequency of Procurement Supervision.** In addition to the prior review supervision to be carried out from World Bank offices, the capacity assessment of the implementing agencies recommends one supervision mission every six months to visit the field to carry out post review of procurement actions.

**Environmental and Social (including safeguards)**

**42. Phase II of the PSSN will apply the new Environmental and Social Framework (ESF).** The PSSN II is classified as **substantial risk**, based on the type of project and nature of its activities: CT and PW programs have moderate potential environmental and social risks. The PW program activities include labor intensive PW such as soil and water conservation, community access roads, multi-purpose tree nurseries, water points, small-scale irrigation, environmental cleaning, gully control, woodlot and community points. Most of these activities aim at conservation and will enhance environmental





and social risk and impact management, as well as social protection, since they offer opportunities for work and earnings at the same time. This project does not pose any indirect or long-term impacts.

**43. To address any potential negative environmental and social impacts and risks of PW subprojects and other project interventions, the following standards are relevant:** ESS1 (Environmental and Social Assessment), ESS2 (Labor and Working Conditions), ESS3 (Resource Efficiency and Pollution Prevention and Management), ESS4 (Community Health and Safety), ESS5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement), ESS6 (Biodiversity Conservation), ESS7 (Sub-Saharan African Historically Underserved Traditional Local Communities), ESS8 (Cultural Heritage) and ESS10 (Stakeholder Engagement). An Environmental and Social Management Framework (ESMF), a Resettlement Policy Framework (RPF), a Vulnerable Group Planning Framework (VGPF), a Labor Management Procedure (LMP) and a Stakeholder Engagement Plan (SEP) have been developed and disclosed in country and at the World Bank's website on April 6 and April 8, 2019 respectively.

**44. ESS1 (Environmental and Social Assessment):** Potential environmental and social impacts will be addressed during the screening process of Public Works sub projects, as well as developing, implementing and monitoring of the relevant appropriate mitigating measures. These will include erosion, noise, health and safety issues, solid waste management, etc. Further, the ESMF screening process will refer to and pay special attention to any subproject that may need community labor and its working conditions, land for project activities, or impact any vulnerable groups, and will promote stakeholders' engagement. Potential impacts are expected to be site specific and largely during construction stage of the works.

**45. ESS2 Labor and Working Conditions:** The LMP includes measures to ensure that community labor is provided on a voluntary basis, has established work hours, is paid as agreed and in a timely manner, and to further ensure that the occupational health and safety of the community workers, especially women are given adequate attention. Terms and conditions of consultants and support staff who are working on contractual basis as part of the TMU are guided by the Administrative Handbook and National Labour Legislations. In addition, the civil servants at the local government level, who will be involved in the project implementation on full time or on part time basis will follow Government procedures and be guided by the Tanzania Occupational Health and Safety Act No. 5 of 2003. The LMP also has the details of the grievance redress mechanism for community workers and the roles and responsibilities for monitoring such workers. As the public works will be conducted by the community members, labor influx and associated risks are not anticipated.

**46. ESS3 Resource Efficiency and Pollution Prevention and Management:** The project will finance subprojects that would include soil and water conservation activities, water supply projects and small-scale irrigation. This is not expected to generate pollution to air, water or land. The project will promote soil and water conservation and sustainable use of water and energy that are likely to have positive impacts on ecosystem services. The proposed tree nurseries and agroforestry activities may require the use of agrochemicals. The ESMF includes guidance and measures to promote Integrated Pest Management (IPM) and safe use of chemicals.

**47. ESS4 Community Health and Safety:** Community workers' health and safety is one of the anticipated risks. As mentioned above, Public Works will be conducted by community members thus reducing the risk of labor influx and its associated impacts. However continuous monitoring of potential impacts resulting from changing power relations as a result of access to income among community members will be undertaken during project implementation. The ESMF makes use of the general and sector-specific EHSs for the identified subprojects in relation to the community health and safety. Operation and Maintenance plan will be prepared as part of the ESMP for sub-projects associated with community earth ponds, hand-dug well and pans to ensure regular maintenance and stability of the embankments.



**48. ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement:** This project is not expected to displace people and their assets; and for any need of land however small for any project activities or restriction of access ESS5 will be applied through the updated RPF. The due diligence process identified Voluntary Land Donation as one of the ways of getting land for small community-based activities. Expected impacts will be adequately managed during project implementation in accordance with the ESMF and RPF that have been developed.

**49. ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources:** The project will finance subprojects that will include activities promoting multipurpose tree nurseries, agroforestry and fishponds. These activities may have environmental and social impacts. The ESMF provides guidance on applying the mitigation hierarchy and the precautionary principles in the design and implementation of such activities to promote the sustainable management of natural resources and support livelihoods of local communities.

**50. ESS7 Sub-Saharan African Historically Underserved Traditional Local Communities:** Similarly, for the vulnerable groups, including disadvantaged communities, ESS7 through the updated VGPF will be applied. The World Bank's standard applicable to indigenous people/Sub-Saharan African Historically Underserved Traditional Local Communities was finalized in close consultation with Government of URT. As this project will be the first project in Tanzania to follow the newly adopted ESS7 requirements, the implementation of this policy in the context of Tanzania will require close and careful monitoring by the World Bank.

**51. ESS8 Cultural Heritage:** The project will implement multiple community-based public works that may have impacts on cultural heritage, mainly through chance finds. The ESMF has outlined the established procedures on chance finds in Tanzania.

**52. ESS10 Stakeholder engagement:** The project focuses on poor households and communities who will be the primary stakeholders. Other key stakeholders include the LGAs in the Tanzania mainland and Zanzibar as well as CSO, CBOs, and DPs that will be actively involved in the design and implementation of the program. Therefore, application of ESS10 stakeholder engagement and disclosure of information is a central part of PSSN II that will be closely monitored through the implementation of the SEP. This will be complementing ESS7 through the implementation of the VGPF with continuous culturally sensitive and inclusive consultations. The SEP outlines the characteristics and interests of the relevant stakeholder groups and timing and methods of engagement throughout the life of the project. Enhancement of the existing project level and community-based GRMs will be undertaken during project implementation.

**53. In addition, experience from PSSN I shows strong capacity in environmental and social risk management at national level, even though at LGA and community levels capacities remain low.** Training in environmental and social risk management will be a key activity for PSSN II particularly in PAAs with PW. There are three safeguard staff at the national level to oversee overall implementation of safeguard activities across the program and they will continue to provide environmental and social risk management training to enhance local capacity. At LGA level, the designated staff (District Environmental officer, Ward Environmental officer and Village Environmental officer) will work in collaboration with the national team to address specific environmental and social risks and impacts issues. The national team are responsible for monitoring compliance with the agreed mitigation and compensation measures in the relevant documents prepared by the project.

**54. The current phase of the program adopted and implemented VGPF to ensure the specific needs of different vulnerable groups are effectively addressed and the project interventions will pose no harm to their livelihood and**



**social cultural norms.** The process was started with a very comprehensive Free, Prior and Informed Consent (FPIC) leading to the preparation of the VGPF. VGPF was prepared and made available in English and Swahili, to ensure that vulnerable groups recognized by the framework are able to fully participate in Program activities. Similarly, specific screening forms to identify and recognize presence of vulnerable groups in project activities were developed. Various design features of the project including targeting and, the planning and implementation, Monitoring and Evaluation of the interventions (CCT, PW and LE) have been adapted to the specific needs and conditions of various vulnerable groups and communities. In order to ensure that vulnerable communities are represented in decision-making bodies at the local level, members of vulnerable groups have been selected in a CMC that manages the project on daily basis with a representation of up to 20 percent. As this project will be the first project in Tanzania to follow the newly adopted ESS7 requirements, the implementation of this policy in the context of Tanzania will require close and careful monitoring by the World Bank.

## Monitoring and Evaluation

**55. The MIS serves as the primary source of information for the overall M&E system.** It is a management tool to track inputs, program activities, outputs, and results. Under PSSN I, all PAA have been connected to the MIS, allowing data exchange and updates at local and central level and online verification by the M&E unit. The M&E system has demonstrated its capacity to generate timely information on inputs, outputs and results and it is expected to be strengthened under the new program.

**56. Under the PSSN II, delivery systems will be enhanced to provide better coordination, functionality and to support monitoring efforts.** An NSR is under development and will feed the process for outreach, intake and registration, and assessment of needs and conditions to determine eligibility of applicants. A subset of the NSR will be used as the URB to track enrolled beneficiaries. The link of the NSR with the NIDA database will not only allow identity authentication for payments but also will support the evaluation in tracking beneficiaries even if they have exited the program. New ICT tools will also be established to support monitoring activities; for example, a special app may be developed to enable PAA staff and CMCs to directly capture monitoring information at the community level on tablets and then to upload the information into the MIS.

**57. The MIS-based M&E system will be fine-tuned to establish:** (i) a well-defined strategy for setting out processes, information requirements, data collection tools and methods, analysis and reporting and; and (ii) a comprehensive M&E plan with clearly defined roles and responsibilities. As reporting is one of the core functions of the monitoring and evaluation system, training on documentation will be reinforced, and a regular plan for coaching and orientation will be introduced. This will ensure that staff turnover at PAA level does not result in the collapse of the monitoring system and that teams at decentralized levels are equipped to make direct use of monitoring information to improve program delivery. The PSSN II will introduce incentives for performance at PAA and community level to promote quality and timeliness of reporting. Non-monetary awards will be assigned annually to the top five regions and top ten PAAs. Emphasis on the usage of reports within PAAs will also be reinforced and regional quarterly meetings will be introduced for that purpose. The TMU will prepare annual and quarterly reports for submission to Government and DPs and an MTR will also be prepared.

**58. The MIS-based monitoring will continue to be complemented by regular standardized spot checks of the main project processes** (targeting, updating of URB, payments, co-responsibilities, etc.). In addition, collective citizen engagement processes (such as community score cards and/or citizen reports) will be used to enhance citizen monitoring of the program and hence its accountability to the poor communities it is intended to serve. Various audits will also be



carried out for accountability purposes, including internal and external financial audit and technical audits of PW subprojects.

### ***Evaluation activities***

**59. For PSSN II program evaluation, the PSSN M&E unit will continue to implement process evaluations** and assessments to assess new program elements and processes, to document lessons learned and to inform program improvements.

