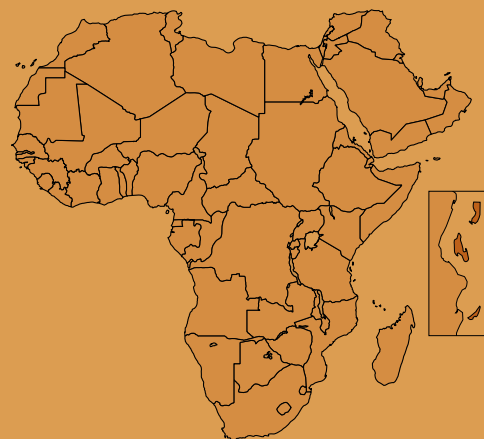


Zanzibar

Social Protection Expenditure and Performance Review and Social Budget

Zanzibar



Social Protection Expenditure and Performance Review and Social Budget

Social Security Department
International Labour Office – Geneva
January 2010

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This report is the Social Protection Expenditure and Performance Review (SPER) and Social Budget (SB) for Zanzibar. It focuses on six key issues with respect to the objective of extending social protection coverage in the country:

- ☐ Demographic and economic framework;
- ☐ Working conditions and prevailing patterns of informality in the labour market;
- ☐ Social and living conditions of households with a focus on the overall situation of poverty and key vulnerable groups;
- ☐ Coverage and performance of existing public social protection interventions, both contributory and non-contributory;
- ☐ Current resource allocations to social protection within the current fiscal environment and future trends in the Zanzibar social budget; and
- ☐ Illustrative policy options for a minimum package of social protection benefits.

The analysis presented is a result of a joint effort between staff at the ILO Social Security Department in Geneva (Pauline Barrett-Reid, Florence Bonnet, Anne Drouin, Krzysztof Hagemejer, Ross Leach), the project field office in Dar es Salaam (Urszula Lonc, Ansgar Mushi), the ILO Liaison Officer for Zanzibar (Fatma Mohammed Rashid) and external consultants.

Georges Langis, Senior Actuary, under the supervision of Anne Drouin, prepared a detailed analysis of the contributory social security fund in Zanzibar, the health care system and other public provisions; he developed the social budget model, analyzed the current social budget of Zanzibar and prepared its projections under alternative assumptions.

Florence Bonnet prepared ILFS 2006 datasets for analysis, developed the methodology and calculated the indicators of the degree of informality in the labour market (Chapter 2); in addition, she produced the report on findings from a survey of Zanzibar NGOs engaged in social protection (Annex A).

Ross Leach researched existing analysis of the HBS data and prepared additional analysis for inclusion in Chapter 3. In addition, he prepared the policy costings using assumptions from the Social Budget (Chapter 6) and the accompanying poverty impact analysis.

Irene Brown was responsible for typing and formatting the text.

The project team would like to express its sincere appreciation to the officials and staff in the various government agencies, social security organizations, employers' and workers' organizations, NGOs and to others who provided their valuable time and information in support of social protection in Zanzibar.

Some of the country data on demography, economy and health status were extracted from publications of various international organizations, including ADB (Africa), ILO, IMF, MKUZA, UNDP, World Bank and from government and other local sources in Zanzibar. The team would like to thank these sources for their direct or implied permission to use those resources. Special thanks go also to those at the Office of the Chief Government Statistician who originally worked on most of the surveys used, and shared and discussed the methodological questions with us.

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Abbreviations

ADB – Africa	African Development Bank
BoT	Bank of Tanzania
CCT	Conditional Cash Transfer
CDD	Community Driven Development
CHF	Community Health Fund
DFID	Department for International Development (UK)
DHS	Demographic and Health Survey
DSW	Department of Social Welfare
DWCP	Decent Work Country Programme
ECD	Early Childhood Care and Development
EMIS	Education Management Information System
GDP	Gross Domestic Product
GEPF	Government Employees Provident Fund
HBS	Household Budget Survey
HIPC	Highly Indebted Poor Countries
IDA	International Development Association
ILFS	Integrated Labour Force Survey
ILO	International Labour Office
IMF	International Monetary Fund
LAPF	Local Authorities Pension Fund
MDGs	Millennium Development Goals
MKUKUTA	National Development and Poverty Reduction Strategy for Tanzania
MKURABITA	Tanzania property and business formalization programme
MKUZA	Zanzibar Strategy for Growth and Reduction of Poverty
MoHSW	Ministry of Health and Social Welfare
MoEVT	Ministry of Education and Vocational Training
MoLYWCD	Ministry of Labour and Youth, Women and Children Development

MVC	Most Vulnerable Children
NAP	National Action Plan
NBS	National Bureau of Statistics
NGOs	Non Governmental Organizations
NHIF	National Health Insurance Fund
NSGRP	National Strategy for Growth and Reduction of Poverty
NSSF	National Social Security Fund
OCGS	The Office of the Chief Government Statistician
OECD	Organization for Economic Cooperation and Development
PAYG	Pay-As-You-Go
PER	Public Expenditure Review
PHC	Population and Housing Census
PORALG	President's Office Regional Administration and Local Government
PPF	Parastatal Pensions Fund
PSPF	Public Service Pension Fund
PSRB	Public Service Retirement Benefit Scheme
PWDs	People with Disabilities
RISE	Radio Instructions for Strengthening Education
SAS	Social Accounting System
SB	Social Budget
SPER	Social Protection Expenditure Review
SWS	Social Welfare Services
TASAF	Tanzania Mainland Social Action Fund
TDHS	Tanzania Mainland Demographic and Health Survey
TFR	Total Fertility Rate
TC	Teacher Centres
TZS	Tanzanian Shilling
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
WPP	World Population Prospects
ZAC	Zanzibar AIDS Commission
ZEDP	Zanzibar Education Development Programme
ZHSPER	Zanzibar Health Sector Public Expenditure Review
ZSGRP	Zanzibar Strategy for Growth and Reduction of Poverty
ZSSF	Zanzibar Social Security Fund

Introduction

Review of current provisions, policies and performance and the social budget

This report is the final Social Protection Expenditure Performance Review and Social Budget (SPER and SB) of the ILO-DFID project “ILO Global Campaign for Social Protection and Coverage for All – As a Means to Reducing Poverty in Africa and Asia.” It sets out the current situation of existing social transfers within the social protection system in Zanzibar. This will provide the foundation for future analysis of policy options and for any supporting social dialogue. It is hoped that it will be a useful contribution to the ongoing work on social protection now being carried out in Zanzibar within the MKUZA process; and on the future reform of the contributory social protection scheme. The ILO supports national development plans such as MKUZA with its Decent Work Country Programmes (DWCP), which seek to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. The report also contributes to the ILO Global Campaign on extending social protection.

The provision of social protection is urgently required during the current financial crisis and economic downturn in order to ensure access to basic social services – food, education, water, sanitation, housing and a minimum level of welfare support. In addition, there is a role for direct income support in alleviating poverty and employing people through skills development.

The Chief Executives of the UN system have recognized the importance of social protection and are supporting the establishment of a social protection floor consisting of two elements. First, access to services and second, a basic set of social transfers in cash and in kind paid to the poor and the vulnerable to provide a minimum income security and access to essential services including health care.

The ILO is promoting the reform of national social security systems based on progressive universalism with benefit levels increasing as economic development and fiscal space emerges for the implementation of redistribution policies. The social floor concept has been endorsed as part of the Global Jobs Pact adopted at the International Labour Conference in June 2009. At an ILO Tripartite Meeting of Experts on Strategies for the Extension of Social Security Coverage held in Geneva between 2 and

4 September 2009, there was consensus on the need for a universal right to and the need for social security, which could be realized by an international standard on the Social Protection Floor.

In addition, the OECD Development Assistance Committee says: “Social protection directly reduces poverty and helps make growth more pro-poor. It stimulates the involvement of poor women and men in economic growth, protects the poorest and most vulnerable in a downturn and contributes to social cohesion and stability. It helps build human capital, manage risks, promote investment and entrepreneurship and improve participation in labour markets. Social protection programmes can be affordable, including for the poorest countries, and represent good value for money...” (OECD DAC, 2009). OECD DAC declares further (op.cit): “Donors’ support for social protection programmes should provide adequate, long-term and predictable financial assistance to help partner governments establish gender-sensitive social protection programmes and create the conditions for those programmes to be politically and financially sustainable. This is especially important in the current situation of contracting fiscal space and declining financial inflows. Such support must be provided through harmonised and co-ordinated financing mechanisms in support of nationally defined strategies and programmes.” The UK Government in its recent White Paper on International Development, “Building our Common Future” (UK Department for International Development, 2009, p. 25) urges the World Bank to “pay greater attention to social protection” and use the Rapid Social Response Programme to more effectively help low income countries to build necessary basic social protection programmes.

This SPER and SB considers both aspects of a social protection floor – access to services and the provision of a minimum set of income benefits. It provides a set of illustrative costings for the income benefit part of the social protection floor, and recommends the establishment of a pilot site, donor-funded, to explore the feasibility of introducing such a package with due consideration to phasing (a staircase) and available funding.

The quantitative aspects of the report reflect the ILO’s social protection modeling philosophy. The ILO believes it is important to have a comprehensive, costed baseline of existing and planned social protection expenditure in a country before costing a basic benefit package and deciding on policy priorities. In order to have such a baseline a model was created, the Zanzibar Social Budget model, which took into account country-specific information on demographic and macroeconomic developments as well as social protection scheme-specific information. This allowed projections to be made from a baseline year. Historical data for the various demographic and macroeconomic variables, including population projections, real and nominal gross domestic product (GDP), inflation, exchange rates, government expenditure and government revenue, wages and remuneration and other relevant socio-economic data were also used within the model. The social insurance scheme projections were made on the basis of the demographic and financial expenditure of the Zanzibar Social Insurance Fund using a cohort-based projection approach.

Social protection systems are usually made up of contributory and non-contributory schemes. A comprehensive picture of the formal schemes’ coverage, scope and adequacy of benefits is presented in Chapter 4. Coverage by such schemes is generally limited to workers in formal employment, which is a small fraction of the working population in formal employment. Scope is limited to old age, death, survivors, invalidity, maternity, medical care and workmen’s compensation, and the levels of the benefits paid are low. The Zanzibar Social Security Fund (ZSSF) has recognized that there is a need to reform the existing formal social protection scheme. The majority

of workers who work in the informal economy and their families are excluded from contributory schemes.

Non-contributory schemes are provided by the Government, international and national NGOs, donors and faith groups (details are set out in Chapter 4). However, it proved difficult to obtain a comprehensive picture of numbers of the population covered, the scope and depth of provision. A small-scale mapping was undertaken to try and arrive at some estimation of non-governmental provision (details are also to be found in Chapter 4 and **Annex A**). A smaller mapping exercise was undertaken looking at the Muslim Zakat and related obligations. It is generally agreed that the coverage and quality of these services and programmes are limited. This is to be found at **Annex B**.

The report begins by describing the demographic characteristics of the country in detail as they greatly influence the policy approaches needed to respond to these social protection challenges. The demography of Zanzibar like many African countries is characterized by a youthful population, declining fertility, declining infant and under-five mortality rates. The HIV/AIDS prevalence rate is low by sub-Saharan Africa standards. In 2002, **44 per cent** of the population was under 15 years of age and three per cent were aged over 64 years. There has been a slight reduction in the population of young people and a slight decrease in the elderly over the period 1988-2002. The high youth dependency ratio has immediate implications for social protection for children notably regarding education, health care, income support and employment creation. At the same time the ageing of the population has longer-term implications for the social protection system.

Zanzibar has experienced a rural-to-urban drift which reflects worldwide trends and also has implications for social protection provision. Between 1978 and 2002 the proportion of urban dwellers nearly doubled. In Zanzibar urban dwellers increased from 32.6 to 39.6 per cent of the population. The unemployment rate using the ILO definition is low at just over two per cent but this does not mean that there are no employment problems in Zanzibar. In Zanzibar urban dwellers have higher unemployment rates than those living in rural areas and women are more likely to be unemployed, especially those aged 40 and under. There is no unemployment benefit scheme in Zanzibar and this may be having an effect on the quality of life of those of working age who become unemployed, as well as potentially having a longer-term effect of increasing poverty in old age for those who have been in formal employment during most of their working lives. Zanzibar faces a major challenge of absorbing new entrants into the labour market given levels of education attainment and the availability of vocational training. The Government in its Education Policy 2006 has acknowledged this challenge. However, there is a very real need for a corresponding employment policy focusing on small and medium-sized enterprise development.

Zanzibar's economic and fiscal performance also affects the policy approaches available to meet the social protection challenges as it contributes to the available fiscal space within which policy options can be considered. These aspects are addressed in detail in Chapter 1. Zanzibar's economy experienced an average real rate of growth of 5.9 per cent over the past five years. The Zanzibar inflation rate is double that of the Mainland: 20 per cent compared to 10.3 per cent. Stable inflation will be important for maintaining growth in the future. Zanzibar has continued to experience budget deficits, which was expected to be 71 million TZS in 2008/09. Without debt relief and donor funding this would have reached 208 million TZS. This shows the heavy reliance on donor funding which is set out in Chapter 4 when looking at plans for future education and health provisions.

The report goes on in Chapter 2 to look at the structure of the labour market with particular reference to degrees of informality and contributory social protection

coverage (formal employment). The Chapter raises some issues of particular importance for social protection coverage. Agriculture is the largest sector of employment in Zanzibar, representing 41 per cent of total employment. This is closely followed by tourism: wholesale and retail trade, restaurants and hotels: 17.2 per cent of those in employment. A large majority of the employed population is employed in the informal economy. Totally formal employment is very low and decreasing and is mainly in the formal sector.

There is a connection between education attainment and employment status. Earnings of female employees were on average only 74 per cent of those of male employees and in the private sector 55 per cent. Around two-thirds of older people are employed. A quarter of children aged 15 years and under are recorded as employed (based on the definition used in the ILFS). A large percentage of paid employees/employers are not contributing to social security: less than 10 per cent of those in total employment were covered by social security contributions. There is considerable scope to extend contributory social protection coverage.

The report addresses the issue of poverty and vulnerability in Chapter 3. The picture is very interesting. In terms of quality of housing, access to clean water and sanitation and electricity the base line is high and the MKUZUZA report sets targets for further improvement. Literacy rates are also high and access to a health care facility is relatively easy. The issue of food poverty is well understood with poverty being greater in rural areas and in larger households.

Chapter 4 focuses in detail on contributory and non-contributory provision in Zanzibar. It begins by looking at contributory social protection provision. There is only one social insurance institution, the Zanzibar Social Security Fund (ZSSF), based in Zanzibar. It is a young scheme and as a consequence the long term benefits that it is currently paying are low. They will rise over time but the scheme is generous in terms of its income replacement rates and the most recent actuarial valuation identifies the need for reform if the fund is to be financially sustainable in the long term. There is time for the necessary reforms to be discussed and implemented. There are some serious issues surrounding its relationship to the other social security schemes on the Mainland. The Government is responsible for pension entitlements prior to the establishment of ZSSF. There is a need to review existing arrangements for medical and maternity benefits and to integrate them into the MKUZA process. In the context of poverty alleviation there is a need to examine the adequacy and scope of survivor benefits.

It goes on to look at non-contributory provision and examines Government, NGO and faith based activities. It was very difficult to capture information on numbers covered, scope and adequacy of provision. It is well recognized that data is poor for this type of provision and therefore the project undertook two mapping exercises. The first covered Government and national and international NGO provision; and the second covered Zakat and related faith based provision. The picture for education is fairly clear and targets have been set in MUKUZA to improve educational achievement. This is a major Government priority. The picture is less clear for health care although targets have been set to reduce the rate of infant mortality and maternal care. The two mapping exercises show very useful insights into the type of beneficiaries, scope and adequacy. It can be concluded that this type of provision is filling some of the gaps in existing formal education and health provision: school books.

Chapter 5 sets out the social budget which looks at projected Government social expenditures from 2006/2007 to 2024/25 as a percentage of GDP. It considers education expenditure, health expenditure, social insurance benefits expenditure, the social insurance change in reserve, the social insurance administrative expenditure, the pensions paid by government expenditure and NGO (including government welfare)

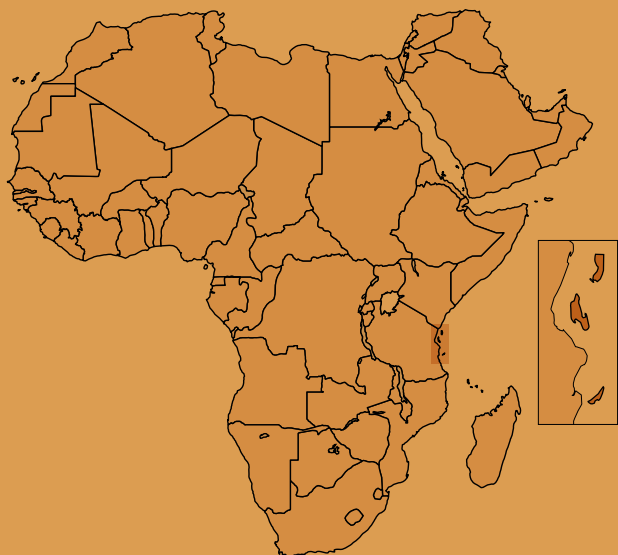
expenditures. It shows that all such expenditure will peak in 2009/10 at 15 per cent of GDP and then they will fall to a more or less constant 11.5 per cent of GDP. Expenditure on education is the highest level of GDP and is closely followed by education which is consistent with the MKUZA priorities. Importantly the expenditure on other non-contributory Government and NGO provision is very low at 0.4 per cent of GDP. It will only be possible to meet these levels of expenditure if donors increase the level of grants in line with nominal GDP. If this is not the case it will be necessary to reduce services or increase the deficit.

Chapter 6 – This Chapter looks at three illustrative policy options for Zanzibar which would go some way to addressing the income needs of the elderly, the issue of children and poverty and the needs of households in extreme poverty. Further work is needed before a decision could be taken to comprehensively roll out such a package including careful poverty impact analysis.

Three policy interventions have been costed. They are a universal old age pension for men and women aged 60 and over, a child benefit and targeted social assistance. The illustrative costings show that such a package of benefits would be likely to cost less than 2.5 per cent of GDP in the long run. It is of fundamental importance that these benefits be indexed to the CPI on their introduction in order to ensure their value is maintained over time. This has been included in the costings in Chapter 6. The intention of introducing such a benefit package would be to reduce levels of poverty by moving some people out of food poverty and reduce basic needs poverty.

The project has been able to undertake some initial modeling of the impact of such a package on poverty alleviation by type of benefit. The findings of the poverty impact analysis shows that the combination of the three benefits eliminates almost all food poverty and could reduce basic needs poverty by 20 percentage points. However, it is unlikely that Zanzibar will have the necessary resources or national capacity to move forward on all three fronts quickly.

Chapter 7 – Conclusions makes recommendations for future action on a variety of fronts directly related to the findings of the analysis. The recommendations are closely related to the objectives and targets in the MKUZA report and form the basis of a social protection strategy.



This chapter considers the demographic, labour market and economic environment within which the social protection system exists in Zanzibar. The description is not exhaustive, but presents the main features that may affect the social protection system.

1.1 Structure of the population

The demography of Zanzibar resembles that of many African countries: a youthful population, declining fertility, declining infant and under-5 mortality rates. However, the prevalence of HIV/AIDS is considerably lower than in Tanzania Mainland. These indicators are discussed below.

