

Issue Code B3: **Review of Transport Sector Pro-Poor Interventions**

Issues Code B3.1 Review of transport infrastructure in relation to poverty reduction and economic growth

Lead: MoID

1. Background

Cluster I: Growth and reduction of income poverty of the MKUKUTA (2005/06-2009/10) identified the following operational targets for transport:

- Modernization and expansion of trunk road connections, ports and airports, railways and transport services, e.g. in development corridors and through public-private partnerships.
- Improvement of transport systems, thus lowering transport costs, and improvement of marketing to ensure higher profit margins for agricultural producers.
- Provision of adequate level of physical infrastructure (rural roads) needed to cope with the requirements of poverty reduction targets including involvement of rural communities in construction and maintenance of rural roads. A specific target included repairing 15,000km of rural roads annually by 2010 from 4,500km in 2003.
- Creation of employment in communities through community based construction and maintenance of rural roads.

2. Available Documents for Review in Transport Sector

- Mkukuta
- National Transport Policy 2003
- Transport Sector Invest Plan (TSIP) April 2008
- Short TSIP Expected July 2009
- Local Government Transport Programme (LGTP) August 2008
- Performance Assessment of Transport Sector (Expected September 2009)
- Management Consultancy for the Transport Sector, Final Inception Report November 2008
- SPSP Formulation Study for the Tanzania Road Transport Sector (FED/2008/19918), Final Formulation Report, November 2008

- Dar es Salaam Transport Policy and System Development Master Plan Final Report, June 2008
- Joint Infrastructure Sector Review October 2008, Aide Memoire and Strategy Papers
- Port Master Plan August 2008
- Infrastructure Round Table, Dar es Salaam, April 2009, Proceedings and Concept Papers
- Technical & Financial Audit of Road Fund Allocations 2007/08
- Government budgets and actual allocations in the period
- TANROADS' Annual Reports 2005 – 2009 (2008/09 expected to be available approx 1 Sep 09)

3. Objectives

- i. To identify linkage between infrastructure and poverty reduction
- ii. To assess the adequacy of Mkukuta 1 targets and whether they fully reflect the role of infrastructure in underpinning all other sectors
- iii. To assess the achievement of the targets
- iv. For the second Mkukuta propose new transport infrastructure policies and targets

4. Scope

The paper is expected to cover the following main areas:

- i. Review of studies listed in 2 above with a view to their relevant material useful for the Mkukuta process
- ii. Assessment of transport infrastructure growth towards poverty reduction
- iii. Assessment of transport infrastructure sub sectors and their contribution towards economic growth
- iv. Assessment of linkages and contribution of transport sector to other sectors of the economy including tourism, agriculture, health, education and manufacturing.
- v. Assessment of transport sub sectors contribution to pro poor growth
- vi. Identification of sources of finance for transport infrastructure (e.g. mining industry, property tax)

- vii. Identify measures to enhance efficiency in the utilization of existing sources of finance
- viii. Identify how a culture of Corporate Social Responsibility could be inculcated into industrial corporations so that they contribute to poverty reduction.
- ix. Assess what portion of funds raised for infrastructure should be geared towards economic growth and what portion towards poverty reduction. For example the Road Fund allocates 70% for national roads that make important contributions to economic growth and 30% to local roads that make important contributions to poverty reduction (although the entire road network makes a contribution).
- x. Assessment of better practices for infrastructure provision and sustenance
- xi. Assessment of infrastructure requirements to ensure food security, pro-poor growth, and income poverty reduction.
- xii. To provide a set of recommendations and proposed way forward

5. Methodology

An inter-ministerial Task Force will be set up to carry out the assignment with membership from:

- MoFEA
- Planning Commission
- TRA
- MoID
- PMO-RALG

This Task Force will be supported by the consultant for secretariat, documentation and editing purposes. The following timeline of activities is proposed:

Week 1: Task Force 3-day retreat to review existing studies and agree on methodology

Weeks 2 to 6: Consultant collects information and prepares initial draft paper

Week 7: Task Force 3-day retreat to complete paper

6. Expected Output

The assignment is expected to produce a report that will contain among others the following main issues:

- Thorough analysis of the impact of infrastructure growth on poverty reduction
- Analysis of the linkage between infrastructure sectors and other growth sectors
- Analysis of the adequacy of present plans for infrastructure
- Identification of how to scale up financing should the assessment of current plans show that they are inadequate to achieve macro-economic goals within the Mkukuta framework
- Proposals for inclusion in next Mkukuta covering clear operational targets and indicators to measure performance of infrastructure sectors in contributing to growth and income poverty reduction

7. Staffing

An Economist with experience in macro-economic issues and transport sector policy and planning will be required for 7 weeks. Minimum academic qualification would be Bachelors degree in Economics. Should have minimum of 10 years experience of which at least 3 years in sub-saharan Africa.

8. Budget

	Unit	Rate (\$)	Quant.	Amount (\$)
Fees	Weeks	4,000	7	28,000
Airfares	Int. return	2,000	1	2,000
Per diem	nights	180	49	8,820
Retreat	3 day	6,000	1	6,000
			Total	44,820