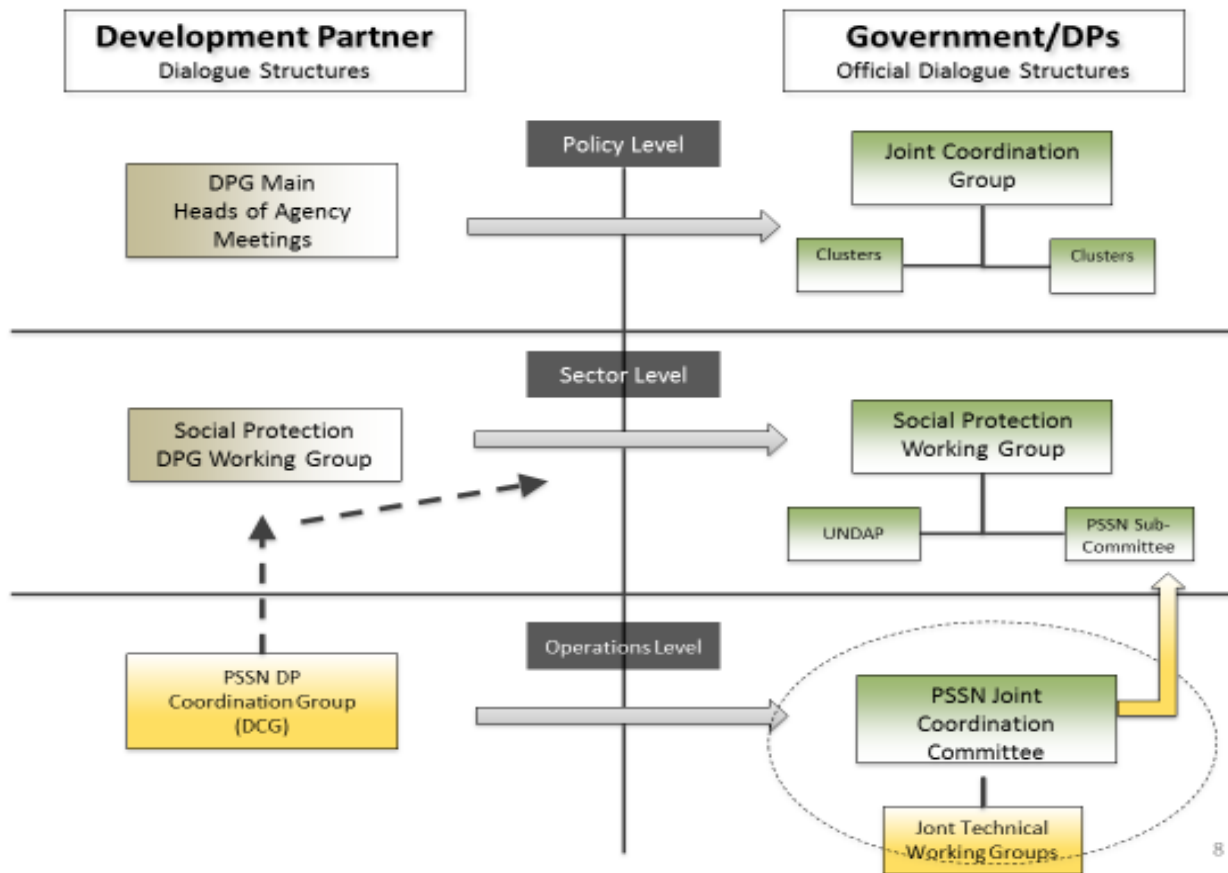
**60. Impact evaluations will continue to expand the evidence on short, medium and long-term impacts on PSSN beneficiaries.** Under PSSN I a rigorous impact evaluation was conducted in 2017 to measure the short-term impacts, after almost two years of exposure to the program, on health, nutrition, education, poverty, saving, productive activities and productive assets. The Mid-line final report was finalized in July 2019. The evaluation will also measure the medium-term impacts of the program, approximately two years after the first follow up. A new impact evaluation will be designed for PSSN II and a baseline, midline and end line will again be carried out with special attention to the innovations introduced in the PSSN II. The evaluation will consider the current evaluation design for the PSSN I and expand it to introduce new features. For instance, new modules may be designed to enhance the measurement of impacts of livelihoods support, of efforts to promote early childhood development and of the outcomes of the shift to electronic payments. A subsample of PSSN I households will be maintained in the PSSN II evaluation to measure long term impacts of the program for beneficiaries that continue in the PSSN II and for beneficiaries that have exited.

### **Role of Partners**

**61. Many DPs are active in the social protection sector in Tanzania** and support is harmonised through the Social Protection Working Group and project specific coordination arrangements.

**62. The PSSN is the largest social protection program in Tanzania and most DP support to social protection coalesces around it. The PSSN benefits from a strong partnership among DPs, and between DPs and the Government.** Eleven DPs, including the World Bank, provide financial and technical support to PSSN. These DPs include DFID, SIDA, USAID, Government of Ireland, UNICEF, UNDP, UNFPA, WFP, ILO, Gates Foundation, Norway and IFAD. In addition to the proposed IDA credit of US\$450 million, an indicative allocation of US\$271 million is under consideration from government and from various DPs indicated above. In line with the Paris Declaration on Aid Effectiveness, DPs have pooled their financing and agreed to provide technical advice and analytical work through a jointly agreed plan. This engagement model allows for improved harmonization and enables enhanced supervision and monitoring, while avoiding excessive transaction costs for the Government. An MoU is in place between the key partners of the PSSN describing the management and coordination mechanisms between the Government and DPs. This MoU will be reviewed in the light of the design changes effected by this new operation and adjusted accordingly. DPs participated actively in technical discussions during the project identification and pre-appraisal missions and have carried out technical work on which the project design draws.

**Figure 1.2 PSSN – DP – Government Coordination Structure**



8



### Implementation support plan

**63. The Implementation Support Plan (ISP) takes into consideration the nature of the program in terms of expanded and nationwide coverage,** multiple intervention components and the focus on building a sustainable national safety net system. The ISP will be aligned with Government systems and procedures and will benefit from continued harmonized support for the PSSN from several DPs. It will prioritize flexibility and responsiveness to emerging issues, while also ensuring technical rigor and taking account of international evidence and experience.

**64. The existing support model, which involves close communication and ongoing technical and management support from the World Bank Task team and other DPs to the TMU, will continue.** The existing DPs and Government coordination arrangements at the sector level, as well as project specific coordination architecture, will continue to be the key fora for follow up on strategic and operational project issues and for regular review of progress. While the Government and its implementing agencies remain responsible for program implementation, the responsibility for effective supervision and monitoring support will be shared by all stakeholders, including the Government and DPs, to jointly review progress towards achievement of the PDO.

**65. The World Bank Task Team Leader based in Dar es Salaam will handle the day-to-day matters of the project,** which will include IDA support, adherence to World Bank policies and procedures for funds administered through the World Bank, as well as representation in sector-wide policy dialogue and DP coordination fora. The Task Team Leader will be supported by a task team including sector experts, fiduciary and safeguard staff.

**66. With the objective of harmonizing financial and technical support to the project, 11 DPs have established a joint coordination mechanism** which has been formalized through an MOU signed with the Government. The coordination arrangement involves monthly meeting among the DPs and with the project management, joint review and implementation support missions every six months and other regular project monitoring mechanisms.

**67. The support from the World Bank team and the DPs will also include** specific additional technical assistance in conducting various analytical works including impact evaluations, implementation of pilot initiatives to inform the implementation of various components of the program and facilitating cross country learning and experience sharing.

**68. In addition to the joint implementation support missions, an MTR will be carried out** to assess if the project design assumptions are still valid and to determine the future direction and sustainability issues of the project beyond this phase. Missions and reviews will be complemented by external reviews that will cover the following areas: financial management, procurement, M&E, and technical audits and spot checks.

**69. It is important to strengthen the monitoring of the implementation of the new Environmental and Social Standards.** As this project will be the first in Tanzania to follow the newly adopted Environmental and Social Framework in general and ESS7 requirements in particular, the implementation of this policy in the context of Tanzania will require close and careful monitoring by the World Bank. In this regard, the social staff familiar with ESS7 will be part of the World Bank team and be involved in regular supervision missions which will take place twice a year plus other technical regular monitoring as needed.

**Implementation Support Plan****Table 1.4. Main areas of focus in terms of support to implementation:**

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First twelve months	<ul style="list-style-type: none"> <li>- Roll-out out plan for different components of the program</li> <li>- Follow up on the start of implementation.</li> <li>- Targeting and enrollment of the new beneficiaries</li> <li>- Capacity building and development of core delivery system, including electronic payments</li> <li>- Financial management and Procurement</li> <li>- Monitoring of social and environmental safeguards.</li> </ul>	<p>Senior Social Protection Specialists</p> <p>FM, Procurement</p> <p>Safeguard and Social Development Specialists/Social development staff familiar with ESS7.</p>	US\$ 150,000	TA
12-48 months	Same as above	Same as above	Same as above	TA

**Skills Mix Required****Table 1.5: Skills mix required is summarized in the table below**

Skills Needed	Number of Staff Weeks per year	Number of Trips per year	Comments
Task Team Leader	26	CO Based	Senior SP Specialist
Senior Social Protection Specialist	8	2	HQ Based
Senior Social Protection Specialist	4	2	HQ Based
Senior Social Protection Specialist	4	2	HQ Based
Procurement	4	2	Country Office based
Social Development Specialist	5	3	Country Office Based
Environment Specialist	4	2	Country Office based
Financial Management Specialist	8	2	Country Office based
ICT Support	2	1	HQ based
Nutrition Specialist	4		Country Office based



**Table 1.6: Partners**

<b>Name</b>	<b>Institution/Country</b>	<b>Role</b>
DFID	UK	General supervision support, climate change adaptation; monitoring and evaluation, financial management
Sida	Sweden	General supervision support, monitoring and evaluation, financial management
USAID	USA	General supervision support, livelihoods enhancement
Irish Aide	Ireland	General supervision support, livelihoods enhancement
UNDP	UN	General supervision support and gender
UNICEF	UN	General supervision support, nutrition, youth and adolescence
WFP	UN	General supervision support, public works
ILO	UN	General supervision support, livelihoods enhancement, public works
UNFPA	UN	General supervision support, family planning
Bill & Melinda Gates Foundation.	US	General supervision support, e-payment and financial inclusion, gender

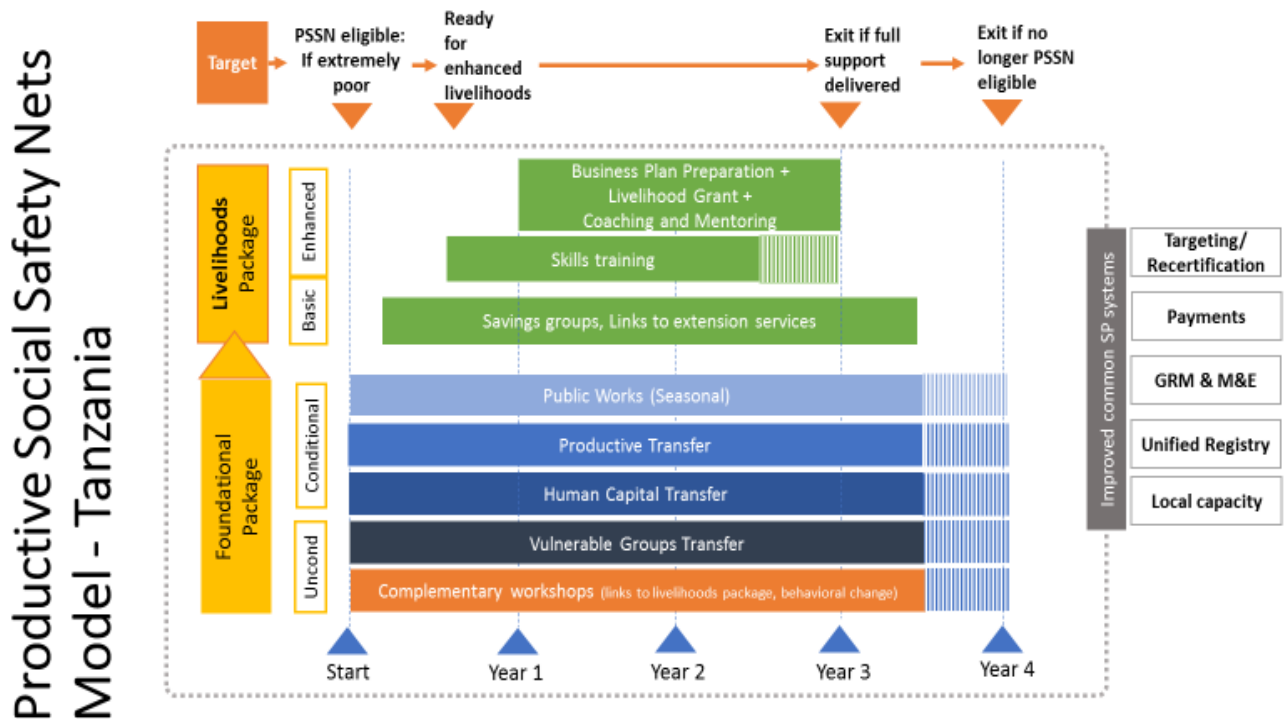


**ANNEX 2: DETAILED PROJECT DESCRIPTION**

**COUNTRY: Tanzania**  
**Tanzania Productive Social Safety Net Project II**

1. Building on PSSN I, the PSSN II will achieve its objectives through the implementation of combined and integrated interventions.