The latest available Population and Housing Census (PHC) 2002, shows that the total population of Zanzibar was 981,754, with an (average) annual population growth rate of 3.1 per cent since the previous PHC of 1988 (see Table 1.1). Table 1.2 shows the main population indicators by sex and age, and Figure 1.1 the population distribution in 2002. Since the 1967 Census, the annual population growth rate has always increased from one census to another. In 2002, 262,731 persons were born outside Zanzibar, which is 26.8 per cent of the population. According to the Analytical Report, Volume X, of the 2002 Census, 253,296 people have left Zanzibar to

Table 1.1 Evolution of the population of Zanzibar since 1967

Census	Population	Annual growth of the population %
2002	981 754	3.1
1988	640 675	3.0
1978	476 111	2.7
1967	354 815	–

Sources: Population Census 1967, 1978, 1988 and 2002

Demographic, labour market, economic and social environments

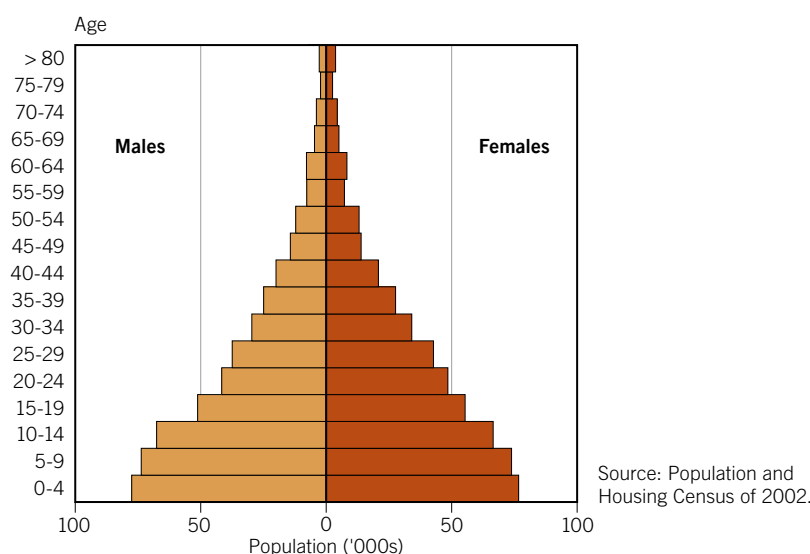
Table 1.2 Demographic characteristics of Zanzibar, 2002

Population	Total	Male	Female
Under age 15	434 889	218 797	216 092
15-64	517 717	247 932	269 785
Over age 64	29 148	14 117	15 031
Total	981 754	480 846	500 908
Distribution of the population	Total	Male	Female
Under age 15	44.3%	45.5%	43.1%
15-64	52.7%	51.6%	53.9%
Over age 64	3.0%	2.9%	3.0%
Total	100.0%	100.0%	100.0%
Sex-ratio (ratio number of male for 1 female)			
Under age 15	1.01		
15-64	0.92		
Over age 64	0.94		
Total	0.96		
Dependency ratio			
Youth dependency ratio (ratio people under age 15 to people aged 15-64)		0.840	
Elderly dependency ratio (ratio people aged over 64 to people aged 15-64)		0.056	

Source: Population and Housing Censuses of 2002

live in other parts of Tanzania. Such a high level of internal migration indicates the importance of coordinating social policy between Tanzania Mainland and Zanzibar.

In 2002, 44 per cent of the population was aged 15 years and under and 3 per cent was aged 64 years and over, reflecting the youthfulness of the Zanzibar population. Fourteen years earlier, those rates were 47 per cent and 4 per cent, respectively, demonstrating a moderate reduction in the proportion of young people and a slight

Figure 1.1 Population of Zanzibar, 2002

decrease in the elderly. In 2002, the average age of the population of Zanzibar was low: 22.1 years of age. This is also seen in the dependency ratios: in 2002 the youth dependency ratio was 0.840 and the elderly dependency ratio was 0.056. The overall dependency ratio shows that there were 896 persons aged 15 years and under or aged 64 years and over, per 1000 persons in the active age range of 15-64 years.

The high youth dependency ratio (over twice that of most developed countries) has immediate implications for social protection for children, notably in education, health care, income support and employment creation. The budgetary outlays required to maintain basic youth services are substantial.

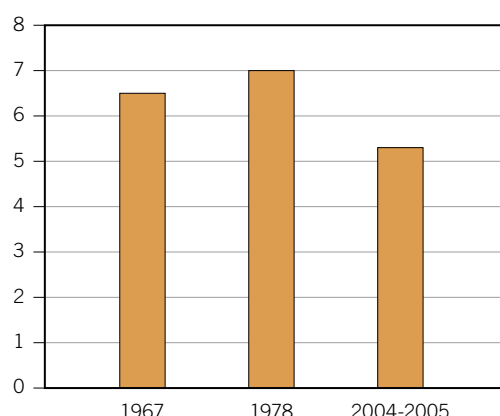
In the long term, the implications for social protection will be severe. It is well recognized that an ageing population and high age-dependency ratios can create severe financial problems for national governments. In developing countries, the future ageing crisis will be much greater than that currently experienced by developed countries because youth dependency ratios are much higher in developing countries than they were in developed countries at equivalent stages of development. The population pyramid for Zanzibar shows a significant ageing problem in the future.

A long-term strategy on ageing is required urgently because such programmes generally take decades to have an effect and to become sustainable components of national social protection systems.

Over the whole population the ratio of males to females is 0.96 and the corresponding ratio for the elderly is 0.94, which indicates that in Zanzibar women live longer than men. This fact will further exacerbate the potential ageing problem in Zanzibar: with women's lower lifetime earnings and their employment in the informal economy. This will result in lower retirement incomes for elderly women, making them a particularly vulnerable group.

1.2 Fertility rates

Fertility rates have decreased since 1978 (see Figure 1.2). The total fertility rate (TFR) was 5.3 in 2004-2005, a little lower than that prevailing in Tanzania mainland (5.7). There is a big difference in the fertility pattern in Zanzibar compared to Tanzania

Figure 1.2 Evolution of fertility rates

Sources: The 2004-05 Tanzania Demographic and Health Survey, the 1978 Population Census and Health & Disease in Tanzania (G.M.P Mwaluko and ass.).

Table 1.3 Age specific fertility rates

Age specific fertility rates (per 1000 women)	2004-05 TDHS (Zanzibar)	2004-05 TDHS (Mainland)
15-19	55	135
20-24	197	276
25-29	252	254
30-34	236	217
35-39	211	154
40-44	85	79
45-49	28	18
TFR	5.3	5.7

Source: The 2004-05 Tanzania Demographic and Health Survey

Mainland. In Zanzibar, age specific fertility rates are lower at age 25 and under but higher over age 25 which may be attributed to the impact of different social policies and cultural practices (see Table 1.3).

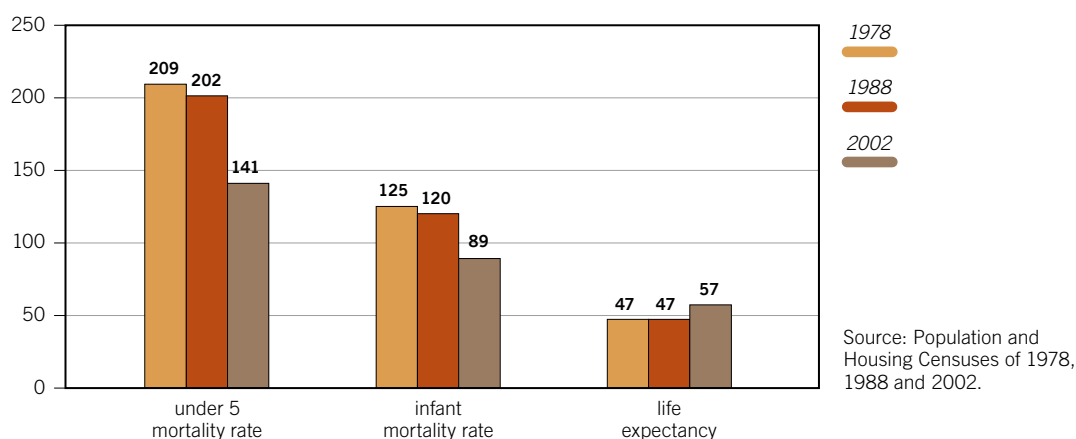
Life expectancy at birth and infant mortality rates

1.3

The Population and Housing Censuses of 1978, 1988 and 2002 show that life expectancy at birth in Zanzibar has risen over time (see Figure 1.3). The combined life expectancy of both sexes was 47 years in 1978, 47 years in 1988 and 57 years in 2002. The pace of improvement in life expectancy was markedly different between the 1978-88 and the 1988-2002 periods. There is nothing in the literature that explains why life expectancy has increased so much between 1988 and 2002. As can be seen in section 1.7, in Zanzibar, HIV/AIDS seems to play a lesser role in mortality than in Tanzania Mainland.

One has to remember, however, that while life expectancy in Zanzibar is low at birth, it is not much lower than in developed countries when one reaches old age. Life expectancy at 60 is over 15 years. This indicates the importance of urgently introducing policies that will provide necessary income security for the elderly.

The reduction in the infant mortality rate and the mortality rate of the under-fives was fairly significant during the period 1988-2002. However, despite having decreased considerably, these indicators are still viewed as relatively high.

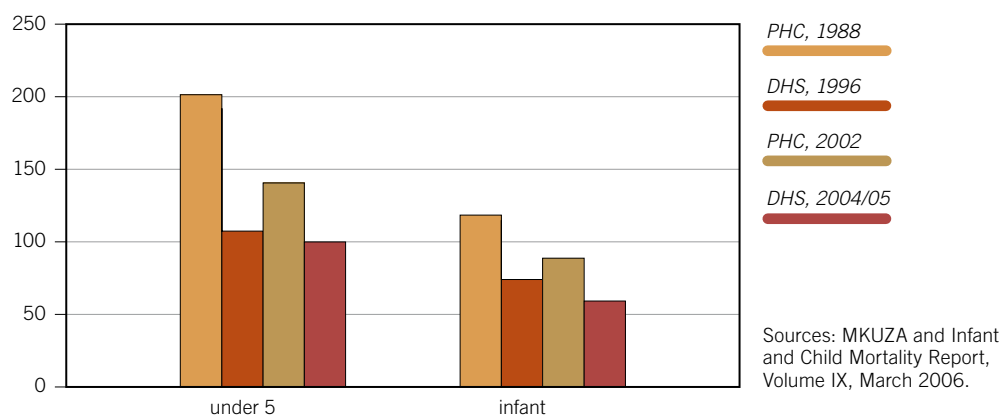
Figure 1.3 Life expectancy, infant mortality and mortality under age 5, 1978-1988-2002

MKUZA has identified two targets with regard to mortality rates:

- A reduction of infant mortality from 61 (per 1,000 live births) in 2005 to 57 in 2010;
- A reduction of child (under-five) mortality from 101 (per 1000 live births) in 2005 to 71 in 2010.

The under-five mortality rates and infant mortality used in MKUZA come from the Demographic and Health Survey of 2004/5 (DHS). The numbers are lower than the corresponding figures found in the Population and Housing Census (PHC) as shown in Figure 1.4.

Both sources of information show a decreasing trend in the infant mortality rate and the under-five mortality rate. What is questionable is the magnitude of the mortality rates. The ones that appear in the DHS are at a lower level than the ones in the PHC. This raises the question: which one is the correct figure? Some Government documents refer to the numbers in DHS while others to PHC. It is important that government has a common view of the situation and problems in its country when developing and monitoring social policy. Thus, it is very important to refer only to one official value and to have some confidence in it.

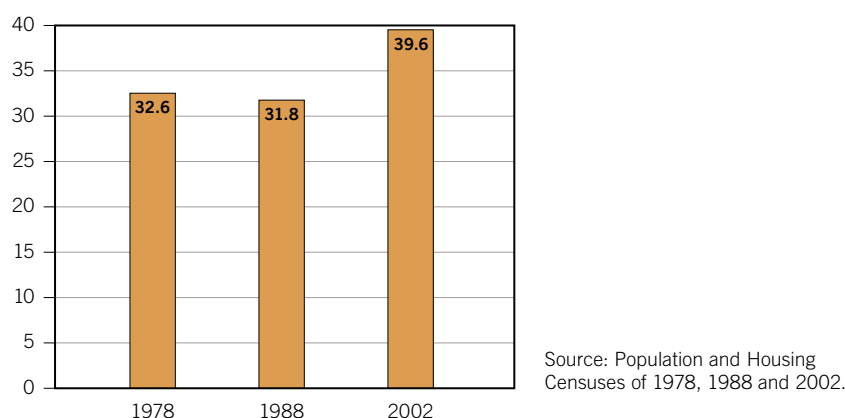
Figure 1.4 Under-five mortality rate, infant mortality rate DHS VS PHC (per 1000)

Rural versus Urban population

1.4

The rural-to-urban drift in Zanzibar reflects worldwide trends whereby over 50 per cent of the world's population are now urban dwellers. Between 1978 and 2002 the proportion of urban dwellers increased from 32.6 to 39.6 per cent of the population (Figure 1.5). Changes in the rate of urbanization are however less drastic than those observed in Tanzania Mainland over the same period, where there was a change from 13.3 per cent to 22.6 per cent. This evolution has a number of implications for social protection provision. In Zanzibar urban dwellers have higher unemployment rates and are easier to target services on than those in the rural areas. They are more likely than those in rural areas to rely on public services than on the traditional and local social protection. The urban drift tends to weaken traditional social protection systems over time and more formal replacements need to be introduced to help meet the needs of urban dwellers.

Figure 1.5 Urbanization rate 1978-2002 (percentage)



Labour market

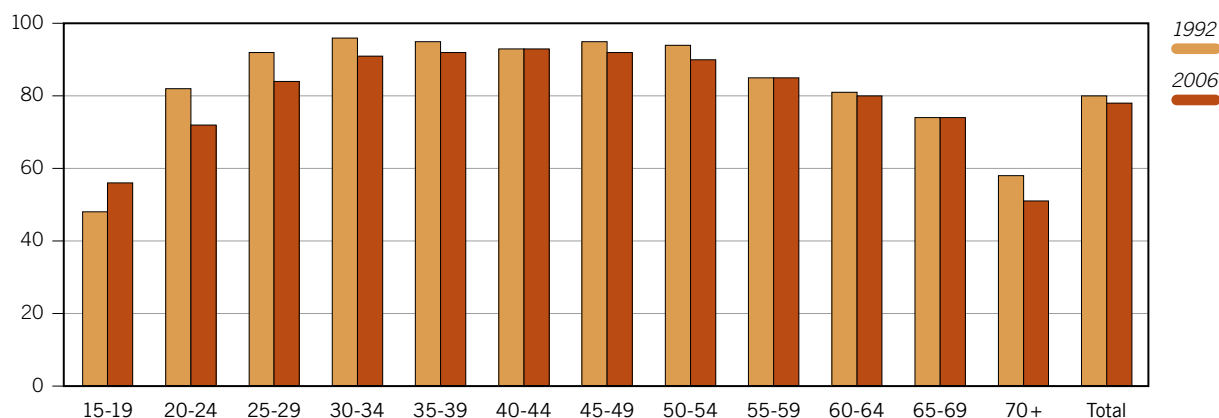
1.5

According to the Integrated Labour Force Survey of 2006 (ILFS) in Zanzibar, 78.3 per cent of the total population aged over 15 years was economically active: 83.0 per cent of men and 73.8 per cent of women. Both male and female labour force participation has decreased a little since the previous survey in 1992. Those who were economically active were either employed or unemployed.

The ILFS 2006 survey data which was made available to the ILO contains data on unemployment. The definition of unemployment is based on the standard ILO international definition.

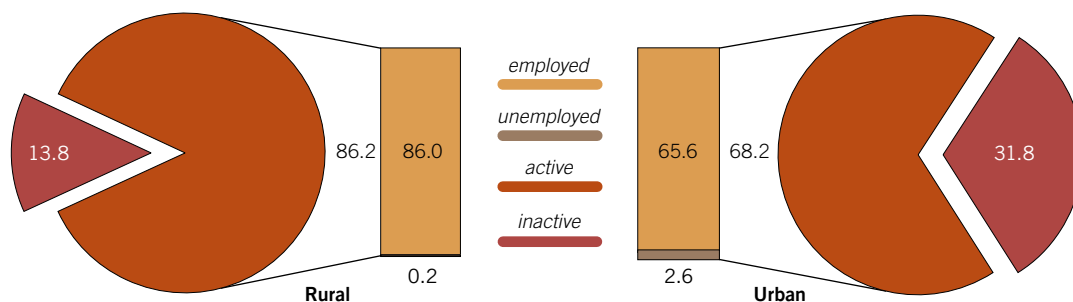
Figure 1.7 provides an overview of economic activity of the population aged 15 years and over in rural and urban areas. Although the great majority of the adult population is employed according to the standard international definition, most of them work in a highly informal environment with irregular incomes, in precarious conditions and with no access to social protection. However, there are important differences with respect to the degree of informality of employment, especially in the urban areas. It is important to have an in-depth knowledge of the actual employment status of men and women working in the informal economy when one attempts to design social protection policies to extend coverage. The higher participation rate in

Figure 1.6 Comparison of labour force participation rates, male and female together, labour force survey 1992 and 2006 (percentage)



Source: The Labour force survey of 1992 and the 2006 ILFS survey data.

Figure 1.7 Labour market participation overview (standard definitions)



Source: The 2006 ILFS survey data.

rural area is due mainly to the fact that rural area activities rely on agriculture, which is one of the major components of economic activity in Zanzibar. This is dealt with in detail in Chapter 2.

For Zanzibar, the labour force participation rates of men and women are different at all ages. Female participation rates are lower in every age group (see Figure 1.8). This is a big difference when comparing participation rates with Tanzania Mainland where labour force participation rates are quite similar. Cultural aspects of life in Zanzibar could explain this difference.

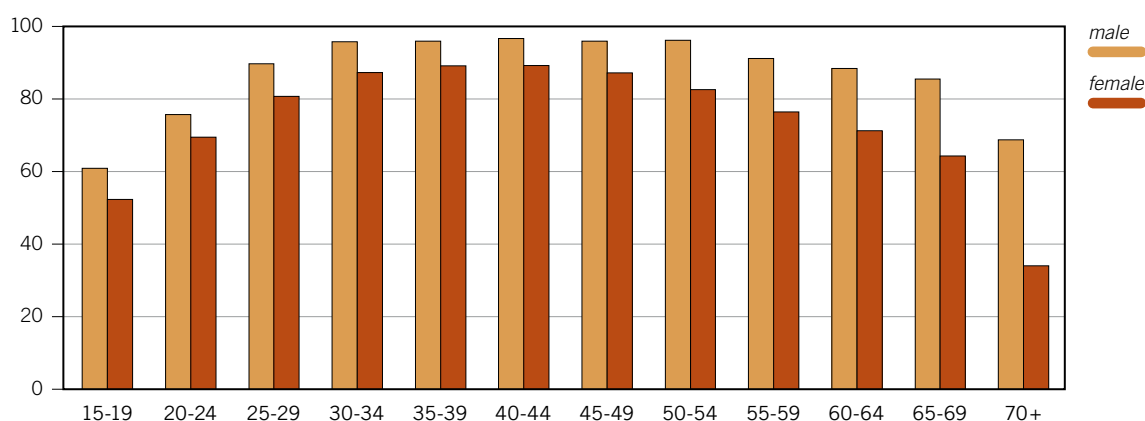
Analysis of rural and urban differences in economic activity and employment rates shows that:

- people in rural areas (see Figure 1.9) enter the labour force earlier and leave it later than people in urban areas;
- the differences in actual employment rates between rural and urban areas are greater for women than for men at all ages; and
- female participation rates are higher in rural areas than in urban areas.

