



50
YEARS

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A photograph of a traditional wooden sailboat with a single mast and a large white sail, sailing on a blue ocean under a bright blue sky with scattered white clouds. Several people are visible on the deck of the sailboat. In the background, a larger white and green ship is visible on the horizon.

INCLUSIVE GROWTH AND SUSTAINABLE LIVELIHOODS PILLAR

STRATEGY PAPER

INCLUSIVE GROWTH AND

UNDP: Inclusive Growth and Sustainable Livelihoods Strategy Paper

SUSTAINABLE LIVELIHOODS



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STRATEGY PAPER

I. INTRODUCTION

This strategy paper sets out the contours of UNDP Tanzania's inclusive growth programme 2016 – 2021. The overarching goal is to support Tanzania to accelerate inclusive economic growth with a focus on poverty reduction, job creation and environmental sustainability, in line with the principal objectives set out in the Tanzania Development Vision 2025 and Zanzibar Vision 2020, which aim to eradicate extreme poverty, and promote high quality livelihoods and a competitive and diversified economy. The specific objectives for UNDP Inclusive Growth support are aligned with the priorities set out in the National Five-Year Development Plan II, to increase use of modern technologies in key growth sectors, enhance conservation of the environment and natural resources for poverty reduction and economic growth, develop a harmonised delivering system of social protection, promote women's economic empowerment and develop pro-poor value chains. They are further aligned with the priorities set out in the draft Zanzibar Strategy for Economic and Social Transformation, to modernise agriculture and agro-industry sectors to increase trade, promote a conducive business environment, improve social protection schemes, and promote gender equality and women's empowerment.

The strategy primarily contributes to the achievement of Sustainable Development Goals (SDGs): Goal 1 (No poverty), Goal 2 (Zero Hunger), Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth), Goal 9 (Industry, innovation and infrastructure) and Goal 10 (Reduced Inequality). It also conforms to the United Nations Development Assistance Plan II (UNDAP II) for 2016-2021, in its vision on inclusive growth toward achieving the following outcomes:

- Increased economic transformation for greater poverty reduction, competitiveness and increased opportunities for decent and productive employment;
- Enhanced equitable and inclusive access to quality basic education and lifelong learning; and,

- Increased coverage of comprehensive and integrated social protection for all, especially the poor and vulnerable.

The United Republic of Tanzania aspires to become a middle-income country by 2025 through industrialisation, toward economic transformation and human development. Since 2007, the country has recorded sustained growth of more than 6% per annum (National Bureau of Statistics 2014) and notable progress in human development has been made, as reflected in the improvement of the Human Development Index (HDI) from 0.371 in 1985 to 0.521 in 2014 (Human Development Report 2015). Over this period, Tanzania made progress in each of the three key HDI indicators: life expectancy at birth increased by 14.5 years from 50.5 to 65 years, mean years of schooling increased by 2.6 years from 3.2 to 5.1 and expected years of schooling increased by 3.3 years from 5.9 to 9.2 respectively, while the country's Gross National Income (GNI) per capital based on purchasing power parity (PPP) increased by approximately 55.9% between 1980 and 2014 from PPP \$1,547 to PPP \$2,411 respectively. The structure of the economy has remained largely unchanged with agriculture being the largest single sector (23.8%), followed by trade/distribution (10.1%), construction (9.6%) and manufacturing (7.6%) (WDI; AfDB, 2015).

UNDP supports Tanzania in achieving its aspiration to become a middle-income country by 2025, and key results of UNDP support include enhanced use of evidence in policy formulation; better integration of poverty, environment and gender concerns in the review and development of national plans and monitoring frameworks; improved market linkage of the smallholder horticulture sub-sector; improved smallholder rice productivity, reduced post-harvest losses and associated marketing challenges; and enhanced coordination and implementation of social protection interventions.

The Inclusive Growth and Sustainable Livelihoods Strategy shows strong convergence with the UNDP Country Programme Document (CPD) for the United Republic of Tanzania (2016-2021), recognising that challenges from the past remain. UNDP will continue to work with the government

and various partners to develop institutional capacities, promote community led interventions, and empower citizens in order to address the challenges. As with the other Thematic Results Areas recognised in UNDAF II – health, resilience, and democratic governance, human rights and gender equality, this pillar strategy acknowledges the correlation and will look to form a coherent response in terms of programming and achieving common interests and programme outcomes.” While primarily this pillar falls under the TRG-Economic Growth and Employment, it is also closely related and linked to the other thematic results areas of the UNDAF II.