**Figure 2.1: Proposed PSSN II support model**



2. Activities under PSSN II will be structured into two components

- a. Component 1: Productive Household Support (Benefits and Services)
- b. Component 2: Strengthening institutional capacity and integrated delivery system

**Component 1: Productive Household Support (Benefits and Services) - (Total US\$731.90 million of which IDA US\$373.70 million equivalent)**

3. This component will provide beneficiary households with an integrated package of support, including a foundational package and livelihoods support.



**4. The foundational package will provide transfers in the form of CTs and PWs.** CTs will enable households to ensure a minimum level of consumption; invest in productive activities; build resilience against shocks; and invest in their children's health and education to break the intergenerational transmission of poverty. Transfers will be largely conditional - on savings, education or health-related behaviors - while labor-constrained households including the elderly, people with disabilities, and child headed households will receive direct support (unconditional transfers). In addition, PW will create productive assets at community level and provide temporary employment opportunities to beneficiary households, providing additional income to smooth consumption and mitigate shocks during the lean season. This package will form the foundation of the intended short- and long-term productive impacts of the program.

**5. The impact of the foundational package will be enhanced through livelihoods support (productive inclusion).** This will consist of basic livelihoods support – awareness-raising, savings promotion and linkages to ward-level extension services; and an enhanced livelihood support package for selected households – encompassing training, coaching and a livelihood grant. This livelihoods support will further strengthen the existing tendency, evidenced in PSSN I, for beneficiaries to use some of their transfer for productive investment.

**6. Under PSSN II, Component 1 will reach national coverage.**

- CTs, already operational in all PAAs, are expected to be scaled up to villages not yet covered (equivalent to 30 percent of villages in these PAAs), reaching 1.4 million households at full scale.
- PWs, currently operational in 44 PAAs, will be scaled up to all 187 PAAs and all villages; as will the new basic livelihoods sub-component.
- Enhanced livelihood currently piloted in eight PAAs will be scaled up to 200,000 new households in 44 PAAs.

**7. It is expected that beneficiary household numbers will decline overtime.** The scale-up will be staggered, such that full-scale implementation is reached by 2021/22 especially for Public Works. At the same time, some households will exit PSSN II through re-certification that finds them no longer eligible; and others will exit after receiving enhanced livelihoods support, since this completes the full PSSN cycle of support. CCT and PWs will be implemented throughout the life of the program while the livelihoods support operates on time limited cycles of two years. For all these reasons, assuming that the program is fully operational and that there are no major shocks or crises affecting beneficiary households' income, it is estimated that beneficiary numbers will evolve approximately as set out in Table 2.1.

**Table 2.1: PSSN II Roll-out Plan: Estimated Households Benefiting by Type of Support and Year**

Support/Year	2019 / 2020	2020/2021	2021/2022	2022/2023
CTs*	1,167,243	1,219,347	1,086,054	1,010,785
PW	255,756	625,156	969,309	837,573
Enhanced livelihoods support	50,000	75,000	75,000	0
Basic livelihoods support	262,444	556,127	517,286	201,907

*\*CTs: include Households with labor capacity until they enroll in PWs + Households with no labour capacity + Households with children*



## Foundational Package (CCT + PWs)

### 1.1 Cash Transfers

#### 8. CTs will comprise three types of benefits, layered as follows:

(i) A fixed transfer offered to all PSSN households. This transfer will be unconditional only for households with no labor capacity and will be referred to as *Direct Support*. Households with labor capacity will instead receive a time-limited *Productive Transfer*, which will be linked to participation in community sessions and savings promotion; these households will receive the productive transfer only until they enroll in public works - once they start receiving PW transfers, the productive transfer will stop.

(ii) A fixed transfer for vulnerable groups provided to all households that include a child aged 0-18 years old (*Child Grant*) and to those that include a person with a disability (PWD) (*Disability Grant*). Households that include both a child and a PWD will receive both types of grant.

(iii) A variable *Human Capital Transfer (HCT)* offered to households with children, subject to compliance with health or education conditionalities, and varying depending on the number of children and the children's ages / educational stages.

9. **As in PSSN I, CTs will continue to be delivered through bimonthly transfers, generally received by a woman who is a mother or caregiver.** Building on PSSN I experience, the foundational package under PSSN II will focus on improving the effectiveness of CTs to further enhance their productive and human capital impacts in two main ways.

10. **Firstly, the benefit structure and management of co-responsibilities will be revised to better support human capital creation:**

- a) **Design modifications will promote human capital creation through:** (i) increased impacts on maternal and young child health and nutrition; and (ii) completion of education cycles (i.e. completion of primary, transition from primary to secondary and completion of secondary level). Based on evidence generated during implementation, in-depth analytical work will be conducted to revisit the design by the MTR as necessary.
- b) **Improvements to co-responsibilities and processes to verify compliance will be explored to enhance cost-effectiveness, including** (i) implementing targeted attendance monitoring for riskier children, given that attendance in general tends to be high once children are enrolled; (ii) removing or simplifying co-responsibilities for primary enrollment as data shows this is already high<sup>18</sup>; and (iii) addressing constraints to registering births and children reaching school age (through an increased focus on beneficiary awareness and clearer reporting processes). The improvements in co-responsibilities will also rely on an improved, more dynamic registry of beneficiaries, supported under Component 2 of this project.
- c) **Investment in early years will be promoted,** given that the returns from investments in nutrition and child development in early life can be particularly high. This will be done by mainstreaming nutrition and ECD in the design of PSSN II, linking PSSN households to existing nutritional services, and providing dedicated PSSN nutritional educational sessions in selected PAAs (see Annex 4 for more details.)

<sup>18</sup> PSSN IE Baseline Report (2016)



**11. Secondly, links with productive inclusion and economic participation will be strengthened:** The new productive transfer will be linked to savings promotion and other livelihoods-focused community sessions. Eligible households (households with labor capacity not yet offered PWs) will participate in the community session on savings and livelihood development. Strong linkages will be developed between the productive transfer and the livelihoods sub-component, which offers further livelihoods training and linkages to productive services (see below).

**12.** Taking account of all of these proposed changes, under the foundational package PSSN households will benefit from up to four benefits, depending on household composition: (i) Direct Support or Productive Transfer or Public Works; (ii) Child Grant; (iii) Disability Grant; and (iv) Human Capital Transfer (HCT). These are as set out in Table 2.2.

**Table 2.2: Proposed Benefit Structure under PSSN II per Month**

Transfer Type	Transfer (Benefit)	Amount TZS.	Conditionality (Attendance)	Caps (TZS.)
Fixed	Direct support/ Productive transfer*	12,000	Enrollment in the Program	12,000
Fixed	Child grant	5,000	Less than 18 years	5,000
Fixed	Disability grant	5,000	Member with disability	5,000
Fixed	HCT: Infant	5,000	0- 5 years health	5,000
Variable	HCT: Child- lower primary (1-4)	2,000	Primary school	12,000
Variable	HCT: Child – Upper primary (5-7)	4,000	Primary school	
Variable	HCT: Child lower secondary	6,000	Lower secondary	16,000
Variable	HCT: Child high secondary	8,000	Upper secondary	
Minimum				<b>12,000</b>
<b>Maximum</b>				<b>55,000</b>
<b>Public Works</b>	Public Works transfer	3000*10 = 30,000		
<b>Livelihood</b>	Livelihood grant	500,000		

**1.2 Public Works**

**13. The main aim of the labor-intensive public works is to provide temporary employment opportunities during the agricultural lean season to eligible households.** Other objectives include the creation of sustainable community assets in order to improve the enabling environment for livelihood activities and basic service delivery at local level.

**14. Target group and benefit levels.** Participation in PW will be open to households with labor capacity who are eligible for support from PSSN. Eligible households will have an entitlement of 60 working days per year that can be spread over a period of four to six months, depending on the project and the work will continue to be organized so as not to coincide with the peak agricultural season in the locality. Each beneficiary will be required to work for 4-5 hours each day and labor requirement norms will be set for different types of sub-projects. A household will be eligible for PW throughout the life of the program. The wage rate is set in such a way that it is at or below the daily wage rate for unskilled labor, so as not to distort local labor market but still provide a meaningful income to program beneficiaries. It will be reviewed annually and adjusted using the Consumer Price Index for the URT. At the start of PSSN II the daily wage



rate will be 3,000 TZS and wages will be paid on time to maximize impacts. The payment delays that sometimes occurred during PSSN I due to challenges in processing attendance data and delays in the procurement of inputs will be addressed through capacity building and technological solutions that enable more rapid communication of attendance data for payroll purposes.

**15. Households with labor capacity will be defined as those including at least one adult of working age (18 to 65 years) able to work.** Households with multiple working age members will be asked to send to public works an adult who is neither pregnant nor the lead caregiver of an infant. Moreover, for cases where an eligible household has only one adult able to work who is also pregnant or caring for an infant (0-24 months), the household will continue to receive PW wages, but will be granted a temporary waiver from the need to work and will be linked to nutrition education sessions. These special provisions are made to avoid over-burdening women and to promote the nutrition and development of young children, by ensuring that the household continues to receive income whilst the lead caregiver is available to provide appropriate nutrition, care and early stimulation. Options for supporting childcare at PW sites for children aged 2 years + will also be explored.

**16. Planning of PSSN Public Works subprojects.** The PW subprojects are selected through a participatory community-based planning approach, in which experts from the PAAs work closely together with CMCs to develop multi-annual community action plans. Each year the multi-year PW plan is reviewed and sub-projects for the upcoming year are prioritized in a village level participatory planning meeting. The highest priority sub-projects are then matched to the resources available for the coming year. The prioritization process includes sub-projects that are a priority for both men and women in the PSSN communities. Once the prioritization is completed, the technical sector staff at PAA level support the communities with the detailed technical design of PW activities. This work is guided by the PSSN operational manual and technical guidelines to ensure that all PW sub-projects adhere to agreed design norms and standards as well as a consistent application of agreed safeguard procedures.

**17. PSSN PW sub-projects will support climate change risk adaption/mitigation and livelihoods.** PSSN PW Sub-Projects with potential to adapt to and mitigate climate change risks and those with direct links to and promoting livelihood activities of beneficiary households and the community at large will be prioritized. These will include but are not limited to soil and water conservation measures, afforestation, sea water protection structures, small scale irrigation, water supply for human and livelihood consumption etc.

**18. A key principle of PW is that it should be labor-intensive, so that most funds are transferred to extremely poor households in the form of wages.** On the other hand, it is also intended that the assets created should address supply-side constraints to livelihoods development and socio-economic service access of extremely poor households. To support this secondary objective, some capital-intensive targeted infrastructure sub-projects (including, for example, clinic or schoolroom construction) will be permitted within the overall budget ceiling for capital costs at PAA level. Such sub-projects will be balanced with other highly labor-intensive ones in order that the principle of labor-intensive PW is maintained: overall labor-intensity of PW sub-projects will not fall below 75 percent in any PAA.