The unemployment rate in Zanzibar for those aged 15 and over is around 2 per cent using the standard international ILO definition¹. The low level of this unemployment rate is explained by the use of the standard international definition. Figure 1.10 shows unemployment rates vary considerably by sex and age. Women in urban areas are the most likely to be unemployment, especially those aged 40 and under. Unemployment is almost nil in rural areas, for both men and women. However, the low unemployment rates do not mean that there are no employment or income generation problems in Zanzibar.

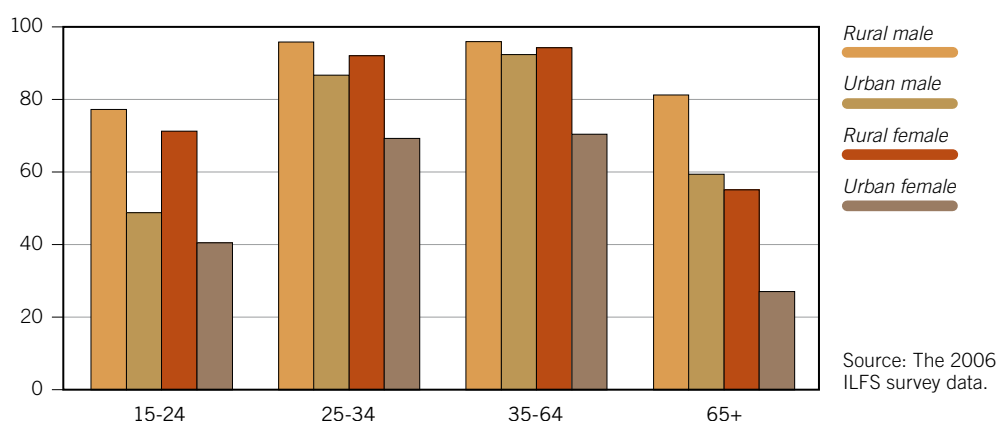
From the 2006 ILFS, 11.8 per cent of those who were employed were under-employed (those not working at least 40 hours a week, if able to do so). Results from the 1992 Labour Force Survey show that eight per cent of those employed were underemployed (see Table 1.4). Comparing these two figures it is possible to conclude the number of hours worked in a specific job has declined between the two surveys. According to MKUZA,² 7 per cent of people were usually unemployed (this includes people not usually seeking work). Those numbers show that even though the standard unemployment rate is low, the percentage of those who are employed in precarious jobs is high.

Figure 1.8 Labour force participation rates by sex and age, Zanzibar (percentage)



Source: The 2006 ILFS survey data.

Figure 1.9 Employment rates by sex and age, urban and rural areas, Zanzibar (percentage)



Source: The 2006 ILFS survey data.

¹ ... where the "unemployed" comprise all persons above a specified age who during the reference period were: (a) "without work", i.e. were not in paid employment or self-employment; (b) "currently available for work", i.e., were available for paid employment or self-employment during the reference period; and (c) "seeking work" i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment. Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the Thirteenth International Conference of Labour Statisticians (October 1982) (http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/---stat/documents/normativeinstrument/wcms_087481.pdf)

² This information is based on the Household Budget Survey 2004/5.

Figure 1.10 Unemployment rates (standard definition), by sex and age and place of living (percentage)

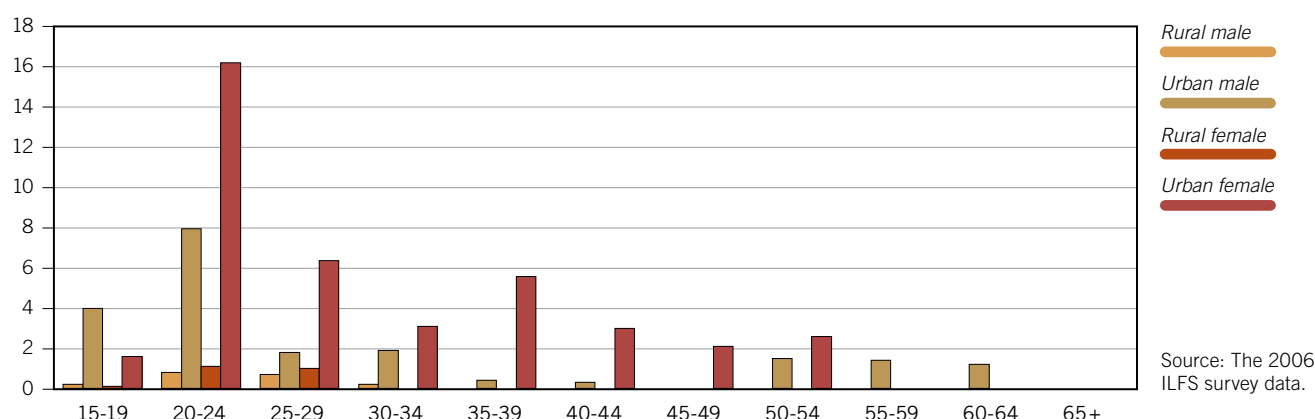


Table 1.4 Under-employment in Zanzibar (percentage)

Rural		Urban		Total	
Male	12.23	Male	12.04	Male	12.16
Female	9.95	Female	14.38	Female	11.51
Total	11.09	Total	13.12	Total	11.84

Source: The 2006 ILFS survey data.

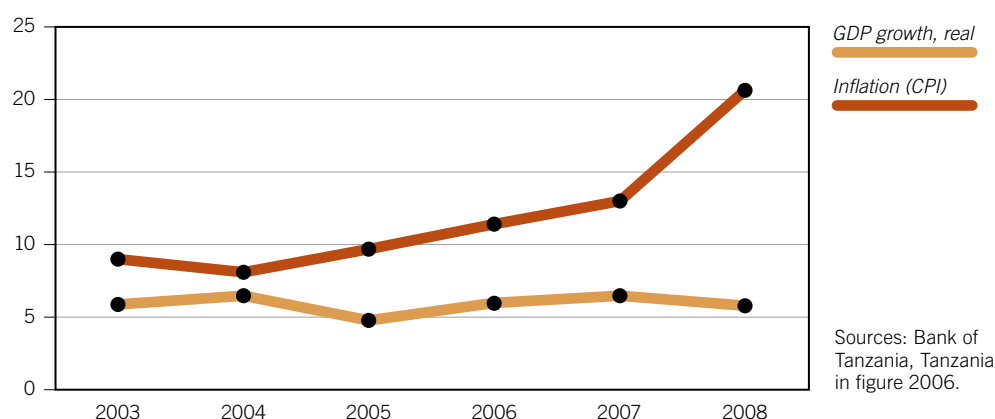
1.6 Zanzibar's Macroeconomic environment

The Zanzibar economy depends on tourism, commerce, industry and agriculture. In terms of contribution to GDP, agricultural, forestry and fishing activities that represent (according to ILFS 2006) more than 40 per cent of total employment accounts for about the quarter of the economic activities in Zanzibar while tourism for about half³ (while wholesale and retail trade and restaurants and hotels account for just over 17 per cent of total employment). Over the last five years, the Zanzibar economy has grown at an average rate of 5.9 per cent. However, economic growth is likely to be constrained by the current global financial crisis, which in turn may negatively impact the tourism sector. The number of tourist arrivals has declined from 143,265 in 2007 to 128,440 in 2008.

Since 2004, the annual year-on-year inflation rate rose considerably from 8.1 per cent to 20.6 per cent in 2008. In 2008, inflation increased and the upward pressure on overall inflation was driven by changes in food, energy and transport prices. The inflation rate for Zanzibar is very high compared to that of Tanzania Mainland: double (20.6 per cent versus 10.3 per cent). Stable inflation will be important for maintaining growth. The IMF in their Country Report No. 08/178 June 2008 identified stable and low inflation as a priority for the government (see Figure 1.11).

For the fiscal year 2008/2009, the government of Zanzibar expected a deficit of 71 Million TZS. Without grants from donors and debt relief, the deficit would have reached 208 Million TZS (27.8 per cent of GDP). This shows how much government finance is dependent on donors. In Zanzibar, for the fiscal year 2008/2009, grants are

³ Page 17 of the June Monetary Statement Policy. (this figure varies depending on the source quoted).

Figure 1.11 Inflation and economic growth, 2003-2008 (percentage)

budgeted to represent about 50 per cent of all revenues (see Table 1.5). In the June 2009's Monetary policy Statement it is stated that total expenditure accounted for 50.2 per cent of the 2008/09 annual budget projection of 341.7 billion TZS in the first ten months of the year 2008/09. Development expenditure under performed due to lower inflows of donor funds than had been projected.

Table 1.5 Government finances

	Budget 2008/2009	% of GDP
Total Revenue	134 160	17.9
Tax revenue	122 764	16.4
Tax on Imports	29 946	4.0
VAT and Excise Duties	43 104	5.8
Income taxes	19 275	2.6
Other taxes	30 438	4.1
Non-tax revenue	11 396	1.5
Total Expenditure	341 709	45.7
Recurrent expenditure	149 435	20.0
Development expenditure	192 274	25.7
Surplus (Deficit) before Grants	(207 549)	-27.8
Grants	136 932	18.3
4.5% Budget Support	27 607	3.7
Debt relief	8 000	1.1
Programme Grant	101 325	13.5
Overall deficit after Grant	(70 617)	-9.4
Adjustment to cash and other items	(6 665)	-0.9
Overall Deficit Cheques cleared	(63 952)	-8.6
Total financing	63 952	8.6
Foreign financing	72 427	9.7
Domestic financing	(8 475)	-1.1

Source: Monetary Policy Statement, June 2009.

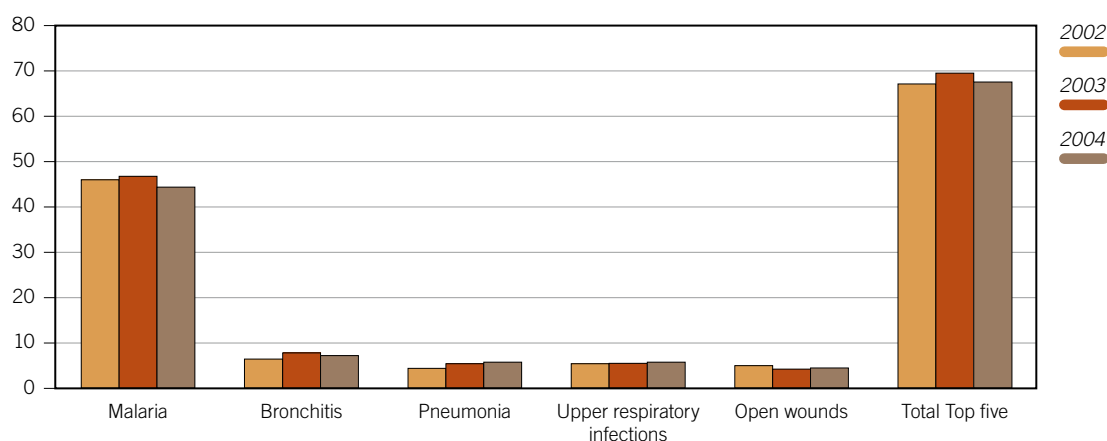
Note: GDP is 2008 at current prices.

As at the end of March 2009, Zanzibar's total public debt was TZS 138.2 billion. Out of the total public debt, external debt amounted to TZS 81.6 billion, representing 59.0 per cent of the total debt, while domestic debt amounted to TZS 56.6 billion, equivalent to 41.0 per cent of total debt.

1.7 Health status

Malaria continues to be the major cause of morbidity in Zanzibar. For the period 2002 to 2004, malaria is the foremost morbidity diagnoses in the primary health care units in Zanzibar. The top five diseases diagnosed in 2002 to 2005 accounted for about two-thirds of all diagnoses.

Figure 1.12 Top 5 diagnoses, 2002-2004



Source: Zanzibar Health Sector Reform, Strategic Plan II, 2006/07-2010/11.

The most recent data on HIV infections (2002) shows that around 86 per cent of HIV transmission is among people aged between twenty and forty-nine. The HIV prevalence rate among the sexually active population is 0.6 per cent. The HIV prevalence rate for women is close to five times that of men (0.9 per cent versus 0.2 per cent). On the Mainland, the female HIV prevalence rate was estimated at 7.7 per cent, compared with 6.3 per cent among the male population. There are, therefore, large differences between Zanzibar and the Mainland. These differences in HIV prevalence rates could affect the design and the cost of a social protection programme in Zanzibar. This does not mean, however, that efforts to control the spread of the disease should cease. According to the January 2008 Zanzibar AIDS Commission (ZAC) report, Zanzibar was placed in the concentrated HIV prevalence country category. Since the first three HIV/AIDS cases were diagnosed in 1986, the number of reported cases has been on the increase with women being more infected compared to males. It is estimated that more than 1,000 people have died of AIDS since 1986. More recent data on the HIV transmission rate are not available.

Household incomes and income distribution and poverty

1.8

Table 1.6 shows the distribution of the source of income and mean household income levels in 2004/05. Employment in cash and non-farm self-employment provides the largest source of income in urban areas, whereas in the rural areas income from agriculture plays a larger role although it is not the first source of income. Table 1.7 shows a greater level of inequality in consumption in urban areas than in rural areas. The OCGS have calculated a Gini coefficient and find it is higher in urban and rural areas. This is a measure of inequality (see Table 1.7). The use of a median rather than a mean might have shown a more realistic picture.

Table 1.6 Mean household income level and source of income (percentage) by area, 2004/2005

Source	Rural	Urban	Total
Employment in cash	18.8	40.1	29.3
Employment paid in kind	1.1	1.1	1.1
Non-farm self employment	30.9	25.9	28.4
Agriculture	19.7	2.8	11.3
Cooperatives	0.2	0.3	0.3
Imputed Rent	10.5	14.0	12.2
Interest	0.0	0.3	0.1
Dividend	0.1	0.0	0.0
Rent	1.8	3.0	2.4
Remittances	6.2	5.7	5.9
Others	10.7	6.8	8.7
Total	100.0	100.0	100.0
Mean per capita Household (TZS) 2004/2005	165 540	250 269	198 907

Source: 2004/05 Zanzibar's Household Budget Survey.

Table 1.7 Distribution of household consumption by income level and Gini coefficient, 2004/2005

Quintile	Rural	Urban	Total
Q1 – poorest	9.8	8.9	9.3
Q2	13.9	12.9	13.3
Q3	17.3	16.5	16.8
Q4	22.0	22.0	21.9
Q5 – richest	37.0	39.6	38.8
Total	100.0	100.0	100.0
Ratio of Q5:Q1	3.78	4.45	4.17
Gini coefficient	0.26	0.30	0.28

Source: 2004/05 Zanzibar's Household Budget Survey.

Table 1.8 Measures of poverty, 2004/2005

	Rural	Urban	Total
Poverty rate (headcount)			
Food	15.9	8.9	13.2
Basic needs	54.6	40.5	49.1
Poverty gap (as % of poverty line)			
Food	2.9	1.6	2.4
Basic needs	15.1	10.1	13.1

Source: 2004/05 Zanzibar's Household Budget Survey.

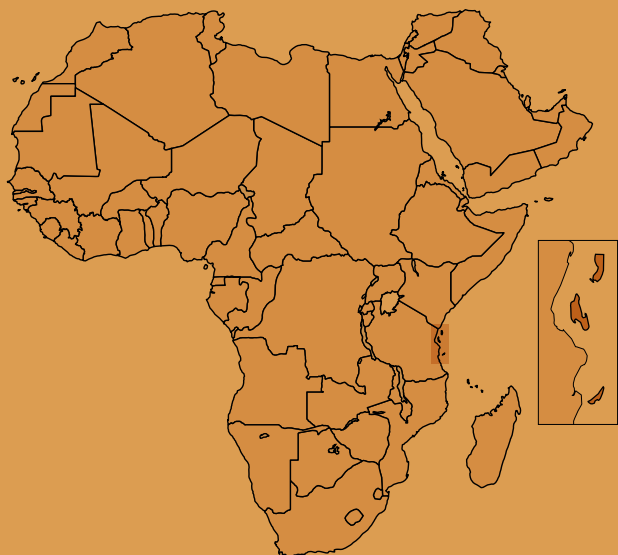
In Zanzibar, 13 per cent of the population live below the food poverty line and 49 per cent consume less than the basic needs' level. Urban dwellers face a significantly lower risk of living in poverty than in rural dwellers. Sixteen per cent of the people in rural areas are food-poor. In Zanzibar, those living in extreme poverty (below the food poverty line) experience on average a 2 per cent shortfall of this poverty line. The average consumption shortfall of the basic needs' poverty line is 13 per cent (see Table 1.8). The issue of poverty is described in more detail in Chapter 3.

1.9 Conclusions

There are four major determinants for social protection provision for a country. The demographic profile, the macro-economic environment, the structure of the labour market and the adequacy of existing provision. This chapter deals with two of these determinants: the demographic profile and the macro-economic environment.

It is possible to distil the following key findings:

- ☐ Zanzibar has a young population, which is expected to age over the long-term;
- ☐ Zanzibar has high under-five infant mortality, which is due in the main to malaria;
- ☐ Life expectancy is improving in Zanzibar and fertility rates are projected to decline;
- ☐ Recent high inflation may be having a major impact on the livelihoods of the most vulnerable in Zanzibar society;
- ☐ Steady economic growth is being achieved, but the potential for economic development appears to be limited;
- ☐ High budget deficits are an issue for the macroeconomic situation in Zanzibar;
- ☐ High dependency on donors for grants to finance Government expenditure maybe a major obstacle to long-term sustainable social protection interventions.



2

The previous chapter provided a general overview of a number of key indicators which determine the social protection system of a country. This chapter looks in detail at levels of economic activity and types of employment that people are involved in – how many of those economically active are employees –with a more or less formalized contractual relationship –with an employer, how many are self-employed, etc. Experience in other countries shows that where a population has differing employment status (with or without an employer, with or without a contract) different **institutional** solutions are required to provide affordable access to health care and basic income security benefits in case of sickness, disability, old-age or other contingencies.

The analysis in this chapter is based on the 2006 ILFS (Zanzibar) and can contribute to the decision making process surrounding the most practical and effective approaches to the extension of social protection in Zanzibar.

Everyone's income security is endangered in the case of sickness, disability, old age, and unemployment, a death in the family, maternity or other family obligations such as the need to provide care to children or those who are sick. But the approach to social protection differs depending on employment status. For example, those who are contract workers for an employer, with earnings from that employment as their only source of income and wealth and with no degree of flexibility in when and how long they have to be available to work; compared to the self-employed whose incomes are usually less regular and predictable but who sometimes have more flexibility in planning their working hours and may own certain productive assets. Moreover, with respect to the design of social protection systems and decisions on sources of finance, what is desirable and feasible and for which group depends on prevailing employment patterns at the labour market.