The pillar also draws on aspirations set in the African Union Agenda 2063, where goals and strategic priorities aim at ‘building a prosperous Africa based on inclusive growth and sustainable development’ as well as ‘transformed economies’ through a focus on incomes, innovation, the business environment, jobs and decent work. This will imply a regional focus in planning development interventions, particularly those related to agricultural commodities and markets. This is very much in sync with the recent government phase 2 of the Agriculture Sector Development Programme (ASDP II).

The increased focus on industrialisation, as outlined in the development Frameworks for Mainland and Zanzibar, provides opportunities for UNDP to support the government with innovative

solutions. UNDP will build on its experience and longstanding partnerships with the government to support Tanzania to sustainably harness the country’s abundant natural resources such as minerals, forestry, wildlife, and recently discovered commercial quantities of natural gas. UNDP will also promote trade and access to larger markets, build human capacities and put in place social protection systems for poor women and youth in particular.

Despite achievements, challenges remain. While the poverty rate declined from 33.3% in 2007 to 28.4% in 2012, 43.5% of the population is still living on less than \$1.25 per day (World Bank, 2015). The Multidimensional Poverty Index, which takes into account multiple deprivations, shows a higher incidence of poverty than the Household Budget Survey for Mainland Tanzania (64% versus 28.2%) while the numbers are similar for Zanzibar (43.3% versus 44.4%) (Tanzania Human Development Report, 2014). In addition, there are significant inequalities between the rural and urban poor, with 33.4% of the rural population living in poverty compared to 4% in Dar es Salaam and 21.5% in other urban areas. In rural areas, 43% of households have access to improved water supply compared to 85% of urban households, and only 1.3% of rural households have access to electricity compared to 34% of urban households (World Bank, 2014). Limited education and employment opportunities in rural areas have resulted in significant rural-to-urban migration



among young people, and with approximately one million new entrants in the labour market every year, youth unemployment is an increasing challenge both in rural and urban areas. Due to a relatively higher level of poverty and lack of employment opportunities in rural areas, rural-urban migration of youthful work force has been on the increase. As a result, agricultural production and productivity in rural areas have suffered.

Some of the underlying causes of poverty in rural areas include low investment, low productivity growth of the agriculture sector averaging 3.3% (Government of Tanzania, 2014) over a decade reinforced by unequal distribution of resources, land degradation, deforestation and climate change impacts with consequential environmental challenges. In addition to being rural in character, poverty is feminised. According to the Gender Economics of Women and Poverty Eradication Report (United Republic of Tanzania, no date.) about 60% of Tanzanian women live in extreme poverty. In 2013, the Gender Inequality Index ranked Tanzania at 123 out of 149 countries with a score of 0.553, implying significant gender gaps in human development. At the same time, inadequate coverage and coordination of social protection interventions continue to leave poor people vulnerable to disease, job loss or other catastrophes, despite recent commendable progress in the area (World Bank, 2013).

Tanzania hosts a significant number of displaced groups, including more than 269,780 refugees from Burundi and DRC. Following the suspension in June 2011 of the naturalisation and local integration programme that had begun, the President of Tanzania in September 2014 authorised the relevant authorities to commence the issuance of naturalisation certificates to over 162,000 former Burundian refugees. This recent development calls for support to respond to this opportunity and find sustainable, development solutions for this population, including access to jobs and livelihoods opportunities, social protection and access to natural resources.

UNDP Tanzania has been collaborating with partners to assist the country optimise on the Extractive Industries (EI) sub-sector. The EI sub-sector faces a number of challenges ranging from capacity issues, exclusion to benefit sharing issues. Going forward, these challenges will need to be addressed in order to enable communities surrounding the investment areas, so that they can be integrated in the EI value chain.

The UNDP Inclusive Growth and Sustainable Livelihoods Pillar will support Tanzania to address key challenges within five key strategic areas: 1) Enhanced integration of poverty, environment and gender concerns in development plans, programmes and budgets; 2) Enhanced access



to social protection for poor and marginalised women and youth; 3) Enhanced capacity in entrepreneurship and Inclusive agribusiness; 4) Promote Public and private dialogue for business competitiveness; and, 5) Extractives industries.