### **1.3 Livelihoods Support**

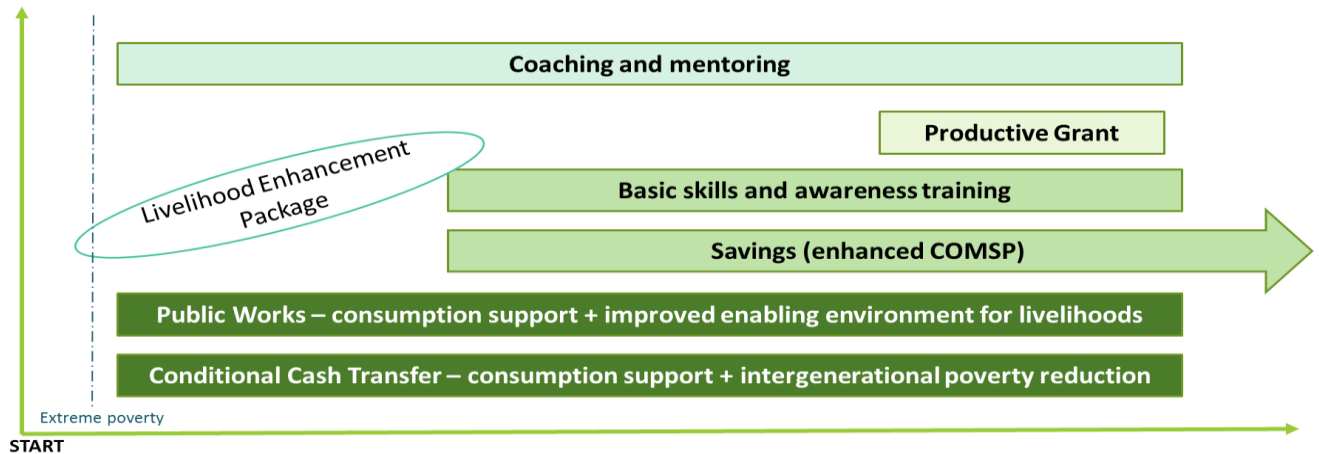
**19. Livelihood support under PSSN II builds on the PSSN Livelihoods Framework developed under PSSN I.** Key features of the PSSN livelihood strategy are that it:

- builds on TASAF's experience and capacity to reach the poorest;



- complements the CCT and PW elements of the PSSN;
- leverages existing livelihood programs implemented by other organizations in some PAAs; and
- relies on coordination with sector teams at the PAA level for implementation and delivery of specific elements of the PSSN livelihood activities, being careful not to assign implementation responsibilities to TASAF beyond its core functions.

**Figure 2.2: PSSN Livelihood Enhancement Framework adopted under PSSN I**



**20. PSSN II livelihood support will consist of key elements considered necessary to strengthen households' income-generating capacity.** These will include: savings promotion (including strengthening of the existing community savings and investment promotion (COMSIP) component as well as other individual savings modalities); basic skills training; and the provision of a productive grant to selected households, followed by a coaching and mentoring process. As in the case of PW, livelihoods support will be targeted to households with labor capacity (at least one member aged 18 to 65 years). Gender and age concerns will be properly addressed in the development and roll-out of the livelihood enhancement activities considering men, women and youth's different situation, roles and needs in the communities.

**21. Livelihood support under PSSN II will be gradually rolled out to all program operational areas.** This support will consist of two elements: (i) basic livelihood support for all beneficiary households with labor capacity, and (ii) an enhanced livelihoods support package for selected households.

- a) Basic Livelihoods Support:** The basic livelihood support package aims at promoting self-employment (farm and off-farm income generation activities) and wage employment opportunities through: (i) awareness-raising sessions that encourage households to invest part of their transfers productively and inform them about all available livelihoods services in the locality, including vocational education, apprenticeships, agricultural extension, financial inclusion, small business and livestock services; (ii) support to household participation in savings groups; and (iii) linking of households to available ward-level extension services by inviting extension agents to deliver community sessions. This support will be offered to all households with labor capacity in all PAAs during a two-year period. Coordination at PAA level with other relevant sectors will be strengthened, to facilitate the provision of appropriate services to PSSN beneficiaries that enhance their productivity.

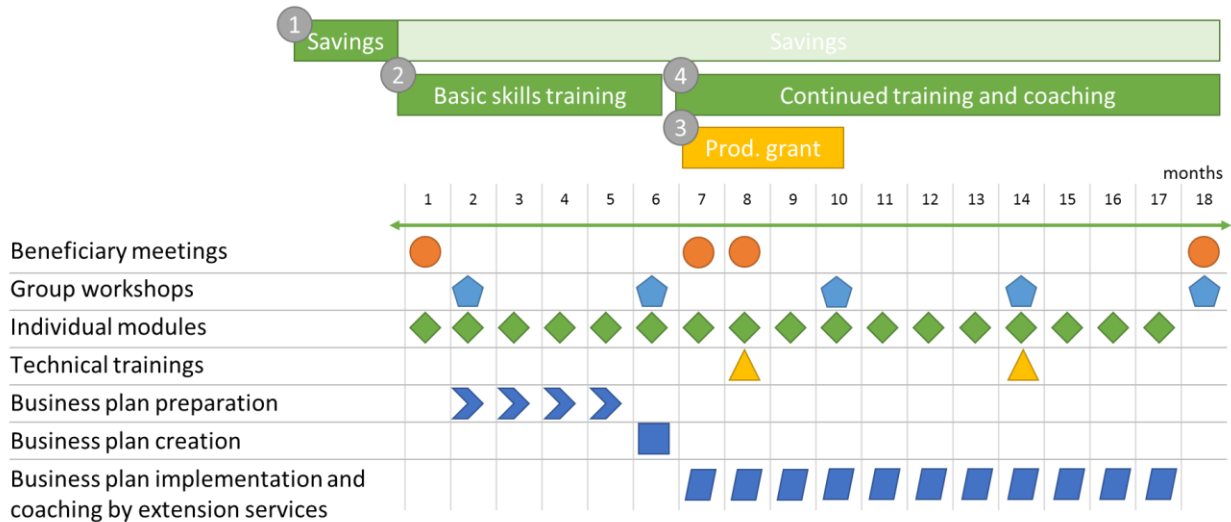


**b) Enhanced Livelihoods Support:** The enhanced livelihood support package will provide a more comprehensive set of livelihood support activities to beneficiary households with labor capacity in the 44 poorest PAAs. Enhanced livelihoods support will consist of a carefully sequenced set of activities, designed based on international experience with graduation programming.

- Firstly, participating households will be encouraged to further increase and safeguard their **savings** and will receive training on different savings options. The savings promotion work will build on the experience of the community savings and investment promotion implemented in PSSN I; and savings groups will be linked to financial institutions.
- Then **skills training sessions** will be delivered to support households with the development of simple business plans and management of their productive assets; this training will be customized to take account of the low levels of literacy and numeracy of beneficiaries and will be delivered through a mixed method training approach (see Figure 3 below). Under PSSN I, this has been delivered face-to-face by: facilitators, who are skilled extension officers and deliver group training; and coaches, trained community members who provide follow-up support to smaller groups of participants. At the same time, the program has piloted tablet-based e-learning techniques: training materials are downloaded onto a tablet, which is shared with participants, enabling them to access the content directly. Dependent on the final results of the pilot, it is expected that, under PSSN II, increased use will be made of e-learning techniques, ensuring consistent quality of training and reducing training costs, but that this will still be complemented by some face-to-face group training and follow up support.
- Finally, households that have participated regularly in training sessions, are economically active, have accumulated some savings and developed a viable business plan, may then apply for a **livelihood grant** to finance their household enterprise or invest in specialized skill training and job search to access wage employment. The size of the livelihood grant may vary depending on the chosen activity (which will usually be a small business but might in some cases be vocational training) and will not exceed the equivalent of TZS 500,000 (approximately US\$225) per household. After receipt of the livelihood grant, households will continue to receive coaching/mentoring support from local service providers to address any challenges with the implementation of their business plan.
- All households that complete the full enhanced livelihoods package will exit PSSN II, as they will then have completed the full cycle of PSSN support.



Figure 2.3: PSSN mixed method training approach for livelihood support



Component 2: Strengthening Institutional Capacity and Integrated Delivery Systems - (Total US\$151.50 of which IDA US\$76.30 million equivalent)

22. The institutional capacity and delivery systems pillar of the first generation PSSN has evolved well and many key elements are in place and functioning at varying degrees of effectiveness. Many investments are ongoing under the current project and are envisaged to continue under the new one. Under the PSSN II, the focus will be on consolidating gains made thus far and making refinements that will facilitate expansion and ensure effective delivery of the new and modified program elements. There will also be a focus on strengthening institutional arrangements in ways that promote inter-sectoral linkages at PAA level.

2.1. Institutional Capacity Enhancement

23. Institutional capacity to coordinate implementation of the program has evolved over the last five years. Government has developed good structures for program implementation at all levels, but functionality, in terms of implementation coordination, reporting and use of regular progress reports to cause desired improvements in implementation, varies between PAAs. In addition, capacity at LGA and community levels is generally affected by staff turnover, absence of incentives and lack of a demand-driven capacity building plan. Low capacity sometimes translates into inadequate program management and coordination at the lower levels. This subcomponent will thus provide further support to ensure: (i) adequate and systematic needs-based capacity building for all stakeholders and implementers at all levels; and (ii) institutional coordination and harmonization to enhance effectiveness and promote convergence of interventions to maximize sustainable impact on beneficiaries. The capacity enhancement element will include the following:

- a) **Capacity building of program implementers:** Under PSSN II a strategic capacity building plan will be developed, implemented and systematically monitored, with a focus on frontline staff and community volunteers. This will be based on a capacity gap analysis launched during preparation. Carefully sequenced training aligned with the PSSN II roll-out plan will be provided to CMCs and extension staff in advance of the start-up of new PSSN II components in each PAA. Across all PAAs, more systematic training will be provided to





address challenges related to high staff turnover, with a particular focus on those areas where weaknesses were identified in PSSN I, including: understanding of the principles of safety nets and livelihoods services; promoting citizen engagement; linking with other sectors to address supply side constraints on service access; and various operational issues, including financial management and procurement processes, managing updates to the URB, implementation of safeguards, behavior change communication, and use of documented lessons learned to improve implementation. Other key measures to streamline capacities at implementation level will include updating the TORs of CMCs to align with the new PSSN II design and reviewing incentives for CMCs to ensure that these are sufficient to motivate performance whilst remaining cost efficient.

- b) **Strengthening of inter-sectoral coordination:** At PAA level, linkages of the PSSN with other sectors will be strengthened in order to promote a supply-side response where this is the key constraint on beneficiary access to services or livelihoods enhancement. The management committee convened by the LGA Director which meets regularly will proactively seek to address issues of PSSN II intersectoral coordination both from demand and supply sides. The new Social Registry will also support this (see below).
- c) **Program management support.** This will include staffing, logistics, regular monitoring and evaluation, supervision and implementation support, financial management, procurement and safeguard compliance monitoring, project coordination meetings, and other program management and regular coordination requirements.