Mandatory contributory social insurance schemes providing income replacement (or supplements) in case of sickness, employment injury, disability, old-age, unemployment or maternity and other family obligations are administratively feasible to implement and enforce where employees have legally binding contracts with their employers. However, the implementation of such schemes presents a challenge when it comes to covering the self-employed or employees whose employment is not formalized in any legal sense. By law, it is mandatory for all employees in Zanzibar to be covered by

Degrees of informality: prevailing patterns in the Zanzibar labour market and social security coverage

the Zanzibar Social Security Fund (ZSSF)¹. Self-employed workers can join the scheme on a voluntary basis. According to ZSSF records 34,299 persons were contributing to the scheme in June 2006. The labour force survey has one question on social security coverage which refers not only to ZSSF but also to existing schemes in Tanzania Mainland such as NSSF, PPF, LAPF which results, unsurprisingly, in a higher number of persons covered, 46000 persons according to ILFS 2006.

Similarly, in many countries labour codes or employment acts oblige employers to provide and finance certain types of social security benefits directly to their employees. In Zanzibar² employers are obliged by the Employment and Labour Relation Act to provide three months paid maternity leave and other types of leave (notably in case of death of a child) and to pay salaries in the case of sickness up to a maximum number of days during a year.

Employees who are in the unionised sectors of the economy are often covered for additional social security benefits specified in collective agreements. Some employers also offer supplementary benefits such as health insurance or direct provision of health care services, occupational pensions, housing allowances, family allowances or funeral benefits. No data exists on this, but judging from the large degree of informality of employment even in the case of paid employees (as shown by the ILFS 2006 results) and the low level of unionisation, coverage by such benefits must be low.

In the following pages, a number of important terms are used when describing the labour force.

- ☐ the working age population in Zanzibar covers all of the population aged 15 to 60 which is the legal retirement age;

¹ Zanzibar Social Security Fund was established under the Zanzibar Security Fund Act No. 2 of 1998 subsequently amended by the Zanzibar Social Security Fund Act No. 9 of 2002 and re-enacted by the Act No. 2 of 2005. Prior to the enactment of the Act and establishment of the Zanzibar Social Security Fund, there was no formal social security scheme in Zanzibar. Nor was there a significant private sector/occupational pension scheme sector in Zanzibar. Before the inception of Zanzibar Social Security Fund, public service employees in Zanzibar were covered and received pension benefits under the Pensions Act No. 2 of 1990.

² Labour Act, 1997 (No. 3 of 1997), PART IX - CONDITIONS OF EMPLOYMENT FOR SPECIAL CATEGORIES OF EMPLOYEES (§115), available online.

- the labour force population corresponds to the working age population, i.e., a person is either employed or unemployed.

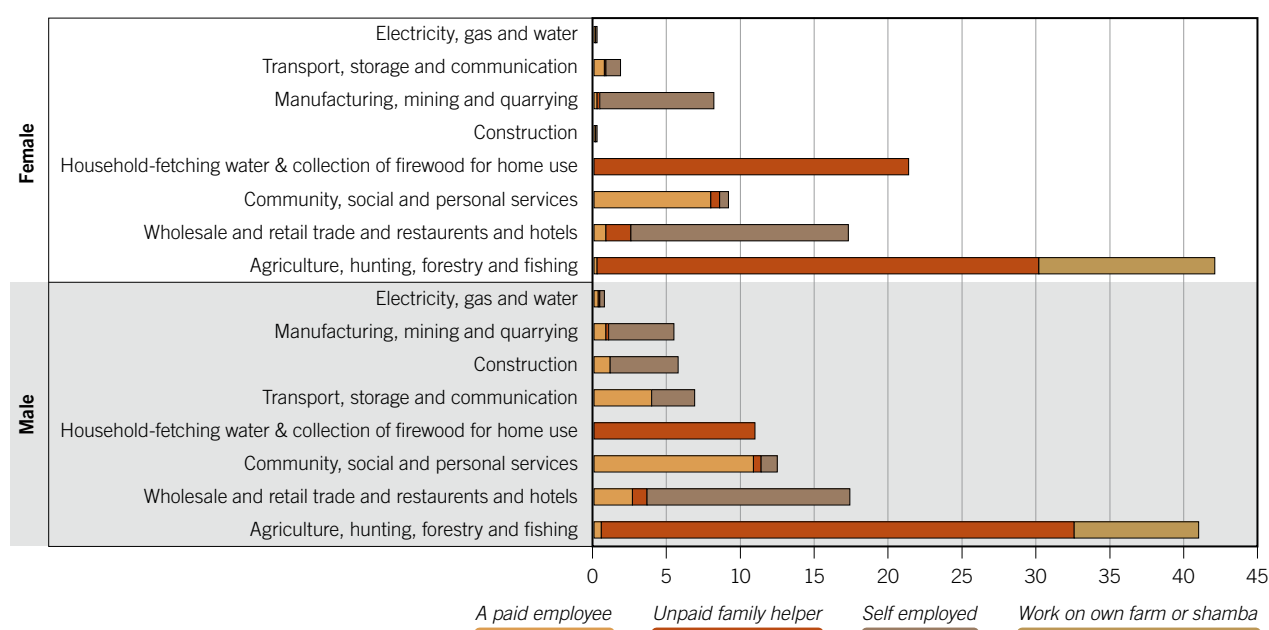
Employment and employment status are defined as follow:

- the employed population are those in employment – either paid employment as paid employees or self-employed (employer and own account workers), or unpaid employment, as unpaid family workers³. Total employed is the same as total employment.

The survey shows agriculture is the largest sector in terms of employment in Zanzibar; but the situation is significantly different to that in Tanzania Mainland. Agriculture represents 41 per cent of total employment in Zanzibar compared to 74 per cent in Tanzania Mainland. There are no significant differences between men and women. Sixty per cent of total employment in rural areas is in agriculture whereas it is 11 per cent in urban areas. The majority of those engaged in agriculture (75 per cent) work as unpaid family workers, the remaining working on their own farm mostly in subsistence agriculture. Their economic activities are not formally registered, their incomes are irregular, and, significantly are not regular monetary incomes. This makes it difficult to collect social insurance contributions.

The next largest sector of employment is linked to tourism: wholesale and retail trade, restaurants and hotels. This sector employed 17.2 per cent of those in employment. There are no differences between men and women even though for women this is the third most important employment sector. Twenty seven point two per cent are employed in urban areas whereas 11.3 per cent are employed in rural areas. More than 80 per cent of the workers in this sector are self-employed (86 per cent among men and 80 per cent among women); most of them work on their own account and do not have employees. As shown in Figure 2.1, another significant sector, representing more than 21 per cent

Figure 2.1 Distribution of persons in employment by main industry, by employment status and by sex (percentage)



Source: ILFS Zanzibar 2006.

³ Additional information on the different status in employment can be found in the Resolution concerning the International Classification of Status in Employment (ICSE) available online.

of women employed and over 10 per cent of men, is daily activities consisting of household-fetching water and collection of firewood. Most of these activities are performed by unpaid family workers working for others or on their own farms or shambas.

How people work: Employment status of the population

2.1

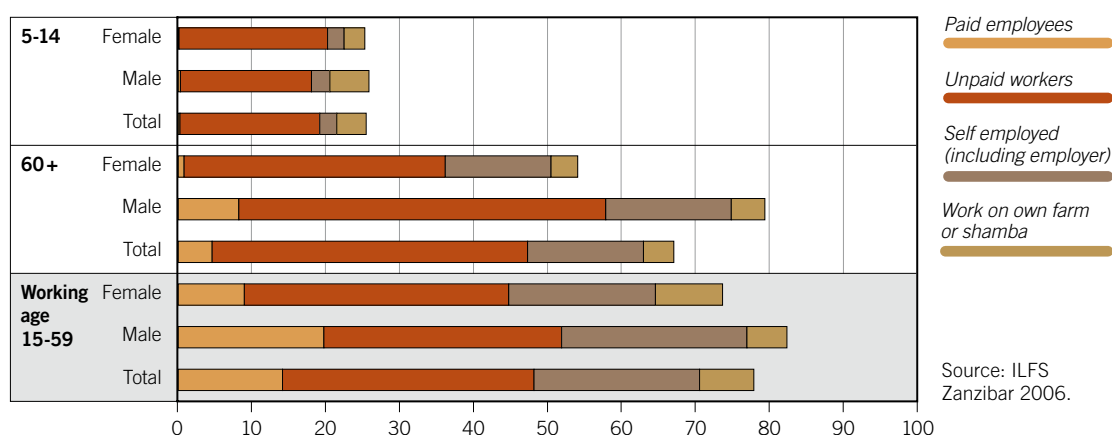
The employment to population ratio measures the percentage of the population in a given age group who were involved in any gainful economic activity during the seven day period preceding the survey. In Zanzibar, according to ILFS 2006, overall employment-to- population ratios were high: almost 80 per cent of those aged 15 and over were employed (72 per cent of all women at this age and 82 per cent of all men – see Figure 2.2). Employment- to-population ratios were substantially higher in rural areas (86 per cent) than in urban areas (66 per cent).

However, over 45 per cent (50 per cent of all employed women aged 15 and over and 41 per cent of all employed men aged 15 and over) of the 486,000 employed (aged 15 and over) were employed as unpaid family workers and an additional 11 per cent of women and 7 per cent of men worked on their own farm or shamba. About 28 per cent were self-employed and not engaged in agriculture. Thirty per cent of employed men and 27 per cent of employed women worked on their own account and did not have any employees. Seventeen point four per cent were employed as paid employees. The proportion of men in employment was double that of women.

Twenty five per cent of children aged 15 years and under were recorded in the survey as employed, but the large majority of them were unpaid family workers in agriculture or in domestic and other household activities. No gender differences were recorded. **Whereas the position in Tanzania Mainland is 28 per cent of children aged under 15 years (25 per cent of girls and 31 per cent of boys) were recorded in the survey as employed. (See Chapter 4 for information on child labour.)**

The lack of provision for income security in old age (except for a small minority) results in the employment rates of older people (at age 60 and above corresponding to the legal retirement age) being high when compared to the working age 15-59 population. Nearly 67 per cent of older people were employed: 54 per cent of all older women and 79 per cent of all older men. The employment to population ratio for older women was far lower in urban areas: 36 per cent compared to 65 per cent of men. Generally

Figure 2.2 Employment to population ratio by sex and employment status (population 15 and older)



employment participation by the elderly was higher in rural areas: 76 per cent in rural areas and 52 per cent in urban areas. The majority, 64 per cent, of the employed elderly were reported as working as unpaid family workers with the figure being 77 per cent in rural areas and 30 per cent in urban areas. No gender differences were recorded. Twenty three were self-employed outside agriculture: 47 per cent of older workers were employed in urban areas and 14 per cent in rural areas. Very few older people were employed as paid employees 6 per cent: less than 3 per cent in rural areas and 17 per cent in urban areas. Hardly any women were paid employees: just over 1 per cent of older women and no women in rural areas.

2.2 Where people work

2.2.1 Employment by legal form of establishment

From the point of view of potential social security coverage, two important factors are *status of employment* (e.g., employees versus self-employed), and *where* a person is employed. Social security legal coverage and entitlements differ depending on whether someone works for central government, local government, a parastatal company, a private business, an NGO or an international organization or simply, in the household.

Figure 2.3 shows in relation to the main type of employment that 10 per cent of all employed persons (more than 12 per cent of working men and less than 7 per cent of working women) were employed by central or local government bodies, a parastatal or other corporate organizations (political party, partnership or cooperative registered, NGOs and international organizations). Slightly more than 31 per cent worked in private businesses (27 per cent of all working women and 34 per cent of all working men). The majority simply used their own household as a business environment either by working in agriculture, on their own farm, or as an unpaid worker (41 per cent) or, outside agriculture, undertaking domestic or other household economic activity (11 per cent for all, 8 per cent of working women and 3 per cent of working men).

Figures 2.4 to 2.7 show patterns of employment when we combine employment status (being an employee, self-employed outside agriculture, own farm or shamba in agriculture or as an unpaid family worker either in or outside agriculture) with type of business establishment or work: public or corporate organization, private or just

Figure 2.3 Persons in employment by type of establishment by age range and sex (percentage)

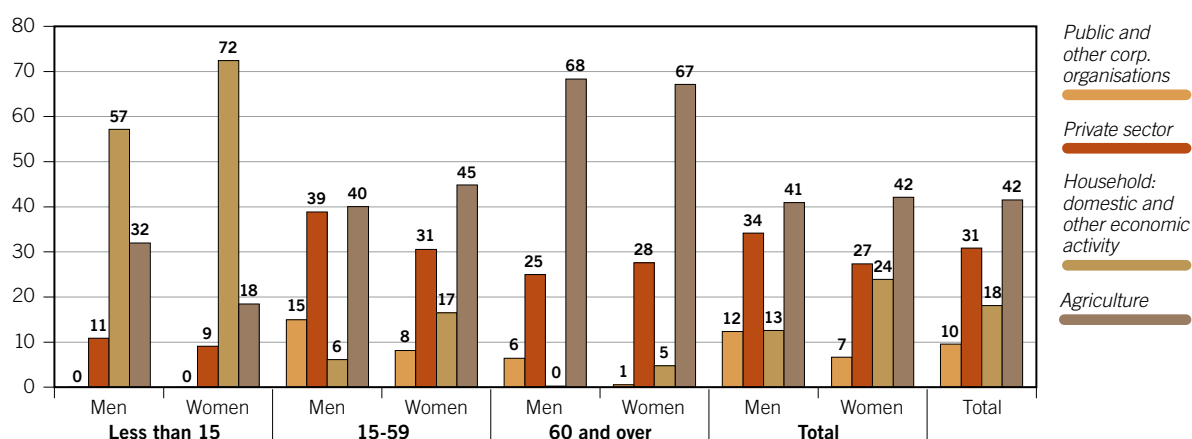
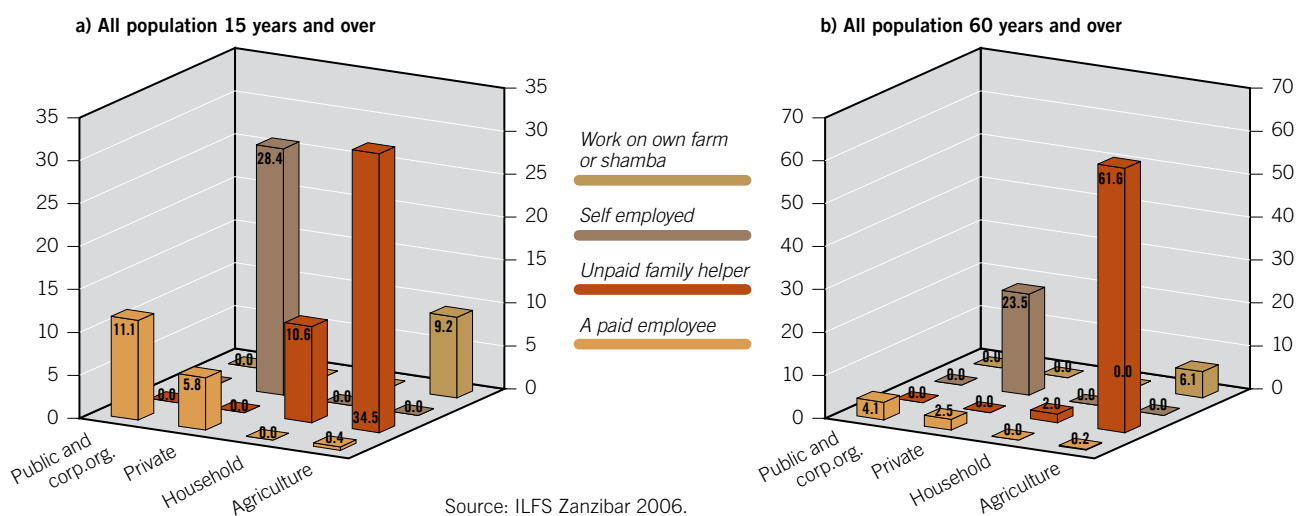
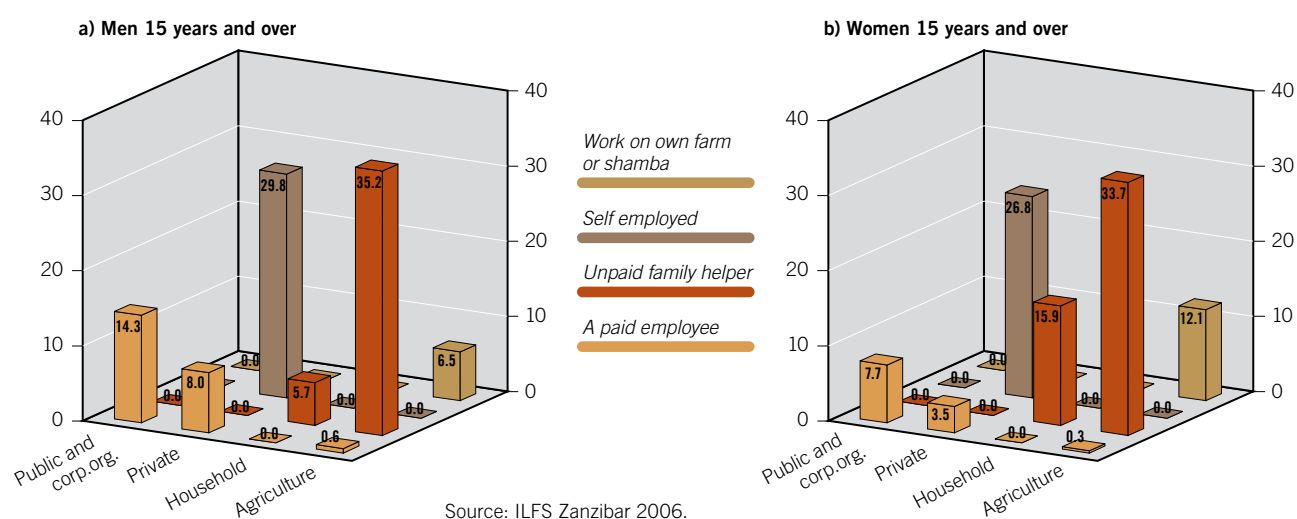
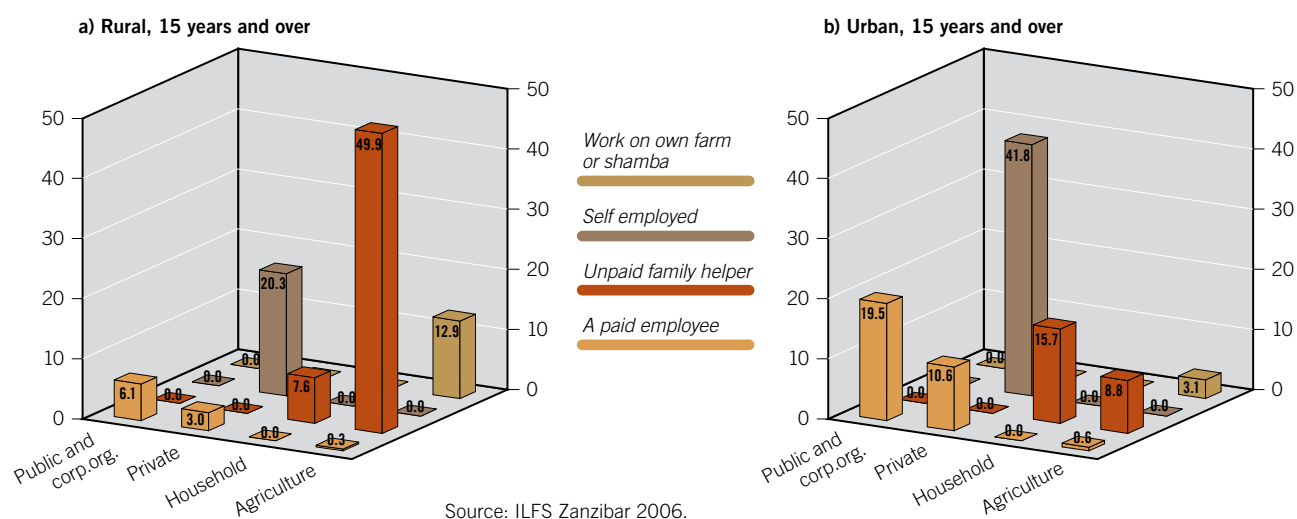
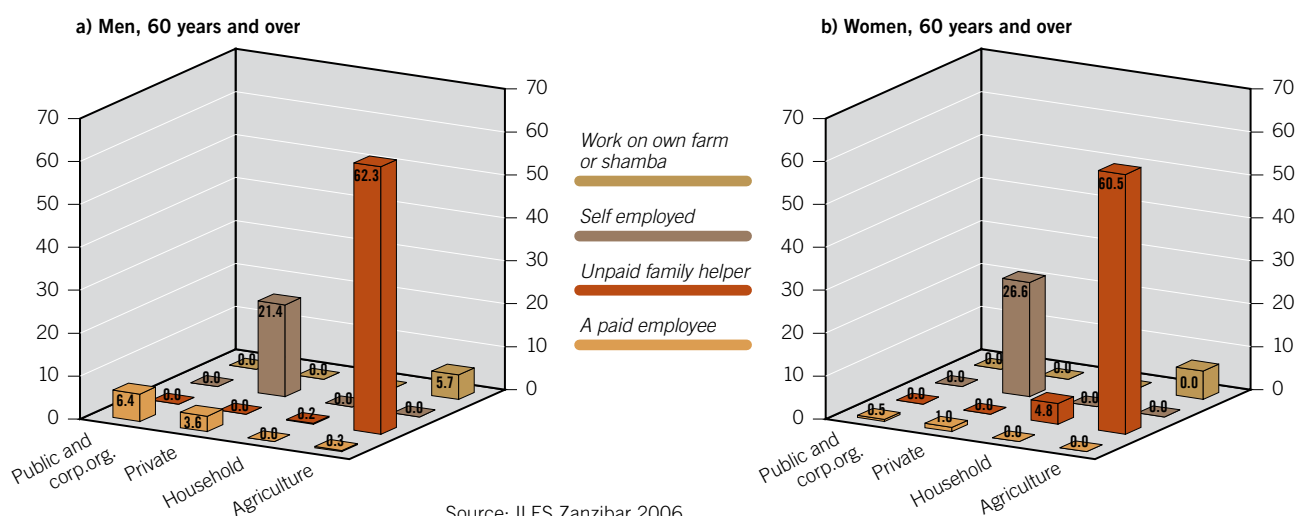