II. PROPOSED APPROACH

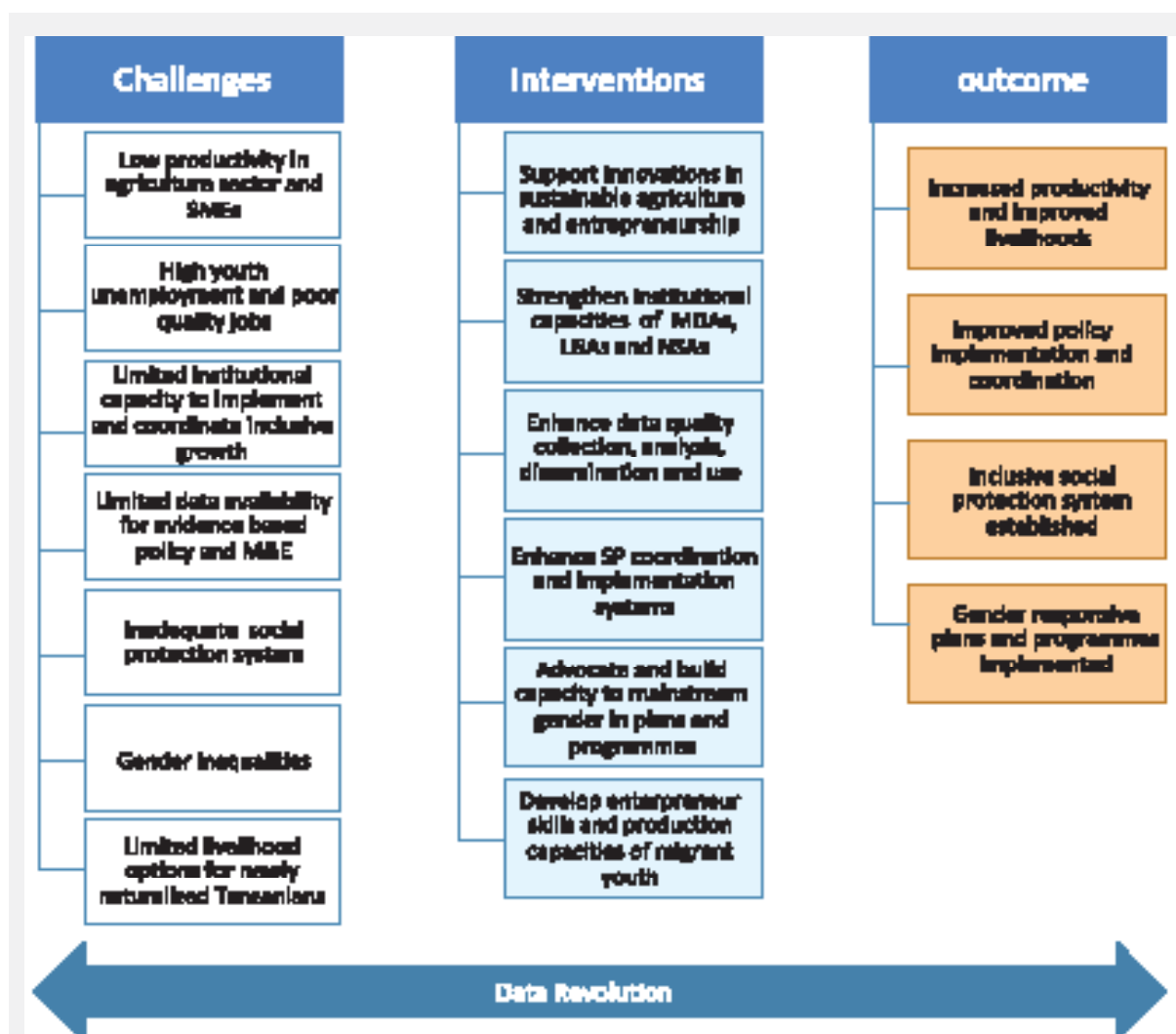
UNDP Tanzania has been supporting the country's development endeavours at various levels. Technical and financial support were provided for policy studies, planning frameworks and reviews such as the MKUKUTA and MKUZA, as well as downstream interventions in the areas of smart agriculture, sustainable livelihoods, renewable energy, environmental conservation and capacity development for investment contract negotiation. Key lessons learned from these interventions include the importance of linking research institutions and CSOs with planning and policy makers; using downstream experiences to inform policy and programmes formulation; and working with national institutions to enhance ownership and sustainability of interventions, and greater outreach to targeted beneficiaries. These lessons, together with other good practices, are taken into account in the approach being proposed in this strategy.