## 2.2 Integrated Delivery Systems Development

**24. Key systems are in place, ongoing improvements are being made under the current operation and the proposed operation provides opportunity for strengthening efficiency, effectiveness and integration of systems.** The MIS is functional and integration of the URB with the NIDA database to enable improved verification has commenced. A GRM module has been developed and integrated into the MIS; and the module has been piloted in 31 PAAs and lessons documented, the main lessons are a need for greater awareness of citizens about the system and capacity of administrators to manage grievances in an effective and timely way. The current M&E system has demonstrated its capacity to generate timely information on inputs, outputs and results. The targeting mechanism has been assessed as highly effective; and whilst beneficiaries still largely receive their transfers in cash, mechanisms for making electronic payments have been piloted.

**25. On the other hand, recent program reviews indicate that there is a need for further investment to build the strong and integrated mechanisms required to deliver PSSN II.** Key investments will be made in: (i) the development and implementation of strategies for exit, graduation and re-certification and further enhancement of the targeting system; (ii) ICT - further development of the MIS, building of an NSR and development of innovative ICT tools; (iii) M&E - enhancing the M&E system to facilitate accountability and control, especially on compliance of co-responsibilities, as well as learning; (iv) citizen engagement, communication and advocacy - strengthening the GRM at village level and broadening the citizen engagement approach; and (v) payments - biometric authentication for payments and full digitalization.

**26. Targeting, re-certification and exit strategy:** It is expected that a substantial number of households will exit the program during the course of PSSN II for various reasons, including: recertification that finds them no longer eligible; completion of the full program cycle of CTs, PW and enhanced livelihoods; and voluntary exit. Some of the exiting households are expected to graduate, that is to say, strengthen their livelihoods to the extent that they move sustainably out of poverty. In the early months of PSSN II, an exit and graduation strategy will be developed that clarifies how the



various exit and graduation processes will be operationalized. Furthermore, the PSSN targeting system, which is already effective, will be enhanced in two main ways during PSSN II. Firstly, clear selection criteria and processes will be developed for each program sub-component to ensure that every household receives the support most adapted to its needs. Secondly, re-certification of existing beneficiary households will be carried out to ensure that they still meet program criteria, and the non-poor will be exited.

**27. The targeting mechanism of the program comprises three elements:** (i) a geographical targeting mechanism to identify and select PAAs, wards and villages; (ii) community targeting to identify extremely poor and food insecure households in selected villages; and (iii) a proxy means test to verify and minimize inclusion errors. Upon finalization and verification of the targeting process the final list of targeted and enrolled beneficiaries is captured in a URB, which is connected to a comprehensive MIS.

**28. ICT tools: MIS, NSR and innovative tools:** (i) *MIS* - Based upon a program and technical review at the end of PSSN I, the PSSN MIS will be upgraded to cater to the business requirements of the new program; (ii) *NSR* - The project will also develop an NSR that brings together information from different programs to promote joined-up support to extremely poor and vulnerable households. This will be done by spinning of the URB into a separate system that will be accessible by other sectors based upon consultations under the forthcoming NSPP. The PSSN-II project will then use a subset of the new NSR for the program URB. The NSR needs biometric information of beneficiaries to be effective, and this requires that the NSR be seeded with beneficiary National ID numbers to link to the NIDA database for identity uniqueness and authentication. The National ID number establishes uniqueness of individuals (i.e. prevents them being enrolled more than once). At the initial stage of implementation, a concept note on the NSR will be developed to demystify the understanding of the innovation amongst all stakeholders and promote utilization of the registry once up and running; and (iii) *Innovative ICT tools* - The use of new ICT tools will also be piloted to enhance communication, collaboration and citizen feedback. For example, consideration is being given to developing and testing an online, on-demand MIS<sup>19</sup> to support communication, collaboration, citizen feedback and grievance redressal that would use a mobile tablet-based platform to keep track of project operations, processes, progress and lessons learned to feed into the project's overall MIS and the M&E function.

**29. M&E:** The vision under PSSN II is to transform data collection, processing and information management into an integrated system across all levels of operations (national, regional, and PAAs). In particular, the quality of reports generated at PAA level and the direct use of these reports at that level to improve program delivery will be enhanced. An important learning agenda will be implemented, including: (i) impact evaluations; (ii) process evaluations and qualitative studies to assess new program elements and document best practices and lessons learned, especially on the new livelihoods sub-components and selection process for PW; and (iii) spot checks for the main project processes (targeting, updating of URB, payments, co-responsibilities, etc.). There will be an increased focus on encouraging and equipping teams at decentralized levels to make direct use of this monitoring information to improve program delivery. A rigorous impact evaluation will also be carried out include baseline, mid-line and end line surveys for the impact evaluation to be conducted towards the end of the project. Taking into account the current evaluation design for the PSSN I and the entry and exit of households expected throughout PSSN II, a subsample of PSSN I households will be maintained in the PSSN II evaluation in order to measure long term impacts of the program, including (in some cases) after exit.

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<sup>19</sup> Project MIS, Financial Management System, VOIP Communication, mobile based Data Collection, Citizen feedback, GRM, etc.



**30. Citizen Engagement:** Under PSSN II, systems that enable beneficiaries and other citizens to provide feedback on program performance will be enhanced, as will efforts to ensure that the program responds to this feedback and improves service delivery as a result. The existing enhanced GRM that has been piloted in 73 PAAs will be strengthened and rolled out to all PAAs; and new collective citizen engagement tools will be introduced. To underpin this, communication to beneficiaries will be strengthened, so that they understand their entitlements under the program and what to do if they have a complaint. Communication will become more systematic and frequent and messages will respond to the new requirements and ambitions of the new program. (See Annex 6 for further detail).

**31. Payments:** Under PSSN II there will be a gradual shift from the current system of cash payments to electronic payments, based on a phased roll-out plan. The roll out plan will take account of underlying system and linkage requirements, lessons learned in the pilots and of the varying infrastructure and capacities in different PAAs. The current electronic payments approach is based on a strategy paper that has recommended moving from community-based payments to digital payments in three stages – (i) technical foundation stage; (ii) learning by doing pilots; and (iii) scaling up electronic payments - and the first two stages are already underway. To effectively use e-payments, the National Social Registry and the PSSN II Program Registry of Beneficiaries (PRB) need to contain National ID and National Electoral Commission (NEC) numbers of individual beneficiaries, so as to link them to the NIDA database for identity authentication using biometric information. As this is a prerequisite for the use of e-payments, work on it will be completed during the first year of PSSN II.

**32. Enhanced development communication:** Reviews during PSSN II preparation found that information about PSSN I had been communicated, guided by a development communication strategy. However, communication had not been sufficiently comprehensive or systematic in reaching all program stakeholders. The communication strategy now needs to be updated and an implementation plan for it developed, so that communications under the PSSN II effectively address existing and emerging communication priorities. These priorities include the need to communicate to beneficiaries, communities and all other stakeholders about program innovations to be introduced under PSSN II, such as the stronger focus on productive inclusion, the new recertification and exit strategies, and changes to the benefit structure and conditionalities. Development communications activities will be closely monitored so that their contribution to the overall objectives of the project can be ascertained.



### ANNEX 3: RECENT ANALYTICAL WORK

1. **This annex highlights recent analytical work of particular relevance to PSSN II:** a) Financing Social Protection in Tanzania; and b) Untapped Potential: Household Enterprises in Tanzania

a) **Financing Social Protection in Tanzania**

2. **A recent World Bank report assesses whether social protection programs are adequately financed in mainland Tanzania.**<sup>20</sup> The note benchmarks social protection expenditures and performance against social protection programs in comparator countries. The following social protection programs are included: social assistance, social insurance, labor market, and generalized subsidies (non-contributory price subsidy programs). Large programs supported by the Government or DPs are included in the analysis.

3. **The report shows that the extent of poverty and vulnerability in Tanzania requires a bigger fiscal outlay on social protection;** low spending is especially pronounced in social assistance and employment programs. Tanzania spends less than 0.46 percent of GDP on social assistance (PSSN and other Social Assistance Programs), while African countries spend three times that on average (about 1.55 percent). The good news is that the country's largest social assistance program, namely the PSSN program, gives the Government an opportunity to scale up social assistance relatively quickly. PSSN has a good track record of targeting poor people. It has a nationwide payment delivery mechanism, and the CCT is an effective mechanism for encouraging poor families to invest in their children's human capital. Roll out of PSSN has led to desirable outcomes, including the shift from food and in-kind based social assistance programs to more efficient cash-based programs; and the shift from untargeted to a targeted social assistance. Scaling up all components of PSSN and improving coordination between PSSN and other social assistance programs could help improve service delivery.

4. **Scaling up all PSSN components would likely increase total PSSN costs to US\$300 million per year or about 0.4 percent of GDP and 2.4 percent of the state budget.** If the PSSN CT component's coverage remains constant, and if the PW component is rolled out universally, social assistance spending (including PSSN and other social assistance programs) will increase to about 0.60 percent of GDP. Even with these increases, Tanzania's social assistance spending as a percentage of GDP will be low – 40 percent of the Africa average for social assistance spending.

5. **Spending is also low for employment programs** and Tanzania could consider scaling up employment programs with a proven track record of achieving results; and could consider piloting other employment programs to assess their effectiveness.

6. **The report also shows that the key challenges facing the pension sector in Tanzania include:** (i) very low pension coverage rates; (ii) ensuring pension payments by clearing contribution arrears and effectively managing "pre 1999" liabilities of PSPF; (iii) further revision of the pension parameters to create sustainable and affordable benefit levels across all funds and beneficiaries over the long term; and (iv) consolidation of the industry through merging of the funds

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<sup>20</sup> MI Ajwad, M Abels, M Novikova, and MA Mohammed (2018) "Financing Social Protection in Tanzania" World Bank, Washington, DC.



to reduce administrative costs and allow for economies of scale. Recent reforms appear positive and in line with international best practice, though the lack of detailed information available on these makes it impossible to derive firm conclusions.

**b) Untapped Potential: Household Enterprises in Tanzania**

**7. A recent World Bank report provides an overview of non-farm household enterprises in Tanzania.**<sup>21</sup> Using qualitative and quantitative methodologies, the report profiles household enterprises (HE) in Tanzania and identifies major constraints to productivity gains and growth. The report emphasizes how HEs benefit from TASAF programs, namely the CTs, PW, livelihoods enhancement, and support to savings groups for the poorest people.

**8. The most frequently mentioned constraint to starting, growing, or sustaining a business was lack of access to financial resources.** The majority of HEs reported that they do not try to access formal loans because these instruments impose conditions that are difficult to meet. Moreover, although savings groups and informal loans are available in the market, very few respondents utilize them. HEs do not access these financial resources mainly because of complicated paper work and procedures, difficulty making periodic payments, high interest rates, lack of collateral, and lack of awareness of financial opportunities. However, some respondents do take advantage of these opportunities, for example, participation in savings group was slightly higher among PSSN beneficiaries in communities where TASAF offered this component.

**9. The report shows that HE growth is also constrained by a weak market, low diversification and therefore, a high degree of competition from similar HE sellers. Moreover, lack of mobility and poor roads further restrict HE markets to locations near owners' home.** Most HEs sell their products in their own communities. These factors condition profitability as they need to lower their prices or offer them on credit, which is seldom repaid.

**10. Most respondents believe that education or skills are useful or very useful for their business, although most do not consider lack of education or skills to be a significant constraint to productivity.** There appeared to be a lack of awareness among participants of skills that would be useful for a business to succeed. Many respondents also cited poor weather as a risk to communities' harvest, businesses and road conditions. Respondents were aware that a poor growing season could negatively affect everyone, even those not directly involved in agriculture.