Figure 2.4 Employment distribution by employment status and type of establishment (percentage)⁴**Figure 2.5 Employment distribution by employment status and type of establishment (percentage)****Figure 2.6 Employment distribution by employment status and type of establishment (percentage)**

⁴ Figures 3-7 to 3-7 show the percentage of employed people that falls under each category (e.g., paid employees in public establishments, self-employed in private establishments, unpaid workers in households, etc.).

Figure 2.7 Employment distribution by employment status and type of establishment (percentage)

household outside agriculture, own farm in the agricultural sector. One can see that these patterns were very different for men and women and also for urban and rural populations.

In Zanzibar the labour market, including agriculture, is dominated by two main types of employment. First, unpaid family workers representing the majority of those employed in rural areas (50 per cent of total employment in rural areas was made up of unpaid agricultural family workers). Second, self-employment mainly in urban areas: self-employment outside agriculture represents 42 per cent of total employment in these areas.

The survey (2006) shows employees are the smallest employment group; but represent a relatively high proportion of those in total employment when compared to the situation in Tanzania Mainland. In Zanzibar, over 85139 persons in employment are paid employees (84430 aged 15 years and over), representing 15 per cent of total employment. Only one third were working in the private sector⁵ and the majority (two thirds) were employed in the public sector (extended to organisations). Most of the paid employees (66 per cent) were located in urban areas where they represent more than 30 per cent of total urban employment. In urban areas, self-employment outside agriculture accounted for 42 per cent of total employment (over 76000 people 15 years old and over). The 25 per cent of unpaid family workers can be added to this percentage. Those working on their own farm represent the lowest proportion with just over 3 per cent of total urban employed (aged 15 and over).

Older workers, are predominantly unpaid family workers and this is slightly different to Tanzania Mainland where the majority were working on their own farms. In Zanzibar, 63 per cent of people aged 60 and over were working as unpaid family workers. This is because the large majority of older workers work as unpaid family workers in rural areas (79 per cent of old rural workers and only 30 per cent in urban areas). In urban areas the majority of older workers were self-employed (more than 46 per cent) and 17 per cent were paid employees (88 per cent being men).

⁵ Employment in the private sector does not include household work.

Where people work: Formal sector activities and employment in the informal sector

2.3

Generally, the legal basis of the establishment is one⁶ of the criteria used to determine whether an activity is part of the so-called “informal sector” or “formal sector”. The formality or informality of the enterprise will be one of the factors determining the extent of informality of employment (see section 2.5).

The definition of employment in the informal sector includes all jobs in informal sector enterprises or all persons who, during a given reference period, were employed in at least one informal sector enterprise, irrespective of their status in employment and whether it was the main or secondary job (ILO, 1993). Informal sector, and the related concept of employment in the informal sector – are enterprise-based concepts. Working in the informal sector may mean working in an enterprise where its size, (the number of employed) is below a certain threshold, or one that is not registered. It can also mean working in a household, home or on the street.

In the context of the analysis of ILFS data, any employer or someone working on their own-account whose activity takes place in the public sector or other corporate organizations⁷ is considered as working in the formal sector.

In addition if the activities take place in an unregistered cooperative, a private own account unit, a private sector enterprise with employees, an unregistered partnership or any other private unit, then the activities of enterprises of more than ten employees, or in the case of smaller enterprises and for own account workers, units with clear and comprehensive records or accounts⁸ with which to monitor the activities of the enterprises are considered to be formal sector activities.

Based on these three criteria (type of enterprise, size and record keeping) and considering the main activity, according to the ILFS data, 20.3 per cent of the total employed outside agriculture work in the formal sector and 79.7 per cent in the informal sector (86.6 per cent of all women in employment and 73.3 of all men in employment).

If agriculture is included the percentage of people working in the informal sector is significantly higher, representing 88.1 per cent of total employment (only taking into account the main activity). This proportion, as one would expect, is higher in rural areas (94 per cent) compared to urban areas (78 per cent). Figures 2.8 (a) and (b) shows the overall proportion of employment in the formal and informal sectors and the composition by status for total and by gender.

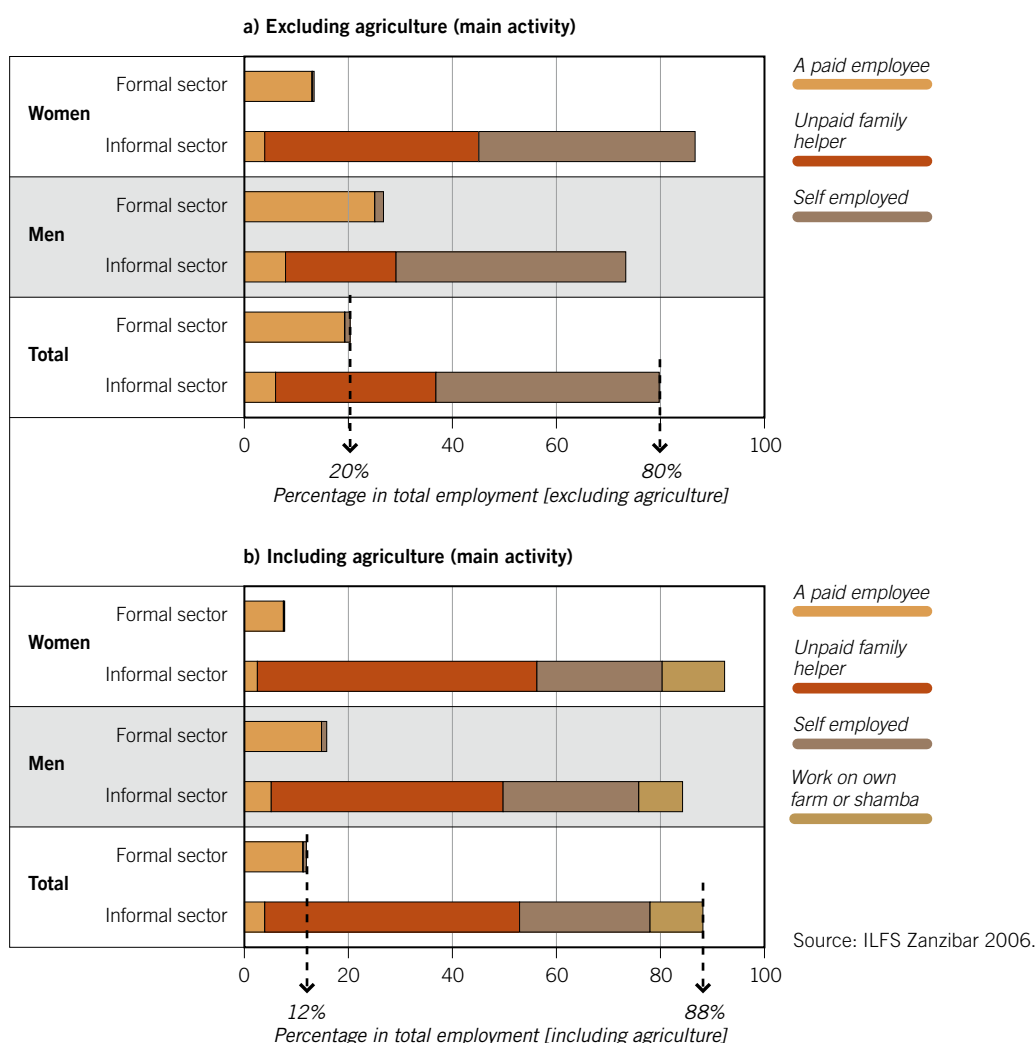
Thus, the majority of the employed are working in informal sector enterprises and women appear to be more likely to be engaged in this type of employment which also includes a significant proportion of paid employees. The following sections 2.4 and 2.5 in particular, identify among the paid employees, groups of employed with different degrees formality according to the selected criteria.

⁶ The legal form of the activity allows to make the distinction between corporate and non corporate enterprises. The additional indicators used on the Tanzania ILFS survey to make the distinction between formal and informal enterprises are: enterprise size, record keeping and comprehensiveness and nature of those records).

⁷ This category includes central government, local government, parastatal, political party, partnership registered, non governmental organization, religion organization, registered cooperative and international/Regional organization.

⁸ By comprehensive records or accounts is understood any written records or accounts showing all of the following balance sheets of assets and liabilities, investment/ withdraw of capital by the business owner(s), withdrawals of income by the business owner(s), earnings retained within the Business as saving.

Figure 2.8 Persons employed in the informal and formal sector in total employment including and excluding agriculture and composition according to status in employment (percentage)



2.4 Paid employees

As most existing social security provision in Zanzibar is specifically directed at employees, it is important to look in greater detail at the characteristics of their employment relationship to try and understand why they are not all covered by existing social security provisions.⁹

- In Zanzibar, according to the 2006 ILFS, 15.1 per cent of all employed persons were in paid employment, with 17.4 per cent in the 15-59 age group, 6.8 per cent in the group aged over 59 (60 being the legal retirement age within the formal social security schemes) and less than 1 per cent among children aged under 15 years. In all cases these proportions were lower among women in employment. In the age group 15-59

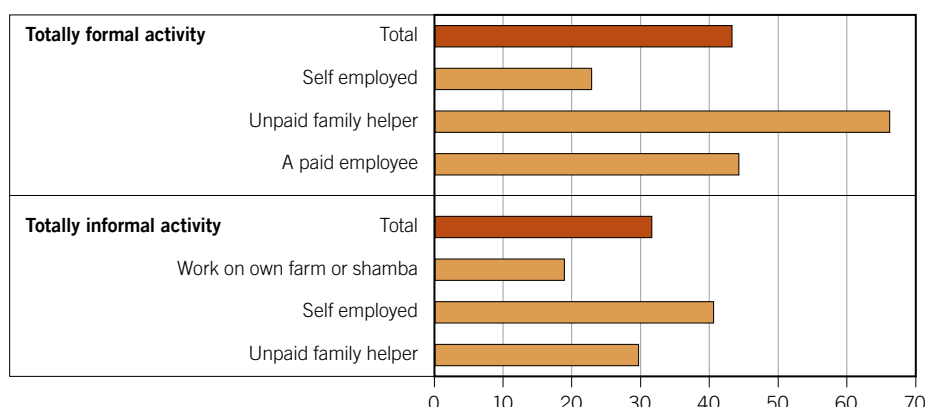
⁹ While there is more than 85,000 persons reported in the survey as employees, overall coverage (in terms of active membership status) of ZSSF in 2006 seems to be not more than 35,000. The latter figure is still uncertain due to problems with record keeping in the existing social security institutions and difficulties in establishing how many members and regular contributors they actually have.

these proportions are lower among women in paid employment: 12.1 per cent compared to 23.9 per cent for men. The corresponding proportions among those aged 60 and over were 1.5 per cent and 10.3 per cent for women and men, respectively.

- Among those aged 15 years and over, 97.3 per cent of employees were in the 15-59 age group and only 2.7 per cent were aged 60 and over. Thirty per cent of all employees were women. One third of all employees worked in rural areas.
- 63.9 per cent of paid employees aged 15 and over worked in public sector enterprises or corporate organizations (67 per cent of women and 62.5 per cent of men).
- 75.6 per cent of paid employees worked in relatively large establishments, employing 10 or more employees. There was no significant gender difference.
- Considering the main activity to include agriculture, 25.5 per cent of paid employees (with no gender difference) worked in the informal sector (as defined above). This proportion was higher (36.1 per cent) if all other activities were included.
- Among paid employees, 41 per cent had a secondary activity (47 per cent of men and 28 per cent of women). According to the ILFS data, the proportion of paid employees with an additional work activity was higher among those working in the formal sector -almost 45 per cent -compared to 32 per cent of paid employees working in the informal sector. In nearly all cases (99 per cent), the second activity was in the informal sector. Figure 2.9 presents the percentage of workers who had a second activity according to their employment status and sector – formal or informal – of their main activity.
- There were no significant differences between men and women among paid employees. The main gender difference occurred at an earlier stage: in accessing paid employment.

One of the obstacles to enforcing effective social security coverage may be the fact, revealed by the survey analysis carried out by the project teams in Zambia, and Tanzania Mainland that not all paid employees have a written labour contract. Interestingly, in Zanzibar, a significant proportion of — but not all — paid employees declared having a written contract: three out of four paid employees (62 per cent on a permanent basis, 6.5 on a fixed term basis and 5.7 per cent a casual written contract). This may be due to the large proportion of paid employees working in the public sector

Figure 2.9 Secondary activity: Percentage of workers having a secondary activity by status in employment (in the main activity) (percentage)



Source: ILFS Zanzibar 2006.

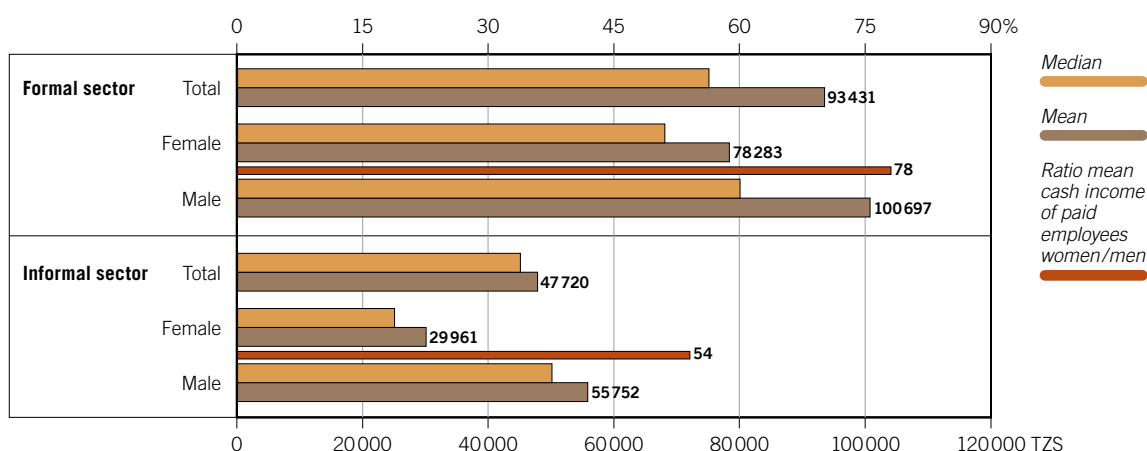
(larger than in Tanzania Mainland). Almost 14 per cent had an oral casual contract and 12 per cent declared having no contract or did not know if they had a contract. Looking at only paid employees working in formal sector enterprises, 92.6 per cent had a written contract (with 82 per cent having permanent written contract) and 3.7 per cent oral casual contracts.

The corresponding proportions of employees working in informal sector enterprises are the opposite to that of the formal sector with the majority, 43.9 per cent having an oral contract and only 20.8 per cent a written contract in most cases on a casual basis (11 per cent compared to 9.8 per cent on a permanent basis). According to the Labour Act, 1997 (Part IV), the contract should be in writing. The only exception concerns daily-paid service contracts which should not exceed a period of 3 months.