The Inclusive Economic Growth and Sustainable Livelihoods Pillar Strategy is based on a theory of change which argues that improving economic policy frameworks, diversifying the economy and strengthening the capacities of institutions, enterprises and individuals, will minimise economic exclusion and marginalisation of the poor, and generate realisable opportunities for decent and productive employment for target groups. Key elements of the strategy include: strengthening national capacities for inclusive pro-poor planning and policy making, promoting sustainable management of natural resources, in particular, extractives, strengthening national social protection systems, enhancing productive capacities, value chain development, and developing inclusive and sustainable business practices in rural areas, providing a conducive environment for job opportunities for youth in

rural areas. The strategy will thus contribute to reinforcing the links between poverty reduction, environmental management and gender equality in its interventions. Programme components (inclusive and sustainable economic growth, social protection and private sector development) will take into account the specific needs and opportunities related to the local integration of newly naturalised Tanzanians. The new approach includes the following key principles:

- More **integrated and area-based** approach with strong programmatic linkages to the other UNDP practice areas -- democratic governance and environmental/climate change -- for more cohesive and comprehensive actions. To maximise the impact of the interventions, the new strategy has an increased focus on selected sectors, geographical areas and specific target groups, namely, rural women and youth.
- More **people-centred** with strong linkages between upstream and downstream interventions, where research and pilots will inform planning and policy making, and enhanced institutional capacities will contribute to improved implementation of plans and policies on the ground. This includes development of clear scaling-up strategies and a strong focus on sustainability and national ownership, for example, through increased government cost-sharing and public private partnerships.
- Innovative **south-south and triangular cooperation**. UNDP will use its global networks and institutional infrastructure to facilitate global north-south, south-south and triangular cooperation.
- **New partnerships** with the private sector, foundations and CSOs and exploration of new ways of working together with existing partners, for example, through government cost-sharing.

Diagrammatic Representation of the Theory of Change under this Pillar



III. PROGRAMME COMPONENTS: INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH

The objective of this component is that select ministries and local authorities have enhanced capacities to develop, implement and monitor gender-responsive, environmentally sustainable inclusive growth policies and plans.

There are between 800,000 and 1 million new entrants annually to the labour market, and youth unemployment has been estimated at 11.7% with a 28.8% rate in Dar es Salaam. UNDP II assesses the scenario as one where there is a

tremendous pool of wasted human potential and a potential source of unrest if not addressed. The inclusive and sustainable economic growth programming agenda takes these anomalies into consideration, and therefore prioritises the economic empowerment of youth and women.

Promoting sustainable inclusive growth is crucial to ensure the right to an adequate standard of living for all Tanzanians. Recognising this, the government with support from UNDP has taken a number of measures to promote inclusive growth and job creation. Key results of UNDP support include strengthened institutional and human capital in policy analysis, planning, coordination, implementation and monitoring of poverty strategies. Also, with UNDP support the review and development of the national strategies for



growth and poverty reduction are informed by disaggregated data by gender, environment and HIV and AIDS. In addition, new monitoring platforms (MKUKUTA II and MKUZA II Monitoring Master Plans) were developed including a new indicator framework and communication strategy, promoting gender equality, inclusiveness and participation of all relevant stakeholders. UNDP also successfully facilitated the implementation of the MDG Acceleration Framework in Bunda and Bukoba districts with significant progress made in terms of raising awareness among farmers on new farming practices, and the establishment of ICT-based information and agricultural resource centres, as well as increased use of communication tools.

Despite progress in terms of human development and poverty reduction, challenges remain in terms of translating the policies into national budgets and effective programming, and developing policies, strategies and programmes which promote job creation and integrate poverty, environment and gender linkages. To address these challenges, UNDP will build on its partnership with key ministries such as the Ministry of Finance and Planning, Vice President's Office (Division of Environment), Prime Minister's Office, Ministry of Agriculture, Livestock and Fisheries, Ministry of Industry, Trade and Investments, as well as the

private sector and selected districts. The objective will be to strengthen institutional capabilities at national and local levels to design, implement, and monitor environmentally sustainable and inclusive economic growth policies, plans and innovative interventions which essentially integrate gender concerns. Support will also be provided to integrate poverty, environment and gender concerns in national and district budgetary processes, and to monitor expenditure. Evidence and knowledge products on inclusive growth, human development, poverty, environment and gender issues will be produced to advocate and influence priority setting and budget allocations of the government, donors and private sector investors. In addition, UNDP will support mainstreaming and acceleration of the SDGs in national and sector development plans, and enhance the availability of reliable data for evidence-based policy making and monitoring. This includes supporting key ministries to collect, store, analyse and report on sex disaggregated and quality socio-economic data, as well as strengthening the capacity of national statistical offices.