**11. The Government and TASAF can pursue policy options that can boost household enterprises in Tanzania.** Policy recommendations include tailoring policy reforms to support HEs; to promoting HE advocacy groups; to continuing to promote comprehensive reforms for poor people.

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<sup>21</sup> Sánchez Puerta, ML, MJ Granata, OM Becerril, G Heaner, and MI Ajwad. 2018. "Untapped Potential: Household Enterprises in Tanzania." World Bank, Washington, DC.



## ANNEX 4: LINKAGES WITH OTHER PROGRAMS AND INITIATIVES

### A) Nutrition and Early Childhood Development

#### Country Context

1. **The rate of chronic malnutrition is very high in Tanzania: 34 percent of children under five are stunted.** The first 1000 days (during pregnancy and up to 24 months of age) is the critical period for nutrition: chronic malnutrition during this period has lifelong consequences on physical and cognitive development. Rates of stunting in Tanzania are twice as high amongst the three poorest quintiles of the population (39 percent) as compared to the richest quintile (19 percent). On the other hand, poverty is not the only factor at play: chronic malnutrition is caused by a complex interplay of factors. In Tanzania, in addition to poverty, the following have been found important: (i) maternal issues (low body mass index, low education level, fewer antenatal visits); (ii) child issues (small size at birth, small for gestational age, low birth weight); and (iii) care and feeding practices - only 9 percent of Tanzanian children aged 6-23 months are fed in line with minimum acceptable standards regarding frequency and diversity (TDHS 2015/16); and (iv) environmental issues (unsafe source of drinking water, unimproved sanitation).<sup>22</sup>

2. **Other dimensions of early childhood development (ECD) during the infant and pre-school years - including care, stimulation and protection - are also important to long term outcomes.** For preschool aged children, scores for executive functioning and social-emotional development have been found to be rather low in Tanzania and lower for rural than urban children<sup>23</sup>.

3. **In recent years, the Government has shown strong political commitment to combatting malnutrition and promoting ECD.** On the other hand, there are constraints to services on both the supply and demand sides. A key supply-side constraint is that there is not yet any platform to deliver effective community-based nutrition interventions nationwide. On the demand side, lack of access to health centers and limited knowledge and/or harmful beliefs of caregivers and communities can also be constraints. For example, there is a lack of awareness that children with diarrhea should receive more liquids than usual (TDHS, 2015/16); and the majority of caregivers in rural Tanzania have been found not to speak to their infant for the first six months, believing it is unnecessary as the infant is too young<sup>24</sup>.

#### Existing Linkages between PSSN and Nutrition Programming

4. Two types of linkages between PSSN and nutrition services are being piloted under PSSN I with support from UNICEF. The initiatives are:

5. **Stawaisha Maisha: Systematic Integration of Nutrition Education into PSSN Community Sessions.** This initiative, which launched in March 2018, involves the delivery of a special six-session nutrition module at pay-points to PSSN recipients. Recognizing that many of the recipients are older women rather than mothers of very young children, the focus is on educating these women as influencers within families and the wider community. The methodology used is a group learning one. The process is overseen by a PPA facilitator who receives special training and then coaches CMC

<sup>22</sup> Chirande et al (2015); Danaei et al (2016); Altair et al (2016); WASH-Poverty Diagnostic Tanzania Preliminary Data (2017).

<sup>23</sup> The World Bank. 2017. Measuring Early Learning and Quality Outcomes (MELQO) Preliminary Findings Report: Mainland Tanzania (unpublished). The World Bank.

<sup>24</sup> Children in Crossfire and ZUMM. 2015. *What is the language environment of young babies in Tanzania, and can it, if necessary, be enriched?* December, 2015.



members and peer leaders, who in turn support groups of beneficiaries, using tools provided. Additional sessions between PSSN community sessions, using audio technologies are also being tested. A baseline evaluation of the pilot has been carried out and an end line was completed in Feb/Mar 2019.

**6. Equity Nexus: Promotion of Inclusion of PSSN Beneficiaries in Existing Nutrition Interventions.** Whilst nutrition interventions generally aim to reach all community members who are pregnant or have young children, often the poorest members of the community face particular challenges in accessing these services. Under the Equity Nexus initiative, special attention is given to ensuring that PSSN beneficiaries are included in existing interventions. Actions address both the demand and supply sides. Information on available nutrition services (both community and center-based) is provided to PSSN beneficiaries through community meetings, posters, brochures etc. On the supply side, the PSSN URB is shared with nutrition service providers so that they can monitor attendance of PSSN households at nutrition services and follow up on any non-attenders.

#### **Linkages Envisaged between PSSN II and Nutrition /ECD**

**7. Cash transfers may in themselves have positive effects on child nutrition, as they lift financial constraints on child feeding, health-seeking behavior and, to some extent, on hygiene and sanitation.** However, the evidence suggests that, for maximum impact, complementary interventions are necessary. This was already factored into the design of PSSN I: CCTs were provided to households with children aged 0-5 years conditional on regular attendance at health centers for key child health services and these conditionalities will continue under PSSN II. Changes under PSSN II to further promote nutrition and early childhood development will include the following:

- a) **Mainstreaming Nutrition/ECD in PSSN II PW Design.** PW will be designed such that households receive income, without undermining the care and nutrition of young children. Households with only one person of working age, where that person is a woman who is pregnant or caring for an infant, will continue to receive PW wages and be invited to community sessions, but will receive a temporary waiver from the need to work (until the child reaches 24 months old) and linkages to nutrition services. This provision will ensure that the household continues to receive income support, without risking harm to pregnant women or their babies through physical labor and whilst allowing caregivers of infants sufficient time to ensure their proper nutrition and care. Other households that include more than one worker will be sensitized on nutrition issues and asked to send to PW a worker who is neither pregnant nor the primary caregiver of an infant. The effect of this provision will be closely monitored to check that it does in fact lead largely to substitution of male workers for pregnant/lactating female workers, rather than self-exclusion of households from PW and consequent reductions in their total transfer levels. Furthermore, attention will continue to be given to promoting women's active participation in the community prioritization of PW sub-projects so that they are designed to meet the needs of women as well as men; and consideration will also be given to developing childcare services at or near PW sites for children aged two years and over.
- b) **Promotion of the Inclusion of PSSN Beneficiaries in Existing Nutritional and ECD Services.** Under PSSN II, beneficiary lists will be shared with providers of nutritional and ECD services (using clear protocols regarding confidentiality) in areas with active nutrition programs. These providers will be asked, when monitoring attendance at nutritional sessions, to disaggregate household participants by PSSN status in order that the inclusion of PSSN beneficiary households can be tracked; and to actively follow up to promote the inclusion of any PSSN households found to be missing out on available services (for example, missing the community-based nutrition/education sessions or home visits by Community Health workers -CHWs etc.). Lessons learned from the experience of the Equity Nexus (including the need for substantial investments in training at the community



level and in capacity at national level to oversee the initiative) will be taken into account in the design of tools, training and institutional arrangements. Initially, sharing of lists will be paper-based, but the development of the National Social Registry under PSSN II will facilitate these processes in the future.

- c) **PSSN Community Sessions on Nutrition/ECD.** These will be of two types, depending on the existence or not of nutrition programs in the locality.
- i. In areas where there are existing community-level nutritional services to which PSSN II beneficiaries might feasibly be linked, the focus of the PSSN community sessions in respect to nutrition will be on: providing basic nutrition and ECD information to PSSN beneficiaries; informing them about existing nutritional and ECD services; and receiving feedback from them on any access constraints to these services, which will be shared with providers.
  - ii. In regions where few nutrition and ECD services exist, a more direct approach will be taken: nutritional education and ECD will be introduced as key elements within the PSSN II community sessions, and possibly beyond these sessions. This more intensive approach will be piloted first in a small number of PAAs. Criteria for selection of these pilot PAAs will be that they are: in regions with the highest rates of stunting and without active nutrition programs, such as Rukwa, Katavi, Arusha, Lindi or Mtwara.

## **B) Climate Change Resilience and Adaptation**

### **Background**

**8. Tanzania is endowed with a very rich natural resource base** including 1,424 kilometers of Indian Ocean coastline and abundant water in its lakes, rivers, and ground water; and 44 million ha of arable land (less than 30 percent is currently cultivated); 50 million ha suitable for raising livestock (only about 50 percent is currently used) and vast wildlife parks and reserves. In most years, despite its rapidly expanding population, Tanzania produces surplus food and is a significant exporter of food to the rest of the region. Tanzania's population of nearly 54 million is growing at about 2.8 percent a year and is expected to reach 100 million by 2040. About a third of its people live in urban areas, which by 2050 are likely to house half of the population, driven by both population growth and rural-to-urban migration.

**9. Sustaining Tanzania's natural capital is critical if the country is to better leverage its rich assets for successful structural transformation.** Already there are emerging risks of depletion of some forestry, fisheries, and wildlife resources and trade-offs in the use of water and land. If not properly managed, mounting pressures from a growing economy and population will degrade the ecosystems on which economic growth is based. Conservation of fresh water, marine and terrestrial biodiversity, and forested areas requires careful balancing of competing demands, as the country develops. Environmental sustainability also needs to be ensured in light of the current Government plans for industrialization, which has the negative effect of environmental pollution: "polluting now and cleaning up later" is costlier to the economy.

**10. Climatic variability is a significant economic threat because Tanzania depends on climate-sensitive activities.** About 70 percent of recent natural disasters have been associated with climate change; and the economy is increasingly affected by prolonged droughts, severe storms and floods, and rising temperatures, which have cost more than 1 percent of GDP. Higher temperatures are likely to worsen the stresses on water resources. Poor and vulnerable groups that rely on rain-fed agriculture are particularly susceptible to adverse climatic events, as is the power sector. Climate variability and change undermine prospects for growth and poverty reduction through their effects on energy supply and demand, human health, water and natural resources, and ecosystem services.





**11. As the cost of adapting to climate change continues to rise, deferring climate adaptation activities will be more and more expensive.** Tanzania’s adaptation is estimated to cost about US\$500 million annually and by 2030 could hit US\$1 billion. Recognizing the looming risks, Tanzania in 2013 adopted the National Climate Change Strategy (NCCS) and Zanzibar launched its Zanzibar Climate Change Strategy (ZCCS). Although these are moves to integrate climate change into development planning, much work is necessary to clearly identify priority investments in resilience to climate change and channel climate finance more strategically. The Government has identified priorities for both mitigation and adaptation<sup>25</sup>

#### **PSSN contribution to climate change adaption and resilience building**

**12. PSSN is already implementing interventions with relevant links to climate smart activities.** Cash transfers, Public Works and Livelihood components of PSSN have significant potential for contributing to resilience building and supporting activities which will enhance the climate change adaptation at household, local and national levels. The CTs are provided in a way and at times that help people overcome immediate challenges as well as providing longer term improvements to livelihoods and human development needs. Labor Intensive Public Works (LIPWs) have a strong focus on interventions aimed at environmental rehabilitation and natural resource management (i.e. LIPWs such as reforestation and soil and water conservation measures). The livelihood component enhances skills of the beneficiaries and supports them in improving and diversifying their sources of income. Overall, the program puts a strong focus on achieving sustainable resilience, enabling people to withstand and respond to shocks and move towards more sustainable livelihoods. Substantial impact has already been observed on the ground.