Unfortunately, the relatively high proportion of paid employees having a written contract compared to that in Tanzania mainland (where results from ILFS 2005-2006 revealed a percentage of less than 50 per cent), does not seem to result in better social security coverage. Just below half of all paid employees (47 per cent) said their employers were not contributing to social security or they did not know if the employer had contributed. This proportion is far lower in the public sector and other corporate organizations (23.6 per cent) is the private sector where almost 90 per cent of paid employed are not covered by social security. Less than 2 per cent of paid employees working in the informal sector said their employer contributed to any of the existing formal social security scheme (all of them being in the private sector); the corresponding proportion for paid employees working in the formal sector is just over 69 per cent, relatively higher but still low.¹⁰

The earnings of female employees, as reported in the ILFS (2006), are on average 74 per cent of those of male employees. This gap is much wider for employees in the private sector: earnings of female employees are only just half the earnings of male employees (55 per cent). It was not possible to calculate the figure for paid employees working in households as only women were represented in this group. In the public and other corporate organizations this ratio was nearly 80 per cent. Linked to these results

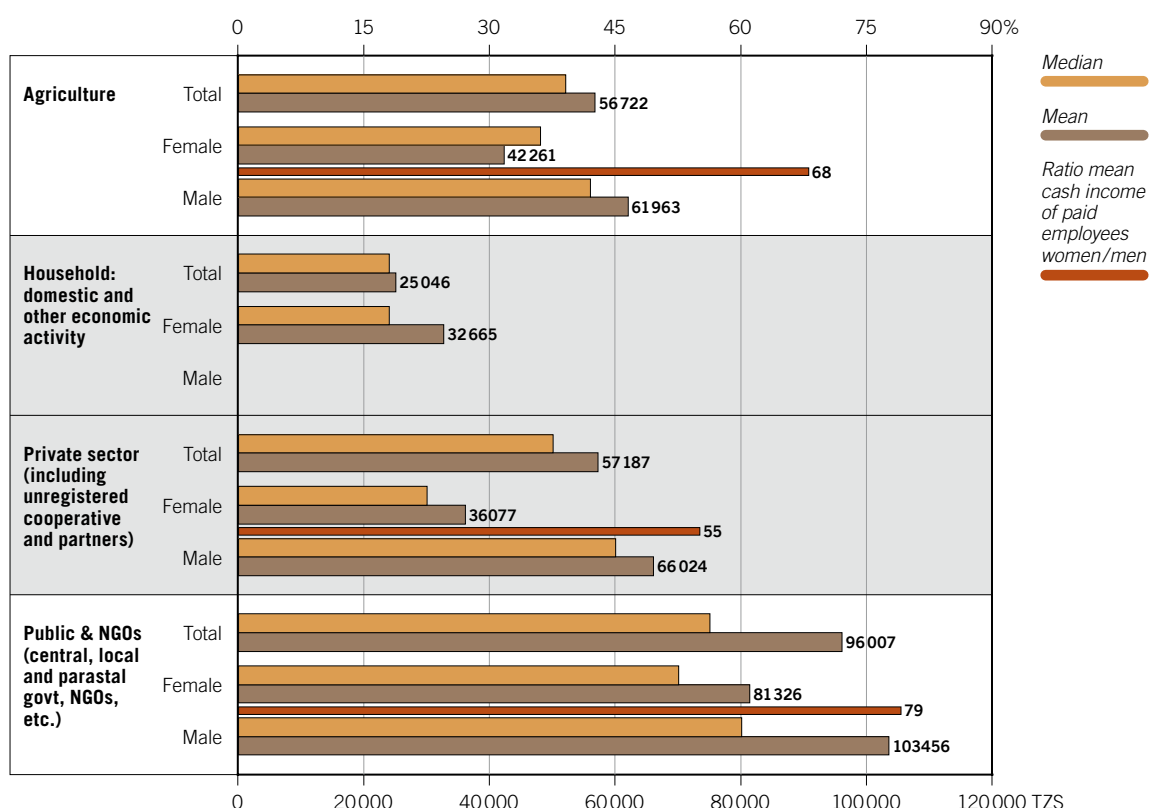
Figure 2.10 Gross cash income from paid employment in the last month (all paid) according to the formal or informal nature of the enterprise/activity and gender (in TZS)



Source: ILFS Zanzibar 2006.

¹⁰ Actually, the number of those reporting in the 2006 LFS that their employers contribute to any of the formal social security schemes (pension or other risks) is just over 46000 (including self-employed, employers and own account workers) is higher than the overall number of those being active contributors in the ZSSF estimated from administrative 2006 data at 35000. This can be due to the coverage of part of the workers in Zanzibar by schemes from Tanzania mainland.

Figure 2.11 Gross cash income from paid employment in the last month (all paid) according to the main sector of economic activity (public and corporate organizations, private and households) and gender (in TZS)



Source: ILFS Zanzibar 2006.

and unsurprisingly, the gap between male and female paid employees' earnings was much larger in the informal sector where female earnings were on average 54 per cent of male earnings compared to 78 per cent in formal sector enterprises. Figures 2.10 and 2.11 present the mean and median values of gross cash income from paid employment in the last month according to main sector of economic activity and according to the formal or informal sector. These ratios are similar to those observed in Tanzania Mainland from the ILFS 2005/2006.

Informality of employment¹¹

2.5

Informality of employment is a multidimensional concept.¹² It enlarges the previous concept of the informal sector and aims at taking into account precarious or unprotected forms of employment including that of employees in formal-sector enterprises.

The definition of employment in the informal sector is a job-based definition, which is directly linked to the employment conditions of the worker. It covers situations in which employees are in theory protected by labour legislation, are covered by social security, are entitled to employment benefits etc but in practice are not able to exercise their rights because mechanisms to enforce existing regulations are lacking or deficient.

¹¹ This section contains our original analysis about informality based on the Tanzanian labour force survey.

¹² See Hussmans (2004) and ILO (2003; section 3.1 on Statistics of informal employment, page 47).

Informal employment may be determined by the existence of a formal contract, the type of this contract, the character of the job (temporary or not), and the actual entitlements to various benefits envisaged by the law (e.g., paid leave). Even within the formal sector there are those who are informally employed (one can also envisage that even in the informal sector there may be persons who are formally employed).¹³

The scale presented below proposes different degrees of employment formality, in or outside the formal sector. For the purpose of this analysis based on Zanzibar ILFS 2006 dataset, we adopted the following criteria of formality/informality of employed:

2.5.1 *Employed in the formal sector*

As describe above (section 2.2), “Employed in the formal sector” applies to all of those who are employed in public employment or corporate organization and all those employed elsewhere if establishments employ more than 9 persons or for smaller enterprises, if the employer keeps comprehensive records. These two proxy indicators (establishment size and comprehensive record keeping) are used in the absence of any information about registration of the enterprise or its compliance with fiscal legislation. All the others are treated as employed in the informal sector.

2.5.2 *Formal employment*

In this case, on the basis of the only available information we measure degree of formality of employment using the following criteria:

- ☐ for employees, (i) the existence (or awareness) of a formal written contract (permanent or casual) with an employer; and (ii) that the employer contributes to any of the formal social security schemes; and
- ☐ for the self employed, (i) as an indicator of employment security, a self-employed person filled this first criteria if the enterprise operated all year around, in a fixed location outside of the home for a total of at least 40¹⁴ hours a week; and (ii) that the self-employed (employer or own-account worker) contributed to any of the social security scheme (self-employed workers can be covered on a voluntary basis).

Unfortunately, the ILFS did not include a question on the existence (or awareness) of entitlement to paid leave or to other entitlements as established in the Employment and Labour Relations Act. We use a three-degree scale: if all criteria are met, we classify employment as totally formal (value 2); if none of the two criteria is met, employment is totally informal (value 0).

¹³ Formal/informal economy criteria overlap but are not identical as criteria applied by the CSO (2007) Labour Force Survey Report to identify informal sector employment. The results presented here are thus different and not easily comparable. Criteria of formality/informality and the approach are also different from the ones applied in CSO (2006a) and CSO (2006c). Nearly 500 thousands employees reported in CSO (2006c) to work in the formal sector are actually working in businesses which are formally registered but among them are those with lower or higher degree of formality of their employment according to the criteria applied here.

¹⁴ Working less than 40 hours a week being considered as under-employment.

Formal economy

2.5.3

We also introduced a four-degree scale for the informal economy, which is a combination of the 0-1 scale for informal sector and the three-degree scale for informal employment. Totally informally employed in the informal sector are in the totally informal economy; those fully formally employed in the formal sector are in the totally formal economy. In between we have degrees of informality of the economy depending on the number of the four criteria met.

Figure 2.12 presents the distribution of employment along the scale of informality both excluding and including agriculture. This graph gives a global picture of a majority of the employed concentrated at the bottom end of the scale in totally informal employment. The situation is even worst for women when looking at agricultural employment.

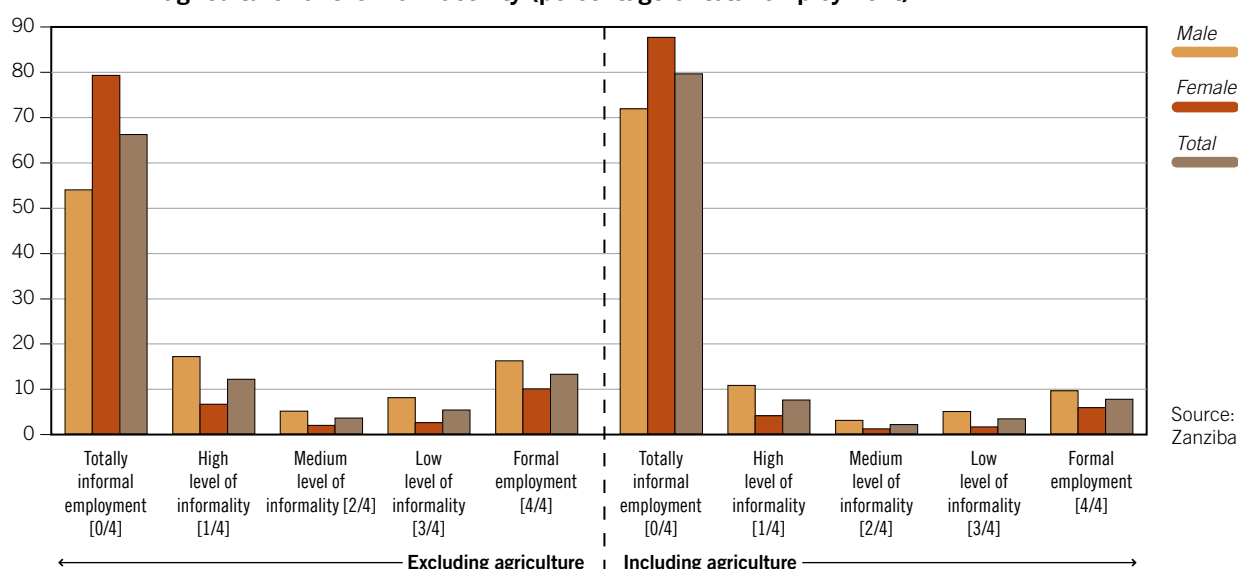
Tables 2.1 and 2.2 present in numbers the results for total employment and for employees, considering their main employment activity, first excluding agriculture and then including agriculture.

Eighty four per cent of all employed (but 91 per cent of all employed women) in Zanzibar work in the totally informal economy, which means they are deprived of most of the rights and entitlements – including social security - associated with formal employment. Less than 8 per cent of all employed are working in an environment that may be called fully formal – at least according to the adopted criteria.

Excluding agriculture, the proportion of employed in totally informal employment is lower but still very high, 74 per cent of total employed outside agriculture and nearly 85 per cent of employed women compared to 63 per cent of employed men. The proportion of those in totally formal employment is just over 13 per cent (16 per cent of all employed men and 10 per cent of all employed women).

Figure 2.13 shows the degree of formality among paid employees is much higher (compared to other employment status and compared to the situation observed in Tanzania mainland). However, almost half of them work outside the totally formal economy. Twenty per cent work in the fully informal economy and do not have any legal rights and entitlements to social security. An insignificant proportion of the self-employed are in totally formal employment (less than 0.5 per cent).

Figure 2.12 Distribution of employment along the scale of informality excluding and including agriculture for the main activity (percentage of total employment)



Source: ILFS Zanzibar 2006.

Table 2.1 Degrees of informality for all employed persons (main employment)

Degree of informality		Male (%)	Female (%)	Total (%)
Excluding agriculture				
Totally informal	Gender composition	44.7	55.3	100.0
	Share of group in total	63.4	84.5	73.6
High informality	Gender composition	80.7	19.3	100.0
	Share of group in total	11.8	3.0	7.6
Low informality	Gender composition	79.1	20.9	100.0
	Share of group in total	8.7	2.5	5.7
Totally formal	Gender composition	63.6	36.4	100.0
	Share of group in total	16.1	10.0	13.2
All	Gender composition	51.9	48.1	100.0
	Share of group in total	100.0	100.0	100.0
Including agriculture				
Totally informal	Gender composition	47.5	52.5	100.0
	Share of group in total	78.0	90.9	84.3
High informality	Gender composition	80.3	19.7	100.0
	Share of group in total	7.0	1.8	4.5
Low informality	Gender composition	78.9	21.1	100.0
	Share of group in total	5.4	1.5	3.5
Totally formal	Gender composition	63.6	36.4	100.0
	Share of group in total	9.5	5.8	7.7
All	Gender composition	51.3	48.7	100.0
	Share of group in total	100.0	100.0	100.0

Source: Zanzibar ILFS 2006

Table 2.2 Degree of informality for paid employees

Degree of informality		Male (%)	Female (%)	Total (%)
Totally informal	Gender composition	70.4	29.6	100.0
	Share of group in total	20.9	18.5	20.1
High informality	Gender composition	66.5	33.5	100.0
	Share of group in total	8.5	9.0	8.6
Low informality	Gender composition	76.6	23.4	100.0
	Share of group in total	23.0	14.8	20.3
Totally formal	Gender composition	63.6	36.4	100.0
	Share of group in total	47.7	57.6	50.9
All	Gender composition	67.9	32.1	100.0
	Share of group in total	100.0	100.0	100.0

Source: Zanzibar ILFS 2006

Table 2.3 shows, most private sector paid employees are working in the informal economy (56.5 per cent of employees in the private sector are totally informal), while only 8 per cent of private sector employees work in a totally formal environment with fully formal employment conditions (as defined here). However, even in public sector employment one can find a relatively high degree of informality (by our definition employment in public sector cannot be fully informal): nearly 20 per cent of employees

Figure 2.13 Distribution of employment along the scale of informality by status in employment (excluding and including agriculture) (percentage)

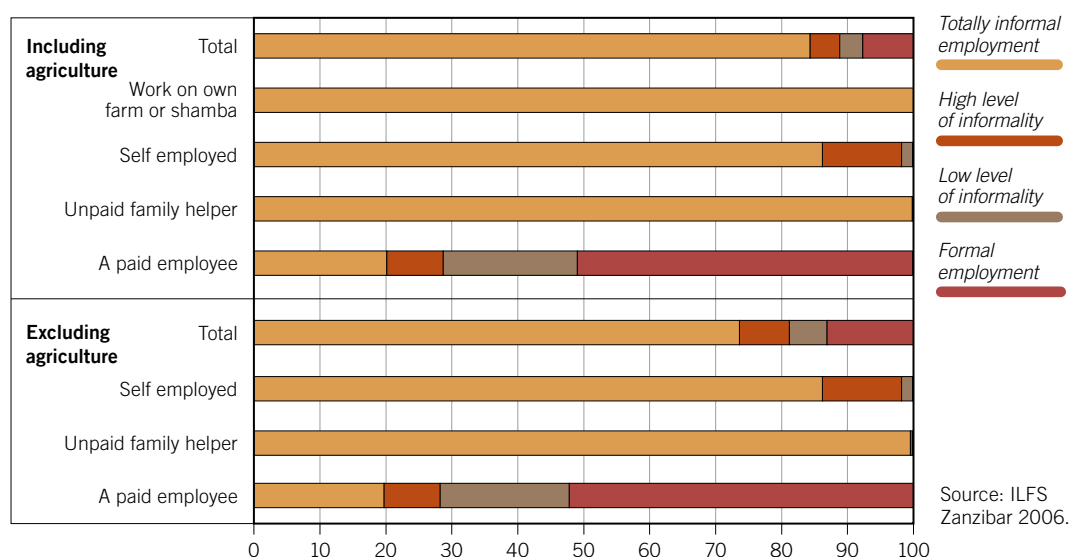


Table 2.3 Degree of informality for paid employees by type of employer

	Totally informal	High informality	Low informality	Totally formal	Total
Central government	0.0	1.2	21.7	77.2	100.0
Local government	0.0	19.5	37.6	42.9	100.0
Parastatals	0.0	10.5	29.0	60.5	100.0
Other corporate organisations	5.7	33.6	36.3	24.4	100.0
Private sector	56.5	19.2	16.3	8.0	100.0

Source: Zanzibar ILFS 2006.

in local government, 10 per cent in parastatals and just over 1 per cent in central government were employed in conditions of high informality; and, respectively 38 per cent, 29 per cent and 22 per cent in low informality. In other corporate organizations (political parties, NGOs, registered cooperatives and international organizations) the level of informality is higher as 75 per cent are in the “non-formal” economy — 5.7 per cent (total informality), 34 per cent (high informality) and 36 per cent (low informality).

The situation in Zanzibar is slightly different to Tanzania Mainland with a higher concentration of workers in the two extremes of the informality scale. Only 28 per cent of employees are in intermediate situations, the majority having a proper written contract (either permanent or casual) but are not members of any of the existing formal social security schemes.

- Looking at the main activity, nearly 20 per cent of employees belong to the low informality group: almost all, 93.8 per cent have a permanent written contract of employment, 2.5 a fixed term contract and 3.8 per cent a casual written contract but only 10.8 per cent of them said their employers contributed to social security
- 8.6 per cent belong to the highly informal group where less than less than 1 per cent of employees said that employers contributed to social security. In this group, less than 65 per cent of employees had a written permanent contract.

Table 2.4 Distribution of employment in formal versus informal sector by status and; respective distribution of employment along employment informality in formal and informal sector enterprises (main activity, percentage of total employment)

	A paid employee	A self employed (non-agricultural)		Unpaid family helper	Work on own farm or shamba	Total
		with employees	without employees			
Formal/informal sector						
<i>Basic criteria</i>						
Public sector and other corporate organizations	64.9	0.0	0.0	0.0	0.0	16.3
Comprehensive record keeping (in the enterprise)	76.4	14.1	1.4	0.2	0.0	20.3
Enterprise size (10 and more paid employees in the enterprise)	75.6	9.7	0.4	0.2	0.0	19.6
<i>Formal/Informal sector</i>						
Totally formal enterprise/ activity	74.5	14.1	1.4	0.2	0.0	11.9
Total informal enterprise / activity	25.5	85.9	98.6	99.8	100.0	88.1
Formal/informal employment (employment and social protection)						
<i>Basic criteria</i>						
Written contract (and proxy employment indicator for self employed)	74.3	33.4	11.4	0.1	0.0	14.6
Employer or «self» contribution to social security	53.2	3.0	0.2	0.2	0.0	8.2
Employment scale in and outside the informal sector						
<i>In Informal sector</i>						
Totally informal employment	78.9	72.1	89.3	99.8	100.0	95.6
High level of informality	15.1	27.4	10.7	0.2	0.0	4.1
Low level of informality	6.0	0.5	0.0	0.0	0.0	0.3
<i>In formal sector</i>						
High level of informality	6.4	19.9	28.3	65.8	0.0	7.5
Low level of informality	25.3	75.0	71.7	34.2	0.0	27.6
Formal employment	68.3	5.1	0.0	0.0	0.0	64.8

There is a high correlation between the degree of formality and the level of education (as shown in Figure 2.14), including ability to read and write. Among employees employed in the totally informal economy, 27 per cent (more than one third in rural areas and 12 per cent in urban areas) could not read and write compared to less than 2 per cent of all workers in the totally formal economy. Among paid employees in the totally informal economy, 8 per cent could not read and write (13.5 per cent in rural areas and 5 per cent in urban areas) compared to 3.6 per cent of paid employees in the totally formal economy. Regarding the level of education, in the totally informal economy, 27 per cent had never attended school and just over 30 per cent had secondary level or above. The majority, 42 per cent had completed primary level. The situation in the formal economy shows a rather different situation with 2 per cent of all persons in employment having no schooling and 85 per cent with at least a secondary level.