Downstream level interventions will be used to test and generate evidence to inform planning, budgeting and policymaking. At downstream level, UNDP will build on the experiences and

results from the MDG Acceleration Framework projects and pilots on sustainable livelihood interventions in the areas of fisheries, agro-processing, agro-forestry and beekeeping, to promote a better use of natural resources, trigger economic empowerment of rural women and youth, and scale up good practices. Livelihoods diversification through sustainable value chains in natural resources will be introduced to reduce vulnerabilities faced by targeted beneficiaries.

Youth employment schemes and women's economic empowerment in environmentally sustainable livelihoods and green jobs will be promoted. UNDP will support the small green enterprise (new or recovered) for youth through provision of start-up kits and grants. Partnerships with the Prime Minister's Office, Ministry of Industry, Trade and Investments and Small Industries Development Organisation (SIDO) will be enhanced for capacity building of youth, the private sector, NGOs and all project partners on environmental sustainability and poverty reduction efforts, ensuring that at least 50% of the recipients are young girls and women. UNDP will also integrate energy access and employment creation and build partnerships to support the private sector and communities with employment growth potential, encouraging private sector participation within a market structure, including incentives to reach poor consumers.

In addition, UNDP will address access to job and livelihoods opportunities to support the local integration process of newly naturalised Tanzanians and the communities which host them, and instigate the creation of a conducive environment for youth employment in rural communities. Entrepreneurial skills will be built and access to finance will be promoted to enable youth and host communities to start new businesses and engage in productive undertakings. This will be done through capacity building and establishing a guarantee fund in partnership with financial institutions.

The mentioned downstream interventions will be linked to the upstream work through analytical interventions such as expenditure reviews, costing, integrated diagnostics and similar work done by the Ministry of Finance and

Planning, and other ministries. UNDP will apply different strategies and work closely together with a variety of partners in scaling up and linking downstream and upstream interventions. The strategy includes strengthening the partnership with partners such as the National Service Corporation and the Tanzania Social Action Fund (TASAF) to reach a large number of beneficiaries through the already existing national structures. Other strategies will be to continue the close collaboration with CSOs and research institutions to document and disseminate results, and to provide technical assistance to Local Government Authorities (LGAs) and key ministries such as the Ministry of Finance and Planning, and the Ministry of Agriculture, Livestock and Fisheries to integrate good practices in national and local development plans and budgets.

Social Protection

The main objective of this component is that social protection options are enabled and facilitated for inclusive and sustainable social protection.

Social protection is instrumental in promoting human welfare, fair growth and social stability by reducing poverty, inequality and vulnerability. Recognising this, the Government of Tanzania (GoT) has implemented a variety of social protection interventions, including contributory and non-contributory programmes, productive inclusion initiatives, and social services. UNDP has supported these efforts by providing technical and financial assistance to national level coordination and planning of social protection interventions, and strengthening the institutional capacities of the Tanzania Social Action Fund (TASAF) to implement the Productive Social Safety Nets (PSSN). The National Social Protection Framework (NSPF), with UNDP support, has been finalised and submitted to the Cabinet for approval. Social protection issues are integrated in the framework for the Five-Year Development Plan II and the M&E and Management Information System of the PSSN has been strengthened.

Despite notable progress in addressing issues related to the multidimensional aspects of poverty



and vulnerability, the impact of national social protection interventions has been hindered by fragmentation and a lack of coordination among programmes as well as implementation levels. To address these challenges, UNDP will support the government in strengthening a systems approach to social protection and enhancing the coordination of policies and interventions within the system. Interventions include supporting the monitoring, coordination and implementation of the NSPF through capacity development, preparation of analytical studies, facilitation of multi-stakeholder consultations, and enhancing coordination in identification and delivery mechanisms. Key partners include the Ministry of Finance and Planning, Prime Minister's Office, and selected LGAs. UNDP will also leverage on its partnership with TASAF to strengthen the implementation and monitoring of the PSSN, which reaches over one million extreme poor households. UNDP will add value to the existing PSSN programme by building on its experience on issues of gender inequality, sustainable livelihoods and ICT for development, and by supporting coordination of social protection interventions at local level. Specific downstream

interventions include support to test and scale-up sustainable and gender-sensitive livelihood interventions as part of the PSSN Programme, coordination support and capacity development of district officials at local level.

In addition, UNDP will also address the access to social protection to support the local integration process of the newly naturalised Tanzanians and respective host communities.