**13. In PSSN II the design of climate-smart integrated PW and livelihood enhancement interventions to be implemented within a holistic watershed development plan will contribute to breaking the downward cycles by rejuvenating the agricultural resource base and increasing adaptation to climate change.** Commencing with an Initiation Phase often incorporating area closure, a similar program in Ethiopia has shown that climate-smart soil and water conservation (SWC) activities implemented within an integrated program following watershed logic can dramatically reduce surface runoff, increase infiltration, raise groundwater levels, enhance spring yields, and increase stream base-flows and vegetation coverage thus validating this Theory of Change.<sup>26</sup> Springs typically last longer into the dry season, and the number of domestic water supplies can be much increased, thereby off-setting climate-change-induced shocks and increasing resilience.

**14. There is also evidence from the impact assessments that the investments in soil and water conservation on communal lands in Ethiopia increase farmer productivity.** In a recent PW impact assessment, the proportion of beneficiary farmers interviewed who were applying advanced SWC techniques on their own land had reached 91 percent, making the PW program a valuable complementary input to household level investments.

**15. Experience also shows that area closure combined with integrated watershed development can introduce significant carbon sequestration.** Recent analysis of soil samples from Ethiopian PW sites by Cornell University have not

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<sup>25</sup> In its Intended National Defined Contribution (INDC) to the United Nations Framework Convention for Climate Change 21<sup>st</sup> Conference of Parties (COP21) in 2015, Tanzania has committed to supporting adaptation activities in water, agriculture, health, land use, land change and forestry, the environment, energy, and urban and social development—and recognizes that it needs to build capacity.

<sup>26</sup> According to the UK House of Commons Environmental Audit Committee PSNP is one of the “largest climate change adaptation programmes in Africa” (The impact of UK overseas aid on environmental protection and climate change adaptation and mitigation, 2011).



only confirmed this but have identified up to 300 percent increases in sequestration rates, together with markedly improved soil fertility.

**16. PSSN II will put a focus on activities that will improve adaptation by building resilience to climate change,** through: (i) a focus on community-based planning, development and application of climate-smart, integrated watershed development, incorporating adaptive measures such as appropriate SWC activities, followed by further resilience-building subprojects such as micro- and small-scale irrigation; (ii) PW activities for reforestation, land management and soil improvements which will strengthen adaptation and in the long-run will also help to mitigate climate change; and (iii) the capacity to scale up in response to climate-induced shocks, guided by village/district-level risk management plans.

**17. Special attention will be given to areas subject to different disaster risks such as drought and floods, exacerbated by climate change.** The project is designed to break the poverty cycle, promote resilience, and reduce vulnerability of food-insecure communities and households, thereby making a critical contribution to disaster risk management and climate resilience.

**18. The PW component will be designed and implemented to address a key underlying cause of food insecurity - environmental degradation.** PWs will focus particularly on climate-smart SWC activities, along with roads and irrigation, developed within a participatory watershed development planning framework.<sup>27</sup> By promoting, financing and implementing such sustainable land management measures, the PSSN continues to represent a unique opportunity to contribute to environmental transformation at scale in Tanzania.

**19. PSSN also has a strong MIS and M&E system with on-line connectivity to all the districts.** This will facilitate building the evidence base of the capacity of the program for strengthening household resilience to climate change. Climate related risk information at the local level could be linked to the M&E system from the outset.

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<sup>27</sup> Integrated Watershed Development is a planning tool to identify, optimize and prioritize all public works investments within a watershed on a holistic basis in order to achieve watershed rehabilitation.



## ANNEX 5: GENDER

### Country Context

- 1. On the UN Gender Inequality Index 2017, Tanzania ranks 130 out of 189 countries.** Whilst Tanzania does better than the low-income country average with regard to the maternal mortality rate, share of women in Parliament and labor force participation, it does relatively poorly in regard to the percentage of women with any secondary education and the adolescent birth rate.
- 2. Other dimensions of gender inequality not captured by this index include women's time poverty and limited control over cash.** Tanzanian women spend more than three and a half times as many hours on unpaid care work as men (ILFS, 2015). In a similar vein, findings of the Qualitative Assessment of Bottlenecks to Self-Employment and Household Enterprises (World Bank, 2017) are that, amongst PSSN beneficiaries, women have less time than men to engage in business activities, due to their much higher burden of domestic work.
- 3. In addition, women in Tanzania are much less likely than men to receive cash earnings for the work they do (56 percent and 89 percent, respectively),** and they are often disadvantaged in terms of access and control over resources and participation in decision-making processes. Considering important decisions about women's own health care, major household purchases and visits to friends or relatives, whilst 35 percent of married women report participating in all these types of decision-making 18 percent participate in none (TDHS 2015/16). In Tanzania, married women generally exercise joint or sole control over their own cash (only 10 percent report that their husband alone determines the use of the wife's earnings); but 41 per cent of women report that the husband mainly decides on the use of his own earnings (TDHS 2015/16).

### Gender in PSSN I

- 4. One key design feature of PSSN I – the nomination of women as household representatives - has an important role in empowering women.** Households are encouraged to register a woman as the household representative (the primary recipient of cash on behalf of the households) and 83 percent of representatives are indeed women. Given that women are far more likely to exercise control over the use their own cash than their husband's (see above), this is an empowering feature of program design; according to qualitative evidence from the recent UNDP Gender Review of PSSN1 (UNDP, 2017), community members perceive that it has led to increases in women's decision-making and bargaining power, with knock-on benefits for the community as a whole.
- 5. On the other hand, there are challenges in regard to PSSN and women's workload.** UNDP (2017) finds that PW has the potential for both positive and negative gender outcomes: positive in terms of increasing women's access to and control over cash; but negative in terms of potentially over-burdening women with work, given their existing heavy burden of domestic work (and this, in some cases, can also have negative effects on young child care and nutrition). In some communities, women are the vast majority of PW participants. PSSN I design partially, but not fully addressed the challenge of women's double-burden. There is a provision in the PSSN Operational Manual for flexible working hours for women, so as to ensure that participation in PW does not compromise their role as care providers, and more detailed guidance on this and the provision of lighter works for older, pregnant and lactating women is provided in the PW Program Handbook (2017). On the other hand, implementation of these provisions and in practice its implementation



has been found to be variable (UNDP, 2017<sup>28</sup>).

**6. There is also scope to make community sensitization sessions more gender-aware.** Community sessions, because they are held at pay-point, tend to predominantly reach women, because they are the vast majority of nominated household representatives. Given that men in the family and community are often important decision-makers in relation to the issues discussed, their non-participation may limit behavior change impacts. UNDP (2017) also identifies scope to use community sessions to challenge some of the gender stereotypes around the gender division of labor that contribute to women's over-burden.

**7. Structural features of PSSN I beneficiary households contribute to the challenges faced by women in PSSN households.** Whilst in some households, there may be scope to shift the burden of work from women to men, in others this is not possible because the woman is the only person able to work. There is a high proportion of households that include only one woman able to work plus dependents. Female-headed households constitute 51 percent of PSSN households (UNDP, 2017).

#### Gender in PSSN II

**8. The need to give more attention to gender issues during PSSN II at both strategic and practical levels has been recognized.** UNDP (2017) found women to be generally well-represented within the TASAF management structure; and the CMCs the research team met all had at least 50 percent of female members. On the other hand, few staff at national or decentralized levels had received gender training and there is not yet a gender strategy or action plan. In the first year of PSSN II, the following actions will be taken to ensure that gender is more systematically mainstreamed in design and operations: **the TASAF management team will receive gender training; a gender focal point will be identified; and a Gender Action Plan will be developed.**

**9. The nomination of women as the household representative** will be retained under PSSN II and the following additional specific actions have been agreed or are under consideration for inclusion in the Gender Action Plan:

- a) **Protective provisions will be established in PW for pregnant and lactating women.** Given the increased focus in PSSN II on the productivity of PW (entailing longer hours and possibly more demanding work) protective provisions will be put in place, in order to avoid over-burdening women and causing possible harm to women, unborn children or infants. Pregnant women and women caring for infants aged 0-24 months will not be employed at PW sites and the following two provisions have been agreed to support this:
  - i. Awareness-raising of households to send an alternative adult to PW (who is not pregnant or lactating) where there is a second available worker in the household. This awareness-raising must reach men as well as women, so will take place in community sessions that involve men – not just with PSSN representatives on pay days (because the majority of these are women).
  - ii. Households that include only one person able to work, where that person is a woman who is pregnant or caring for a child aged under 24 months, will continue to receive PW wages, but will receive a temporary waiver from the need to work (until the child reaches 24 months of age). Pregnancy will be attested through a paper from the health center. Again, the operationalization of this provision will be closely monitored and reviewed.
- b) **Childcare at PW sites.** A further provision that is under consideration (but not yet agreed) and which would

<sup>28</sup> UNDP, 2017, Draft PSSN Gender Assessment Report



facilitate women's engagement in PW, whilst ensuring the well-being of their children, is the provision of childcare facilities at or near PW sites for children aged two years and over. Child Care Centers could also be constructed through Public Works.

- c) **Monitoring of the gendered effects of the PSSN II design modifications.** PSSN II will have an increasingly productive focus, with longer hours of PW and more focus on livelihoods activities, with the aim of strengthening household incomes and assets in the short and longer terms. Given women's double burden of domestic and productive work, the productive focus comes with some risk of over-burdening women, so effects on women's workload will be monitored. Whilst some protective measures are envisaged (as outlined in a) above), these too carry risks. For example, avoiding employing pregnant or lactating women on PW will hopefully lead multi-worker households to send men to PW instead. However, if men are unwilling to work on PW, it could lead instead to households self-excluding from PW and losing the potential income, or the pregnant/lactating women engaging in other work that is more harmful than PW. The effects of these provisions thus need to be carefully tracked.
- d) **Increased consideration of gender issues within community sensitization sessions.** Although specific actions are yet to be agreed, they may involve any or all of the following:
  - i. **Tailoring sessions to take better account of the specific, gendered roles of participants,** as has been done, for example, in the design of the Stawaisha Maisha pilot nutrition intervention. Recognizing that many of the primary household representatives are middle-aged / older women, these sessions are tailored to the particular roles these women play as influencers of nutrition-related behaviors in the family and community. This will also be linked with the behavior change initiative being piloted.
  - ii. **Actively encouraging the participation of men in particular sessions.** For example, UNDP (2017) points to the importance of engaging men in awareness-raising around family planning, because they are key to decision-making in this area. This would involve extending sessions beyond pay-points, given that pay day sessions tend to reach mainly women.
  - iii. **Supporting community discussions that start to challenge gender stereotypes.** As pointed out in UNDP (2017), the gendered division of labor is not set in stone. Current provisions in PSSN accept that women carry a double burden of domestic and productive work and help women better manage this, such as through flexible hours of PW or lighter works. However, there may also be scope for the program to play a role in encouraging communities to question, debate and modify this gendered division of labor, as suggested in UNDP (2017).