Also, the higher the degree of formality, the higher the earnings of those in paid employment as shown in Figure 2.15 for paid employees only. The earnings of women were lower than that of men regardless of the level of informality. Among

Figure 2.14 Status and scale of informality of employment and highest level of education (main activity, percentage of employed) (percentage)

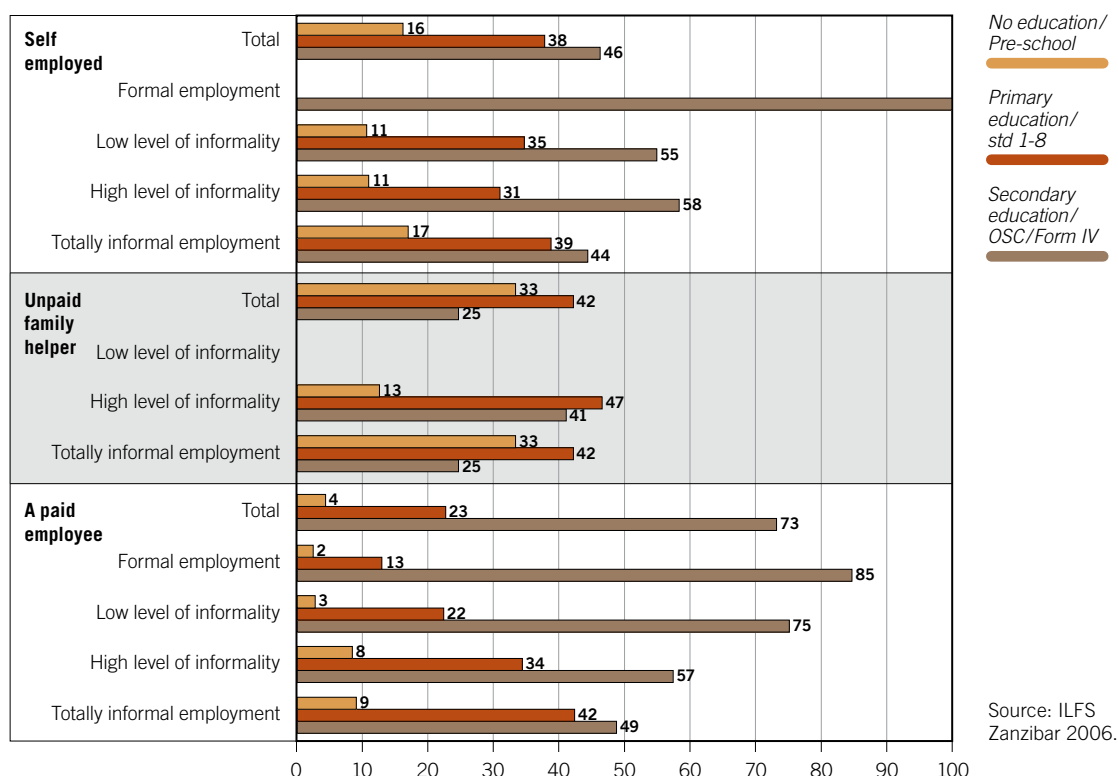
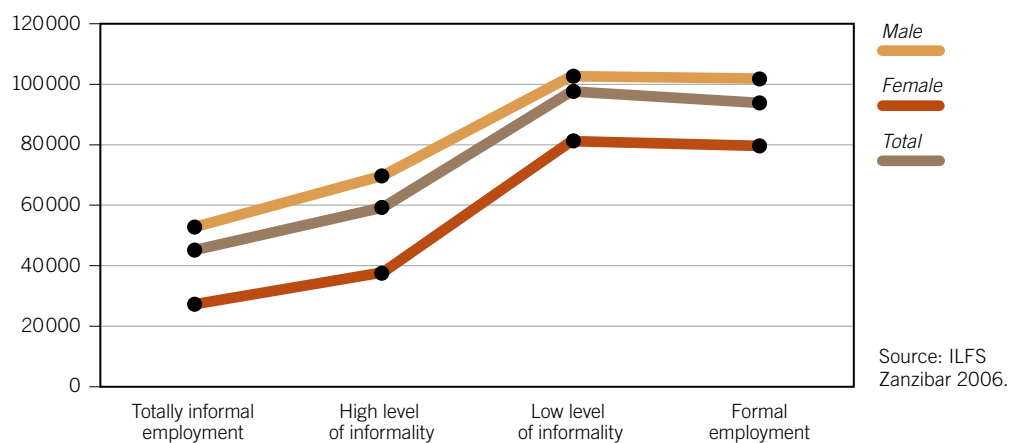


Figure 2.15 Gross cash income from paid employment last month (all paid) by degree of informality of employment and by gender (paid employees only) (TZS)



paid employees, gross cash income from paid employment was 5.4 times higher in the formal economy compared to the totally informal economy (7.8 times higher among women paid employees and 4.9 for men). Earnings among workers in fully formal employment (mainly public sector workers) are slightly lower than in the previous group due to low pay in public sector relative to private sector.

2.6 Conclusions

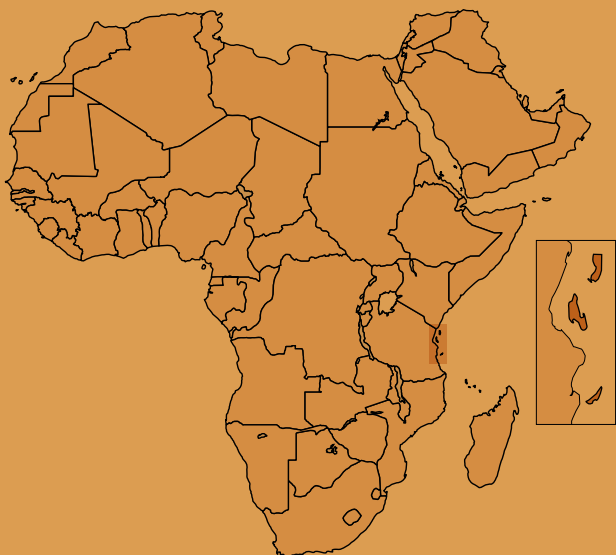
This analysis enables a number of important conclusions to be reached that have policy implications for the most practical and effective approaches to the extension of social protection – both contributory and non-contributory – coverage in Zanzibar:

- The survey shows agriculture is the largest sector in terms of employment in Zanzibar. It represents 41 per cent of total employment in Zanzibar compared to 74 per cent in Tanzania Mainland.
- The next largest sector of employment is linked to tourism: wholesale and retail trade, restaurants and hotels. This sector employed 17.2 per cent of those in employment.
- A large majority of the employed in Zanzibar are employed in the totally informal economy. If agriculture is included the percentage of people working in the informal sector represents 88.1 per cent of total employment.
- The situation is different for those who have the status of paid employees with, however, important disparities between paid employees working in the private or the public sector.
- The level of informality is globally much lower among paid employees even though 20 per cent are in totally informal employment. The proportion of paid employees in total employment is however very low and is decreasing which, in combination with a relatively high level of informality among employees in the private sector, indicates an ongoing process of informalization. Totally formal employment is mainly the fact of public sector employees (3 out of 4 public sector employees are in totally formal employment, account in total for 95 per cent of the group of workers in formal employment). On the contrary, more than half per cent (56.3 per cent) of paid employees working in the private sector are in total informal employment and only 8.3 per cent are in the so-called formal employment group.
- There is a high correlation between the degree of formality and the level of education.
- Among paid employees in the totally informal economy, 8 per cent could not read and write (13.5 in rural areas and 5 per cent in urban areas) compared to 3.6 per cent of paid employees in the totally formal economy.
- The earnings of female employees were on average 74 per cent of those of male employees. This gap is much wider for employees in the private sector: earnings of female employees were only just half the earnings of male employees (55 per cent).
- Nearly 67 per cent of older people are employed: 54 per cent of all older women and 79 per cent of all older men. Older workers are predominantly unpaid family workers.
- Twenty five per cent of children aged 15 years and under were recorded in the survey as employed, but the large majority of them were unpaid family workers in agriculture or in domestic and other household activities.
- Just below half of all paid employees (47 per cent) said their employers were not contributing to social security or they did not know if the employer had contributed. This proportion is far lower in the public sector and other corporate organizations (23.6 per cent) to the private sector where almost 90 per cent of paid employed are not covered by social security.
- Less than 10 per cent of those in total employed said they were covered by social security.

This labour market analysis tells us that there is scope to increase the number of workers covered. Extension of coverage by social insurance, ZSSF should be given priority. It is mandatory for all employees in Zanzibar to be covered by the ZSSF. However, the self-employed can join the scheme on a voluntary basis. Informality is huge among the self-employed and unpaid family workers. This indicates poor enforcement and a need to re-examine voluntary arrangements.

The lack of voluntary affiliation is common to many schemes open to specific groups on a voluntary basis and calls for an analysis of the different reasons, among which may be the lack of awareness, the lack of interest to pay for benefits that do not respond to the immediate perceived needs; and, the lack of capacity to pay. This is certainly the main reason for the majority of workers (84.3 per cent) being at the lowest extremity of the scale of employment informality. For this majority of workers from agriculture or the private sector, mostly self-employed and unpaid family workers, the development of non-contributory schemes, not directly linked to the situation in employment, can be an important option.

The government should look closely at its employment patterns so as to reduce informalization of employment in a sector that is under its direct control. Efforts should be made to eradicate the gender differences in pay so that women can build up social security rights. Lack of education consigns those individuals to working in the informal sector. The elderly have to work as they have no other means of financial support and cannot retire. In this respect, a universal old age pension would be a solution.



3

3.1 Introduction

In this Chapter we examine poverty and vulnerability as two related and widely prevalent phenomena that characterize living conditions in Zanzibar, pointing to the need for greater social protection coverage to address the needs of not only the majority of the population that is officially classified as ‘poor’, but of the poorest and most vulnerable population groups.

As a small low income country, Zanzibar faces numerous development challenges due to limited economic diversification opportunities, and pockets of extreme poverty implying an inability of a significant proportion of the population to sustain basic needs.

This chapter begins by outlining how poverty is calculated in Zanzibar. It looks at the methodology employed by the Office of Chief Government Statistician in Zanzibar (OCGS). In general, the methodology is similar to that used in Tanzania Mainland, with some minor changes to reflect differences in life between the Mainland and Zanzibar.

Officially published analysis is used to look at the poverty profile in Zanzibar. As a matter of quality assurance, this work was replicated and corroborated by the ILO. The overall poverty headcount is lower than in other countries in the region. However, almost half of the population live below the basic needs poverty line, and the most poor, around thirteen per cent, live below the food poverty line.

Living conditions and vulnerability are also analysed and discussed. This analysis is a mixture of published analysis from the 2004/2005 Household Budget Survey (HBS) data and additional analysis of the ILFS data. The quality of living conditions is better in urban areas than in rural areas, as one might expect. The majority of people have access to good toilet facilities, and do not have to travel far to a water supply; and many have their own private water supply.

The available evidence shows there is a relationship between poverty, vulnerability and overall level of education attainment. That is, the better educated you are the less vulnerable you are to falling into poverty. The education picture is positive in some respects but less so in others. For example, literacy rates are fairly high, with around three-quarters of the population able to read or write in one language. However, very

Living conditions: Poverty and vulnerability in Zanzibar

few people progress beyond secondary level education, and the majority of those who receive an education only complete primary level schooling. Educational attainment is better in urban areas than in rural areas. Improving educational prospects at all levels is crucial for the future development of Zanzibar.

Finally, other areas are analysed in respect of living conditions, including health status. According to the HBS data around one-fifth of the population reported being ill in the month prior to being surveyed. In terms of accessing health services, only a very small proportion of those in need failed to do so because it was too expensive, or it was too far to travel to a health clinic. Other issues such as prevalence of HIV/AIDS, and orphanhood do not appear to be major problems at this point in time.

Defining Poverty in Zanzibar

3.2

The 2004/2005 Household Budget Survey (HBS) is the latest available source of information that can be used to define and analyse poverty in Zanzibar. The HBS collected data from 12,617 households across Zanzibar, which can then be weighted to provide representative findings at the national level. The OCGS undertook a process of data collection, analysis, and data cleaning, before poverty lines were calculated using a consumption aggregate methodology. This section details how the Zanzibar Basic Needs and Food poverty lines were derived. The next section looks at analysis developed by the OCGS to determine the breadth and depth of poverty in Zanzibar. The methodology used by the OCGS to calculate poverty lines is explained in full in Appendix A of the HBS report produced by the OCGS, and what follows in this section is a summary of that information. The ILO, in order, to try and corroborate the findings of the OCGS, and to add to the existing evidence base, also undertook analysis of the poverty situation. There were differences in findings, but they were not sufficiently significant to indicate any serious concerns with the methodology used.

During the HBS data collection process, household members who spent money were asked to fill in a diary of income and expenditures in cash, in kind, quantity and value over a period of one month (made equivalent to a 28 day period). This

information was used as a basis to calculate a consumption aggregate, and subsequently to calculate poverty lines for Zanzibar.

The consumption aggregate was split into two components: food consumption and non-food consumption, and represents the sum of all values consumed. The definition used by the OCGS includes items purchased, those that were home produced, methods of payment in kind, and gifts. The methodology employed followed the approach of the Tanzania Mainland HBS, but some items included in the Zanzibar approach were excluded from the Mainland methodology.

The purpose of the consumption aggregate is to provide a measure of the expenditures of a household per “equivalent” adult. This differs from the exact number of people in a household, and reflects the differing consumption needs of children and the elderly compared to adults. In addition, adjustments were made to consumption expenditures (and thus the quantity of goods received from this expenditure) geographically to reflect variation in food prices across the Island.

The HBS report discusses two, related, poverty lines: a food poverty line; and a basic needs poverty line. They both reflect the minimum expenditure required to meet basic human needs, subject to a specific definition. In the case of the food poverty line, the level chosen reflects the minimum expenditure required, per capita, per month, to eat sufficient calories (based on the need for 2,200 calories per day). The main poverty measure, basic needs poverty, reflects the food poverty minimum expenditure plus the cost of other essential expenditures such as clothing and housing.

As mentioned above, the food poverty line is used as the basis to calculate a basic needs poverty line. The food poverty line in Zanzibar is calculated using a standard methodology proposed by Ravallion and Bidani (1994) and Ravallion (1998), where the value of expenditure required for basic food needs is based upon the consumption of the poorest 50 per cent of the population.

Using a basket of food items, the cost of meeting basic calorific needs per day, per adult over 28 days, was calculated. The food poverty line is calculated to be 12,573 TZS for 28 days consumption per adult. The basic needs poverty line was then found by looking at the proportion of food expenditure of the poorest 25 per cent of the population – which was 0.623 – and the inverse of this proportion was multiplied by the food poverty line to derive a higher value that incorporates the minimum expenditure required to meet all basic needs. The OCGS calculated the basic needs poverty line, that is the minimum expenditure required to meet food and non-food consumption over 28 days, to be 20,185 TZS per twenty-eight day month.

3.3 Poverty in Zanzibar

The OCGS have estimated that, using the Headcount Index method of measuring poverty, approximately half of the population in Zanzibar live below the basic needs poverty line (HBS, 2004/05). The Headcount Index measures the proportion of the population who are poor, i.e. in this case those whose consumption expenditure was lower than the pre-determined poverty line (normally the basic needs poverty line assumed herein unless stated). In practice, this is consumption expenditure less than 20,185 TZS per month. As a formula, the Headcount Index can be shown as:

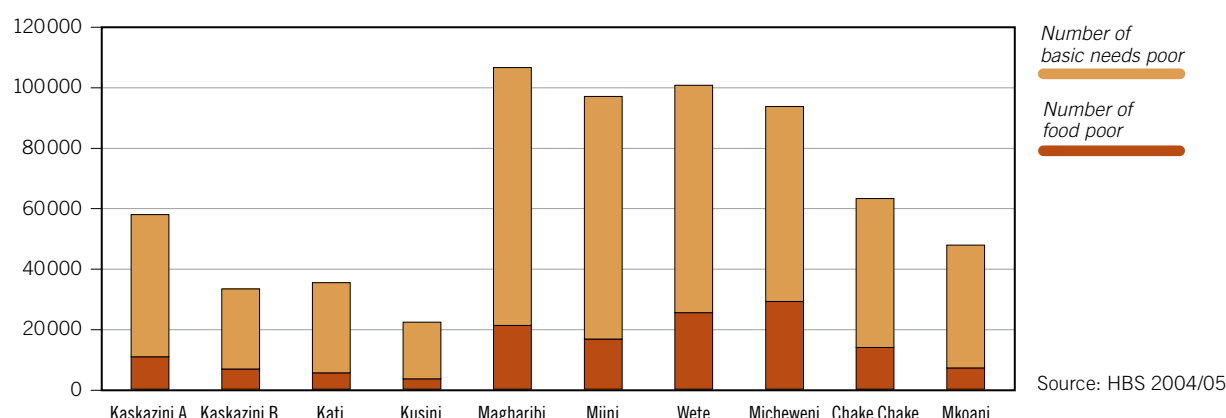
$$P_0 = \frac{N_p}{N}$$

The proportion of people in poverty, P_0 , equals the number of people below the poverty line in the population (“the poor”), N_p , divided by the total population, N . As is common in a developing country context, more of the rural population live below the basic needs poverty line compared to the urban population. Specifically, around 55 per cent of the rural population live below the basic needs poverty line compared to 40 per cent of the urban population. Approximately 13 per cent of the Zanzibar population are food poor, which is also significantly higher in rural (16 per cent) compared to urban (9 per cent) areas (HBS, 2004/05). Aggregate level findings reflect the larger rural population.

Breaking down the headcount poverty analysis in Zanzibar by District, around two-thirds of the basic needs poor live in one of four districts: Magharibi, Mjini, Wete, and Micheweni, see Figure 3.1. As a proportion of the whole population, the numbers of poor in these districts represent almost 40 per cent of the total population of Zanzibar. Micheweni has a relatively higher number, and proportion, of food poor persons, with over 20 per cent of all food poor persons in Zanzibar living in this District.

Relating poverty incidence by District, to the relative size of District populations, in Table 3.1, we find that relatively more people are poor in Wete, Micheweni, and Chake Chake, and relatively less people are poor in Magharibi and Mjini in proportion to the number of people who live in these Districts. The largest number of

Figure 3.1 Distribution of the poor within Zanzibar’s districts



Source: HBS 2004/05

Table 3.1 Relative poverty by district

District	Total population	Percentage share	Number of poor	Percentage share
Kaskazini A	88 285	8%	47 054	9%
Kaskazini B	55 073	5%	26 588	5%
Kati	65 328	6%	29 830	6%
Kusini	34 992	3%	18 823	4%
Magharibi	221 416	21%	85 389	16%
Mjini	213 844	20%	80 438	16%
Wete	106 438	10%	75 346	15%
Micheweni	87 012	8%	64 593	12%
Chake Chake	86 905	8%	49 391	10%
Mkoani	96 633	9%	40 667	8%
Total	1 055 926	100%	518 119	100%

Source: HBS 2004/05

basic needs poor people by District are found in Magharibi, the largest District by population, and this District also has the largest proportion of its population classified as poor, alongside Mjini, where 16 per cent of the population, within District, is poor.

Analysing poverty headcounts by area (i.e. rural versus urban), two-thirds of poor people live in rural areas, which equates to one-third of the total population of Zanzibar, and almost three-quarters of those defined as food poor live in rural areas. Chapter 2 assesses the labour market situation in Zanzibar, without necessarily providing statistically robust correlation between economic activity by area (and District) and poverty.