Extractive Industries (EI) Support

The main objective of this component is to support the government in putting in place an effective institutional framework that will ensure proper policies and regulations are developed and implemented.

The EI, which include mining, oil and gas production, are a major source of investment and revenue in Tanzania. UNDP with other partners and through the African Mining Development Centre (AMDC), has been working with the GoT in strengthening the capacity of relevant institutions in EI governance. In the past few years, UNDP has

been collaborating with the Ministry of Energy and Minerals (MEM) and Attorney General's Chambers and other key institutions on EI governance.

However, despite the Government's efforts, the EI still face a lot of challenges related to policy, legal and institutional frameworks needed to manage the industry more effectively; human resources with the requisite skills and knowledge of the industry; development of natural gas and mining infrastructure; development of the domestic market and managing the export market; revenue management; high public expectations; health, safety and environmental protection; instability of revenues; real exchange rate appreciation; inadequate capacity in negotiating investment contracts; poor stakeholders' engagement; and volatility of commodities.

To address these challenges, UNDP will continue to provide support to strengthen the capacity of the government to govern the EI, as well as to put in place an effective institutional framework that will ensure appropriate policies and regulations are developed and implemented.

UNDP will undertake an "Extractive Industries Gap Analysis Study" to identify gaps and needs in the extractive sector support in Tanzania, on the basis of which a fully-fledged programme on extractives will be developed and implemented. The programme will also support the domestication of the continental mining vision "Africa Mining Vision" as a way to maximise benefits available in the mining sector. In addition, support will be provided to build capacity for investment contract negotiation, to increase local content and improve regulatory and business environment for the extractives sector.

This will, in turn, spur investments and contribute to create decent job opportunities for youth and the unemployed. Furthermore, with strengthened frameworks and regulations it will be possible to address anti-corruption issues and mitigate environmental effects arising from EI activities. Dialogues with communities will be promoted as a way of addressing possible grievances associated with the EI. UNDP will also support initiatives to enable communities to participate in and benefit from the extractives supply chains.

Public and Private support for business competitiveness

The main objective of this component is to build capacities in selected public and private sector entities to obtain and sift market intelligence, effectively engage in the analysis of, dialogue on and advocacy of policy changes that have a transformative effect on the economy and increased competitiveness of Tanzania's trade in the regional markets.

It is envisaged that inclusive growth could be achieved through the establishment of labour intensive industries that make sustainable use of locally available natural resources, reduce supply side constraints, increase value added products for local and export markets, and create jobs for vulnerable groups, including rural youth, women and integrated newly naturalised Tanzanians. UNDP will build on the experience from previous projects to support the GoT to achieve these objectives.

The capacities of key public and private institutions (MITI, ZMITM, TNBC, SIDO, COSTECH, TPSF, TCCIA, SAGCOT Centre and ZNCCIA) will be supported through technical and financial assistance to build their capacities to engage in economic policy analysis, conduct market intelligence relevant processes, to strengthen Public Private Dialogue and regional markets penetration. This will include capacity building activities and more downstream interventions to achieve tangible results for women and youth by targeting women led SMEs, innovative youth start-ups with potential for growth and creating jobs, and people with disabilities. There will be a deliberate and sustained interaction with the private sector to realise the SDGs. Specifically, UNDP in collaboration with the Swiss Embassy and other partners, will support the establishment of the UN Global Compact Network in Tanzania, so as to ensure the ten Global Compact principles influence business operations in the country.

Supply constraints have been a major hindrance for small producers and SMEs to effectively engage in the supply chains. The ongoing Diagnostic



Trade Integrated Study (DTIS) together with a number of analytical studies, conducted with the support of UNDP in the agriculture sector and related sectors, will be used to inform support for specific commodity value chain development. The DTIS Update will assess existing trade policies for goods and services, the performance of trade related institutions, regional integration initiatives, the state of trade facilitation, transit and transport, and the quality infrastructure through the prism of three major sectors - agribusiness, mining and tourism. Based on these studies, UNDP in collaboration with partners will support supply chain development to address technological and policy issues that cause supply constraints. Also, communities and local SMEs where there are extractives investments will be supported to build capacity to engage in a sustainable manner in specific supply value chains through entrepreneurship training, technical assistance on Sanitary and Phyto-Sanitary (SPS), technology and access to finance for production. The objective will be to enable communities and local SMEs to become active players in the extractive industry and other supply value chains. UNDP's experience on Extractive Industries and the Green

Commodities Programme will be brought to bear on this.