**Table 5.1. ACTION PLAN FOR ADDRESSING GENDER ISSUES IN PSSN II**

OUTPUTS	ACTIVITIES	Quarters Year 1				Yr 2-4	RESPONSIBLE
		Q1	Q2	Q3	Q4		
1. Competent and functional Gender Team	<ul style="list-style-type: none"> <li>i. Identify and engage an overall Gender Focal Person and a Gender Technical Advisor to support the Gender Team</li> <li>ii. Identify interested and knowledgeable TASAF staff to form a Gender Team as part of their responsibilities.</li> </ul>	X					TASAF Management
2. At least 80% of PSSN personnel at the TMU, Regional, PAA and community level undergo gender training	<ul style="list-style-type: none"> <li>i. Finalise the training tools, which were developed by UNDP during Gender Assessment in a new gender training module.</li> <li>ii. Embed the module within the training used for all levels of TASAF from TMU through village/shehia level.</li> </ul>		X				TASAF Management
3. Monitoring and evaluation PSSN framework and products address gender equality and WEE	<ul style="list-style-type: none"> <li>i. Identify and adopt gender-sensitive and sex disaggregated indicators and monitoring tools</li> <li>ii. Train M&amp;E staff on gender analysis and reporting</li> <li>iii. Undertake strategic analysis as appropriate, in collaboration with stakeholders -- target 2-3 studies over the five years of implementation, plus gender/WEE questions should be embedded within major studies.</li> </ul>		X	X		X	TASAF Management
4. Strategic integration of D3 principles into the PSSNII	<ul style="list-style-type: none"> <li>i. Reviews the results of the D3 study and agree on specific action items which are expected to include directing payments into women's accounts, strengthening the digital financial literacy /training components of the program and ensuring that grievance and redressal systems work well.</li> </ul>		X	X	X	X	TASAF Management /Stakeholders (BMGF)
5. Gender/WEE objectives are integrated in the design of CCT	<ul style="list-style-type: none"> <li>i. Develop ways to encourage men to share the burden of meeting program requirements</li> <li>ii. Draw on the D3 diagnostic and evidence from E-Payments pilot to identify and implement key actions to improve gender/WEE outcomes</li> </ul>	X	X	X	X	X	TASAF Management



	<ul style="list-style-type: none"> <li>iii. Ensure that among the household heads, the women will continue to be the direct recipient of transfers during.</li> <li>iv. Promote maternal health, child care and nutrition messages during the community sessions taking place every two months.</li> </ul>	X	X	X	X	X	TASAF Management/ PAA
		X	X	X	X	X	
6. Gender/WEE objectives are integrated in the design of PWP	<ul style="list-style-type: none"> <li>i. Review the “Soft Public Works” as stated in the Revised Operational Manual (2016: Pg. 34) and ensure: <ul style="list-style-type: none"> <li>a) Women are offered flexible working hours and the possibility of part time work</li> <li>b) Exempt pregnant (from 4 months) or lactating up to 24 months</li> <li>c) Establish child care centres for participating parents</li> </ul> </li> <li>ii. Ensure women’s participation (through quotas for the Village Committees/CMCs) in project decisions</li> <li>iii. Regularly review the pattern of investments to track gender bias in types of assets constructed.</li> </ul>	X	X	X	X	X	TASAF Management/ Villages Council/ Stakeholders
		X		X	X	X	PAAs/ Village Council
		X	X	X	X	X	
7. Gender/WEE objectives are integrated in the design of LE	<ul style="list-style-type: none"> <li>i. Strengthen existing savings groups based on lessons from the LE assessment by TASAF (to ensure that both men and women have equal participation and benefits.</li> <li>ii. Conduct training for women and men beneficiaries based on market opportunities and demand e.g. age, rural vs urban, etc. and their availability for training sessions, with deliberate efforts to enable women to move into non-traditional activities.</li> <li>iii. Ensure women who qualify for LE grant acquire appropriate equipment and inputs – and not limited to traditional female activities (e.g. sewing machines, food vendor equipment), as reflected in the Gender Mainstreaming Assessment (UNDP).</li> </ul>		X	X	X	X	TASAF Management
		X	X	X	X	X	
				X	X	X	TASAF Management



8. Enhanced women’s rights, control over household resources, and decision making at home and in the community	<ul style="list-style-type: none"> <li>i. Work with local partners to raise awareness about women’s rights, household decision making and violence against women, to tackle adverse gender norms through engaging the community, men, and women.</li> <li>ii. Strengthen the criteria for equal (50:50 ratio) representation of men and women in decision making meetings including beneficiaries, CMC, facilitators and monitor implementation as reported in UNDP, 2018).</li> </ul>	X  X	X  X	X  	X  	X  	TASAF Management
9. Grievance reporting system that respond to the needs of women	<ul style="list-style-type: none"> <li>i. Develop/Adapt grievance reporting mechanisms to overcome high levels of illiteracy among poor women and men.</li> <li>ii. Publish the grievance procedures and clear/transparent results on how reported issues have been resolved.</li> <li>iii. Develop a system of equal representation of women and men of CMCs and local leaders who receive and assist other women in reporting their grievances (keeping in mind it is volunteer work).</li> </ul>		X  X X	X X X		X	TASAF Management Village level
10. Targeting system that address caring needs	<ul style="list-style-type: none"> <li>i. Provide higher benefits to parents with care responsibilities, such as caring for persons with disability.</li> </ul>			X	X	X	TASAF Management





## ANNEX 6: CITIZEN ENGAGEMENT DEVELOPMENT OF COMMUNICATION AND ADVOCACY

- 1. As part of the PSSN II design, the joint Government-World Bank design teams undertook several initiatives that promoted broader stakeholder consultations and participation** including consultations with the central and regional government officials, PAAs and communities. The safeguards assessments and documentation are also a positive development in enhancing citizens' engagement, communication and advocacy on the ground as part of design and subsequent implementation. Implementation of citizen engagement and communication strategy within the PSSN II will be aimed at creating an environment that will facilitate effective delivery of program benefits, through promotion of transparency and accountability, citizens' participation, behavior change communication and a comprehensive and dynamic system for registration and resolution of complaints and appeals (grievances).
- 2. This initiative is based on the premise that establishing a systematic mechanism for Citizens Engagement, Communication and Advocacy can foster better reflection of citizens needs in project interventions,** assure beneficiary participation and ownership of World Bank supported operations, contribute to building of an effective system of development communication to all stakeholders and lead to improved results on the ground. Implementation of CE and development communication is thus both consistent with the commitments for promotion of good governance by the Government of Tanzania, as well as an instrument for taking forward recommendations from the World Bank wide corporate "Strategic Framework for Mainstreaming Citizens Engagement in World Bank Group Operations" of December 2014.
- 3. The initiative will include four interrelated interventions namely:** (i) Social Accountability; (ii) Financial Transparency and Accountability; (iii) Grievance Redress Mechanism (GRM); and (iv) Systematic Development Communication and Advocacy. The following paragraphs explain the main activities that will be implemented under each of the interventions and the implementation mechanisms that are envisaged for the PSSN II.

### **Social Accountability (SA)**

- 4. Lessons from other regional and global initiatives have demonstrated that SA can provide citizens with the opportunity to undertake basic services needs assessments,** perform prioritization exercises and, with facilitation from civil society organizations, develop action plans for making improvements in basic service delivery. In so doing, the targeted beneficiaries communicate their views to service providers on the quality of service provision and on any areas of improvement needed. The beneficiaries and the broader citizens at large are also able to express opinions on priority setting and thus influence service delivery prioritization processes as well as hold service providers accountable.
- 5. Implementation of SA tools.** At least one SA tool, either the Citizens Report Card (CRC) or Community Score Cards (CSC) will be implemented in a sample of PAAs participating in the program at the start of the program, at mid-term and at the end of the program. The application of the SA tool will help to create awareness among the citizens about the project activities and their role in decision making processes. It will also ensure that the beneficiary and the broader citizen perceptions about the project will be monitored and managed. Reports generated by this process shall be communicated to PAAs, regional and central level decision makers and provide them with an overview of the issues which have emerged during implementation so that they can be addressed systematically and timely.



**6. Empowering of the citizenry to monitor project implementation through existing community management committees (CMCs).** The creation of awareness about the project will ensure appropriate citizens participation from an informed point view. This will be done together with capacitating of CMCs so that they will be equipped with the skills and motivated to perform their functions for planning and implementation of the program.

#### **Financial Transparency and Accountability (FTA)**

**7. The purpose of the FTA will be to assure access to project financial information by the citizenry from participating areas in general and the beneficiaries in particular.** The FTA will help to deepen provision of information on project budgets and expenditures. The implementation of the FTA will be linked to the SA and GRM aspects and an integrated planning for the citizen engagement work will be ensured. The FTA will also support generation of quality information that will be easy to consume by the public and local citizens. An important aspect of the FTA will be implementation of the Budget Literacy Training (BLT) among all the implementers and the beneficiary representatives. Customized BLT programs for the PSSN II will be planned and relevant manuals and guidelines produced. Innovative tools like billboards, calendars and T-shirts that have been found to be effective in other programs will be used to disseminate information about the program budgets, expenditures and service delivery at all levels of project implementation.

#### **Grievance Redress Mechanism (GRM)**

**8. Management of appeals and complaints by project beneficiaries and non-beneficiaries is an important tool for improving effectiveness of targeting.** Implementation of the GRM through management of appeals and complaints by project beneficiaries and non-beneficiaries has proven to be an important tool for reducing exclusion and inclusion error and improving the often direly needed effectiveness of targeting project clients.

**9. Complaints and Appeals committees will be established at village, ward and PAAs to receive and manage grievances from the citizenry.** The committees will then handle reviews and resolutions while referring unresolved grievances to the next level of authority. It thus follows that referrals of unresolved grievances will move from CMCs to Ward to PAA and then regions or TMU where needful. The grievances from the citizenry may include all forms of unfair treatment, ranging from entry or failure to enter the program, timeliness or other issues related to payments, fairness of targeting processes, any forms of misuse of project funds, to mention only a few. The committees will perform roles of logging, tracking and resolving grievances in timely manner.

**10. Awareness creation on and measuring performance of the GRM process.** The project will support specific awareness on the GRM. Specific modules with precise information about the functioning and freedom to utilize the systems by the citizenry will be developed as part of the operations manual. Awareness on the appeals processes will also be created. Specific indicators to track this process will be included in the results framework. The indicators will allow implementers to identify whether there is awareness among the people to register their grievances, the proper handling of the grievances and the timeliness of doing so.

#### **Systematic Development Communication and Advocacy**



**11. An enhanced development communication strategy that addresses existent and emerging needs will be developed and an action plan for its implementation elaborated.** Mission reviews during PSSN II preparation found that communication about the program has been implemented, guided by a development communication strategy that was developed at the start of PSSN I. But its implementation was not systematic in reaching all stakeholders adequately, and the strategy needs to be updated so that it is able to address emerging needs under the PSSN II. In addition, activities implemented under development communications should be monitored so that their contribution to the overall objectives of the project is ascertained. The new needs include ensuring effective communication to accompany expansion of the CCT and PWs, strengthening productivity of the program, awareness about targeting, recertification, exit and graduation and their implications, introduction of broader citizens engagement in the project to enhance community participation in monitoring and boost broad accountability, strengthening the human development aspects, leveraging and maximizing opportunity for delivery messages through the community sessions and use of CMCs, deepening overall integrated delivery systems and other new needs of development communication.

**12. In addition, PSSN II is being implemented with ambitious goals for unleashing the productive potential of the poor and vulnerable segments of the Tanzania population.** A strong agenda for strengthening productivity in the program and linkages with other social services will be increasingly integral to the project mandate. Mass media and behavior change communication has a strong potential for playing a positive role in improving desired outcomes from the project and underpins a successful overall citizens engagement process. An existing strategy will be updated, and its implementation plan developed to revamp development communication so that it can effectively contribute to project results and outcomes.

**13.** The existing community education sessions to promote behavioral change will be strengthened. In addition to informing beneficiaries about PSSN rules and procedures and promoting adherence to education and health conditionalities, these sessions will increasingly be used to promote linkages to existing services and deliver effective low-cost behavioral change nudges. The focus on maternal health, infant and young child nutrition within these sessions will be strengthened. Additional community sessions will be used to raise awareness on livelihoods-related issues.