UNDP will, through its interventions on entrepreneurship and agribusiness development, develop the capacities of the private sector including SMEs (individual and cooperatives) to identify technologies for value addition, branding and packaging of horticultural and fruits products, honey, livestock and livestock products and fisheries. These products will form backward and forward linkages to the tourism and mining sectors in Tanzania. The interventions will be carried out in selected districts with a focus on youth and women, and will include technical and financial assistance to improve access to affordable and sustainable business services.

Support will be provided to develop business infrastructure that enhances the productivity and competitiveness of enterprises (small scale power generation, storage facilities, incubation centres); improve national and international market access and competitiveness (product certification, traceability, regulatory compliance); and promote local business innovations through Youth Funds, women groups, local innovators and start-ups.

IV. LINKAGES WITHIN AND WITH THE OTHER PILLARS

The components in the pillar focus areas are closely linked. The Inclusive Economic Growth and Sustainable Livelihoods component is linked to the public private sector support component in terms of advocating responsible business practices specifically focusing on poverty environment and gender issues. Also, the component is linked to Social Protection with regards to promoting resilience and sustainable livelihoods, as well as in its focus on promoting sustainable use of environmental natural resources for poverty reduction. Key linkages are also found between extractive industries support and public private sector support in terms of integrating SMEs and rural communities in the extractives value chains.

The Inclusive Economic Growth and Sustainable Livelihoods Pillar has very close linkages with the Inclusive Democratic Governance Pillar and the Environmental Sustainability, Climate Change and Resilience Pillar. The three pillars will work in tandem at every given opportunity, and to the extent possible work across practices to ensure efficiency and better use of the available resources. This will be achieved through synergies created through close coordination and involvement in the formulation of projects, as well as ensuring joint monitoring of interventions.

Key areas of collaboration between the Inclusive Growth and Livelihoods Pillar and the Democratic Governance Pillar include efforts to promote effectiveness, transparency, accountability, and inclusion. Possible entry points are: support to the SDGs' implementation and policy coherence, advancing the ten principles under the UN Global Compact, endeavours to develop trade and promote growth of local enterprises and better management within the extractive industry.

The Environmental Sustainability, Climate Change /Resilience Pillar are closely entwined with the Inclusive Economic Growth/Sustainable Livelihoods Pillar downstream interventions. Capacities that are to be developed, which enable individuals and local enterprises to sustainably develop natural resource-based

industry to create jobs, markets for local products and new partnerships for business, are very much dependent on sound environmental conservation and the ability to adapt to and mitigate the effects of climate change. Therefore, all interventions to be undertaken under these three pillars involve synergies to draw upon, as well as collaboration which should be enhanced to achieve optimal results, especially in the geographical areas where there will be interventions either under two or all three pillars.

V. PARTNERSHIPS

The Inclusive Economic Growth and Sustainable Livelihoods Pillar will focus on sectors such as agriculture, industry, trade and extractives. The successful implementation of the strategy and the projects will require support from various partners including government, development partners, philanthropic organisations, the private sector and civil society. The indicative budget required to implement the strategy is USD 43 million over five years. UNDP will work with the government and partners to mobilise the required financial resources.

The government partners at national and local level will continue to play a key role in the implementation and monitoring of projects and strengthening their capacity for planning and policy making. They will, therefore, still be an important element of the proposed approach. Partnerships will also be sought with the private sector, such as banks, telecom, ICT companies and oil and gas companies, to foster innovative business solutions in order to improve the socio-economic wellbeing of poor Tanzanian women and youth. New partnerships with the private sector also include initiatives to combat corruption and promote environmental conservation, for example, through the envisioned Global Compact Local Network Tanzania. Partnerships with research institutions will be further strengthened to ensure high quality data/evidence for programming, planning and policy making. CSOs will continue to play a key role in the implementation of downstream interventions and will be actively engaged in consultations on development issues and in ensuring enhanced participation

and involvement of beneficiaries in project implementation. Donors and foundations will play a key role in the successful implementation of the strategy in terms of providing financial as well as technical support.

V. SUSTAINABILITY AND EXIT PLAN

UNDP will work with national Implementing Partners (IPs) and Responsible Parties (RPs) in the implementation of the projects using the National Implementation Modality. The goal is to ensure that there is ownership of the projects by the IPs and RPs and thus sustainability of the activities after the projects come to an end. The capacities of IPs and RPs will be built so that they can effectively mainstream project activities in plans,

budgets and regular functions. To ensure the sustainability of the interventions, UNDP will also empower and build the capacity of beneficiaries to promote and defend their freedoms and hold the government accountable for the same.

Where government frameworks and systems already exist, such as the Productive Social Safety Nets, UNDP will support the strengthening of existing structures instead of creating parallel systems and standalone projects.

As part of the exit plan, project activities will be planned in a manner where the project will progressively pass on to IPs and RPs over the life period of the project, and ensure they are incorporated in the IPs and RPs plans and budgets.

ANNEX 1: OVERVIEW OF HOW UNDP'S INCLUSIVE GROWTH AND SUSTAINABLE LIVELIHOODS PILLAR STRATEGY IS ALIGNED WITH NATIONAL DEVELOPMENT PRIORITIES AND THE SDGS

UNDP Support	Tanzania Priorities	Zanzibar Priorities	Agenda 2030
Overall goal: The economy is increasingly transformed for greater pro-poor inclusiveness, competitiveness and increased opportunities for decent and productive employment	Tanzania Vision 2025: High Quality Livelihoods A Strong and Competitive Economy	Zanzibar Vision 2020: Eradicate absolute poverty Developing a strong, diversified, resilient and competitive agriculture, industry, tourism and other productive socioeconomic sectors	SDGs: 1. No poverty 2. No hunger 5. Gender equality 8. Sustainable economic growth and decent work 10. Reduce inequality 12. Sustainable consumption and production
Objectives	Tanzania Five-Year Development Plan II	Zanzibar Strategy for Economic and Social Transformation (draft)	SDG Targets
1. Enhance capacities of select ministries and districts to develop, implement and monitor gender-responsive, environmentally sustainable and inclusive growth policies/plans.	4.2.4 Increase use of modern technologies, promote research and development and innovation, and improve access to financial services. 4.2.6 Conservation of natural resources and strengthening the contribution of natural resources and products to poverty reduction and economic growth.	A.4 Modernised production sectors in agriculture, agroindustry and manufacturing to increase the value and the volume of trade. D3. Environmental degradation prevented and reduced environmental and social risks of economic activities.	1.1 Eradicate extreme poverty 1.2 Halve proportion of poor people 2.3 Double agricultural productivity and incomes of smallholders 5.5 Ensure women's participation and equal opportunities 8.3 Promote development-oriented policies 10.2 Empower and promote inclusion of all 12.2 Achieve sustainable management of natural resources

2. Enable and facilitate options for inclusive and sustainable social protection.	4.3.7 Developing a harmonised delivering system of social protection, promoting women's economic empowerment and setting up a M&E framework for tracking vulnerability and poverty reduction initiatives.	A.6 An improved social protection scheme aimed at promoting inclusive economic growth and vulnerability to economic shocks. E.2 Attainment of gender equality and equity, social inclusion and empowerment of women, girls, youth, people with disabilities and people in vulnerable situations.	1.1 Eradicate extreme poverty 1.2 Halve proportion of poor people 1.3 Implement social protection systems 1.5 Build resilience and reduce vulnerability 5.4 Recognise and value unpaid care and domestic work 5.5 Ensure women's participation and equal opportunities 10.2 Empower and promote inclusion of all 10.4 Adopt fiscal, wage and social protection policies
3. Build capacities in selected public and private sector entities to effectively engage in analysis, dialogue and advocacy of policy changes that have a transformative effect on the economy	4.2.4 Lengthening and deepening value chains, promoting skills along the value chains, and improving infrastructure such as warehouses, water supply and irrigation	A.4 Modernised production sectors in agriculture, agroindustry and manufacturing to increase the value and the volume of trade A.5 A vibrant private sector is developed	1.1 Eradicate extreme poverty 1.2 Halve proportion of poor people 8.2 Achieve higher levels of economic productivity 8.6 Reduce proportion of youth not in employment, education or training 10.2 Empower and promote inclusion of all
4. Support the government to put in place an effective institutional framework that will ensure that proper policies and regulations in extractive industries are developed and implemented.	4.2.2 Facilitate value addition to mining products and skills development for minerals value addition 4.2.6 Integrate, harmonise and coordinate environmentally sustainable policies and strategies for growth in key growth sectors	E.4 Responsible corporate governance ensured A.1 A conducive business environment to allow the private sector to thrive responsibly and create decent work	1.4 Ensure equal rights to resources, basic services and other services and property 8.2 Achieve higher levels of economic productivity 10.2 Empower and promote inclusion of all 12.2 Achieve sustainable management of natural resources



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