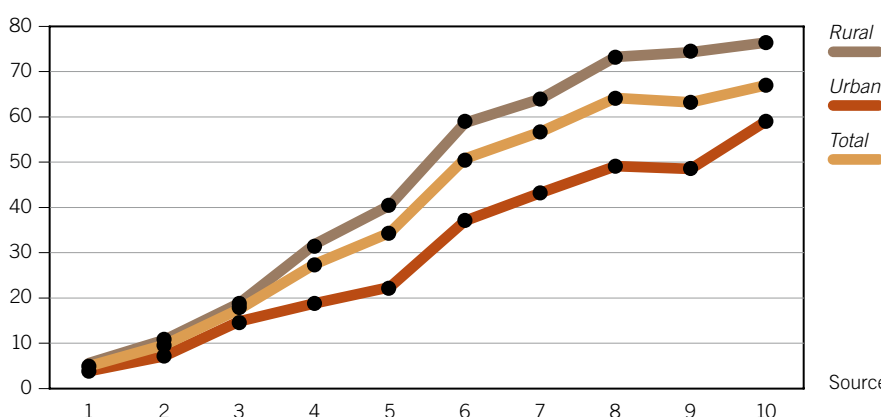
Further analysis of the HBS by the OCGS shows that the larger the size of the household, the larger is the proportion of those living below the basic needs poverty line (Figure 3.2). Notably, of those in very large households of 8 persons or more, around three quarters of such households live below the basic needs poverty line. There is a similar trend in both rural and urban areas, with the ratio by household size being higher in rural areas as one would expect.

Analysis of dependency ratios shows that the greater the number of dependents, the more likely you are to be in poverty. In both rural and urban areas, female-headed households are marginally more likely to be living below the basic needs poverty line, but there is not a major difference between male and female-headed households, which is a different finding to the situation Tanzania Mainland and Zambia.

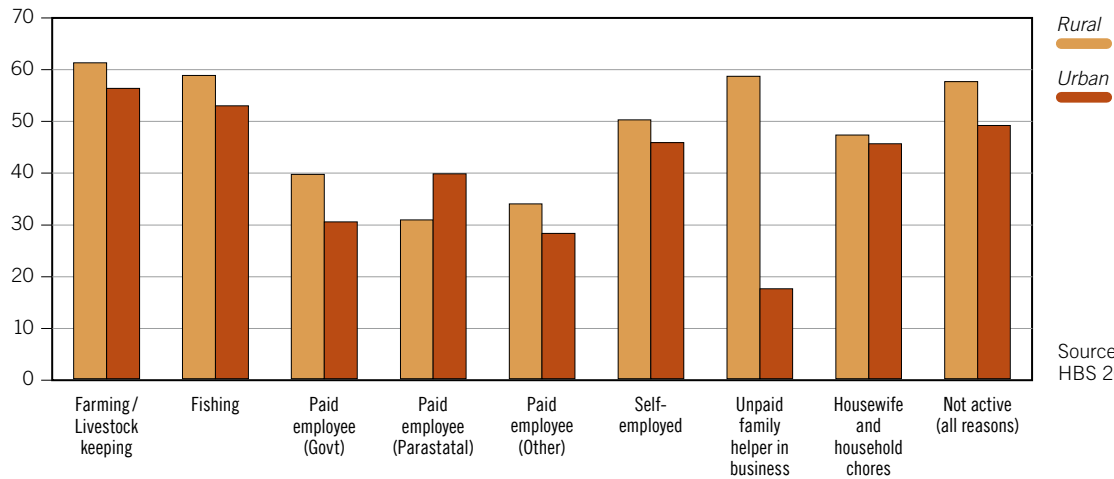
Further OCGS analysis of the Zanzibar poverty profile shows that there is a clear differential in the headcount ratio between those in paid employment, i.e. in government, parastatal, or other employment; and farmers, fishers, and the self employed (see Figure 3.3). Farmers have the highest basic needs headcount ratio, of 60.4 overall (for both rural and urban areas). This ratio is almost double the ratios for paid employees. Consistent with the findings presented above, headcount ratios tend to be higher in rural areas, with the exception of paid parastatal employees in urban areas.

The OCGS also looked at the distribution of poverty by educational attainment. Here the analysis shows that the higher the educational attainment of a household head, such as attaining a basic education or better, the lower the likelihood of poverty within a household. Figure 3.4 shows that there are two stages to the differentials in poverty by educational attainment of household head; first a marked difference between having some form of basic education, compared to no education; and second, between having a basic education and above basic education. However, even when a household head has an above basic education, the headcount ratio of basic needs poverty was nearly 40.

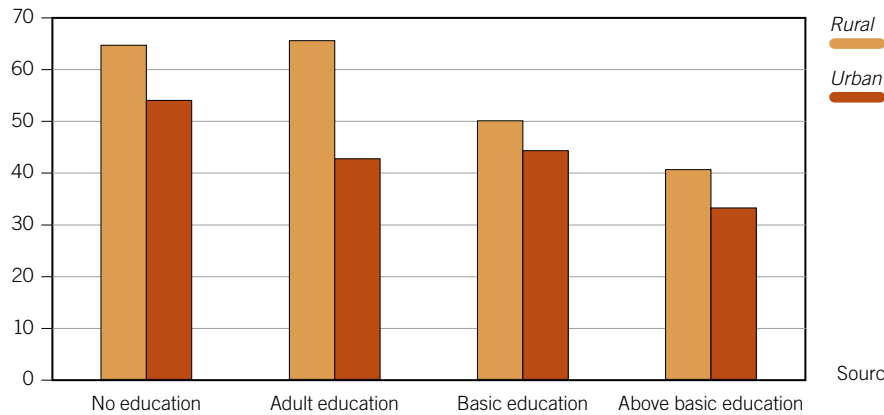
Figure 3.2 Basic needs headcount ratio by household size (percentage)



Source: HBS 2004/05

Figure 3.3 Poverty headcount ratio by main activity of household head

Source: HBS 2004/05

Figure 3.4 Poverty headcount ratio by educational attainment of household head

Source: HBS 2004/05

Another popular poverty measure is the Poverty Gap. This is usually defined as an index, hence is referred to as a “Poverty Gap Index” → (P1). This is calculated as follows:

$$P_1 = \frac{1}{N} \sum \frac{G_i}{z}$$

Following Haughton and Khandker, 2009, this measure shows the “minimum cost of eliminating poverty (relative to the poverty line), because this shows how much would have to be transferred to the poor to bring their incomes or expenditures up to the poverty line (as a proportion of the poverty line).” Here, variable G relates to the poverty gap, that is the poverty line minus the actual income or expenditure of an individual, divided by the poverty line (z).

Analysis of the poverty gap, both the food poverty gap and basic needs poverty gap, from the HBS, has been undertaken. Table 3.2 outlines the main findings split by area.

This is consistent with the general findings of the poverty headcount analysis, and, as one would expect from the calculation of the respective poverty lines, the poverty gap for basic needs is significantly higher than the poverty gap for meeting food needs. Furthermore, the poverty gap for both measures is significantly larger in rural areas.

Table 3.2 Food and basic needs poverty gap by area

	Rural	Urban	Total
Food Poverty Gap	2.90	1.63	2.40
Basic Needs Poverty Gap	15.07	10.05	13.09

Thus, the average food poor individual falls below the food poverty line by approximately two and a half per cent, and the average basic needs poor individual falls below the basic needs poverty line by thirteen per cent. Applying the findings in a social protection policy context, this measure can be understood as the minimum cost of eliminating poverty, as it identifies how much money would have to be transferred to those in poverty to move them out of poverty.

Of course, moving people to just above the poverty line may not be a sufficient policy response in the long-term, as external factors such as price inflation may mean that very quickly the poverty line may look quite different. This emphasises the need to periodically and accurately recalculate poverty lines. This is based on an initial, and often weak, assumption that one poverty line is adequate to explain the full story of poverty in a country, without any provision for sensitivity analysis.

However, these limitations do not diminish the usefulness of such an index in succinctly portraying what the poverty situation *appears* to be in a country at a point in time.

3.4 Living conditions of the poor

3.4.1 *Housing conditions and safe drinking water*

The Zanzibar HBS has extensive information on housing conditions which is a good proxy indicator of poverty, as an alternative to calculating a poverty line based upon consumption expenditure. The HBS collects information on a number of characteristics including what type of foundations a dwelling has, the composition of the dwelling floor, and the type of walls and roofs.

There are significant differentials in housing conditions between rural and urban areas. Generally, the quality of dwellings is better in urban areas. For example, over half of all dwellings in rural areas have no foundations, compared to less than 10 per cent of dwellings in urban areas (HBS, 2004/05). However, only one quarter of dwellings in urban areas (and only ten per cent of dwellings in rural areas) have the most solid foundations¹. The remaining dwellings have foundations predominantly of stones in mud mortar.

Moreover, nearly two-thirds of rural dwellings have earth floors, whilst the vast majority (85 per cent) of urban dwellings have concrete/cement/tiles/timber floors. Dwellings in rural areas tend to have walls made of poles/mud/stone, compared to concrete/cement/stone in urban areas. The roofs of dwellings are predominantly made of metal sheets in urban areas, but in rural areas roofs are virtually equally split between metal sheets and grass/leaves. Table 3.3 summarises the main findings of the OCGS analysis of housing characteristics by area.

¹ Defined as foundations made of “Concrete/soil/burnt bricks/cement/lime stone”.

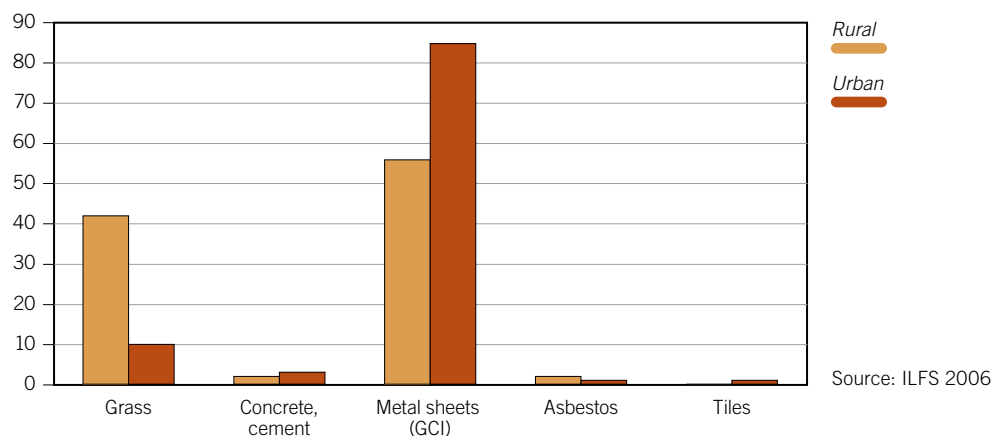
Table 3.3 Most common housing characteristics by area

Category	RURAL		URBAN	
	Most common characteristic	Proportion	Most common characteristic	Proportion
Foundations	No foundation	54.9%	Stones in mud mortar	55.6%
Floors	Earth	60.2%	Concrete/cement/tiles/timber	85.2%
Walls	Poles/mud/stone	50.6%	Concrete/cement/stone	64.1%
Roof Frame	Poles	94.4%	Poles	81.8%
Roof	Metal Sheets	50.6%	Metal Sheets	81.1%

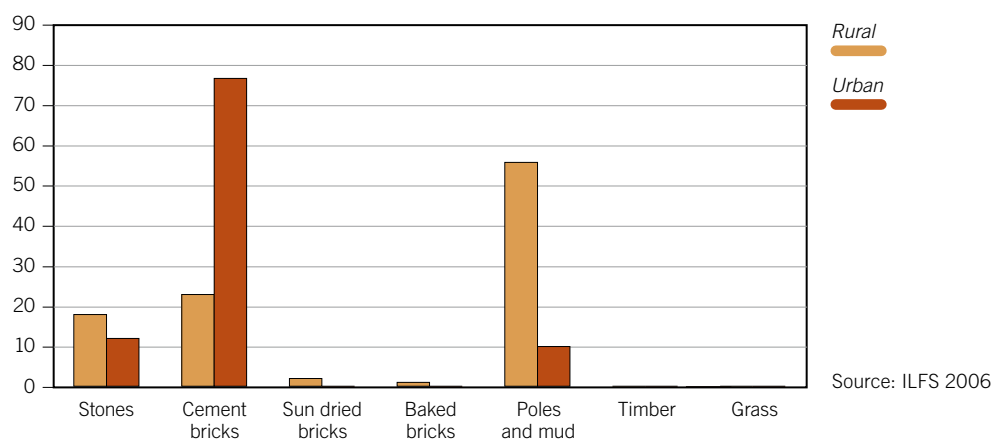
Source: HBS 2004/05

These characteristics are corroborated by analysis of the ILFS data. For example, the vast majority of urban dwellings have metal sheet roofs, and a small majority of rural dwellings also have metal sheet roofs. Significant proportions, just over 40 per cent, of rural dwellings have grass roofs (see Figure 3.5).

Similarly, urban dwelling walls are made mostly of cement, according to the ILFS (Figure 3.6). The ILFS data suggests that almost 80 per cent of urban dwellings have cement walls. This is a higher proportion than reported in the HBS, but this may be due to the definitions used, and the sample collected as part of the survey. However,

Figure 3.5 Housing characteristics – Roof type by area (percentage)

Source: ILFS 2006

Figure 3.6 Housing characteristics – Wall type by area (percentage)

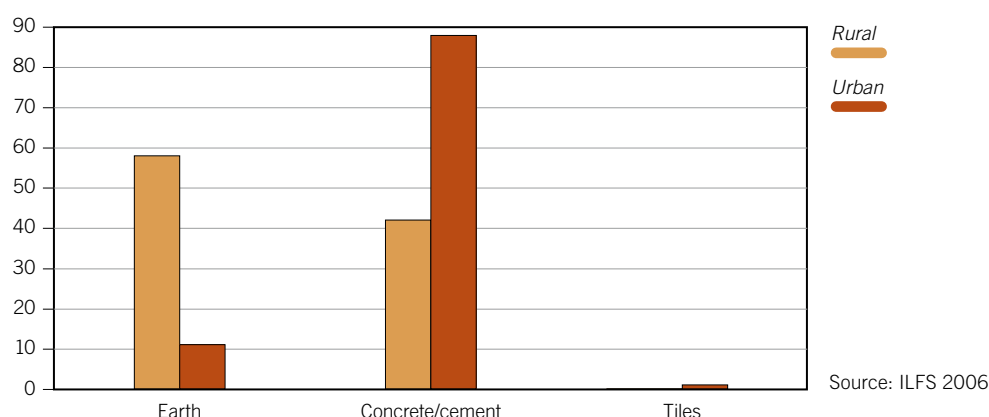
Source: ILFS 2006

the general findings are essentially the same. In the case of rural dwellings, the results are virtually identical between the HBS and ILFS, with around half of all rural dwellings having poles or mud walls.

The type of floor by area is the final cross-survey comparison of housing characteristics presented here. The findings for both rural and urban dwellings, across the surveys, are also virtually identical, with the majority of rural dwellings having earth floors, and urban dwellings having concrete floors, see Figure 3.7.

The average number of persons per sleeping room is another possible indicator of the quality of life for a household. Notably, there is little difference in the average number of persons per sleeping room in rural and urban areas. The average number of persons per sleeping room is 2.27 as a whole, and is only very marginally lower in urban areas (2.24 per room in urban, and 2.29 in rural areas) (HBS, 2004/05). Average household size is discussed further in the section on vulnerability, and is an important measure for the likelihood of a household being in poverty.

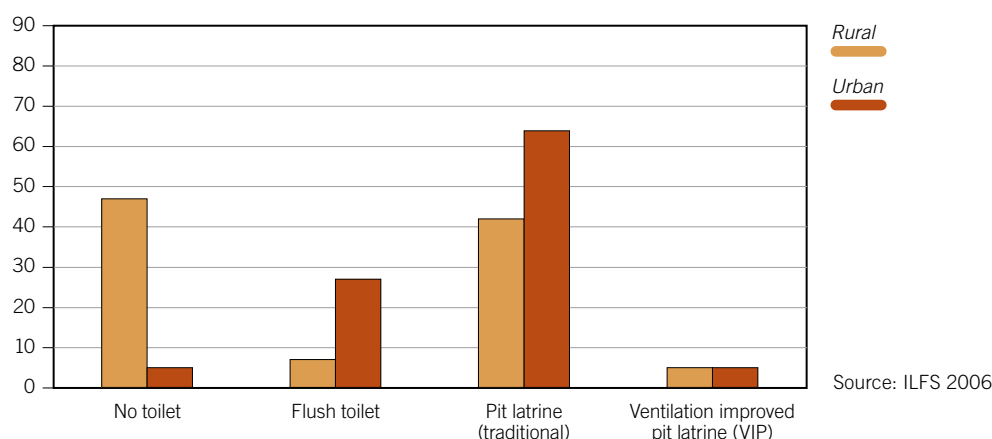
Figure 3.7 Housing characteristics – Floor type by area (percentage)



Access to a power supply can also provide some indication about the quality of life for a household. There are significant differences in access to an electricity supply by area, as less than 10 per cent of rural households are connected to an electricity supply, compared to over 50 per cent of urban households. As a whole, around three-quarters of all households in Zanzibar are not connected to electricity. Put another way, around half of the districts in Zanzibar have electricity coverage of less than 10 per cent, with only one district – Mjini – having significant coverage of electricity covering approximately 68 per cent of households in this District. Overall, only one quarter of households are connected to the national grid in Zanzibar (HBS, 2004/05).

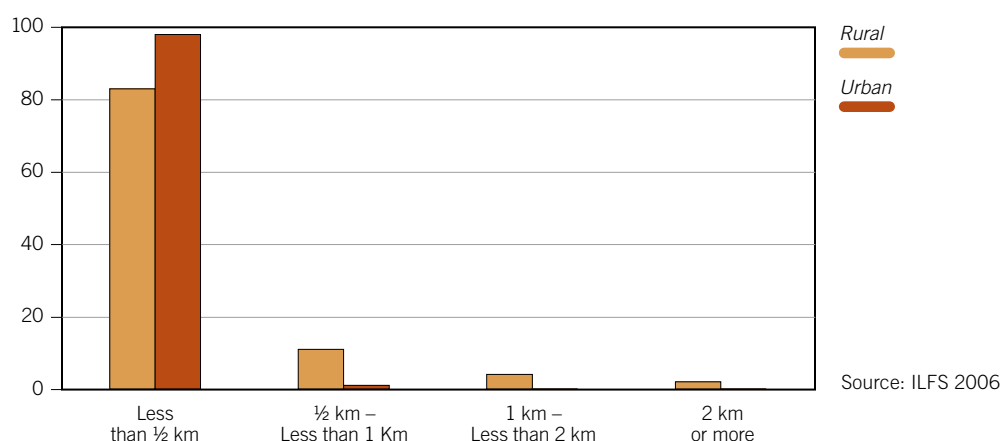
Another good indicator of living conditions in a country such as Zanzibar is the type of toilet facility available to a household. Over a quarter of all households, and more than 40 per cent of rural households, have no toilet facility. Less than five per cent of urban households have no toilet. These findings are consistent across the HBS and ILFS. Minor differences exist between the two surveys, but at least half of all toilets are pit latrines (see Figure 3.8), with only 12 per cent of households in Zanzibar having a fully flushing toilet, which are nearly all in urban areas (HBS, 2004/05). Analysis at the district level shows that nearly three-quarters of all households in Micheweni do not have any toilet facility, and the bulk of flushing toilets are in the Magharibi and Mjini districts.

Access to safe drinking water is another indicator of the quality of living conditions, and is crucial in minimising the risks of illness from waterborne diseases. In

Figure 3.8 Housing characteristics – Type of toilet facility by area (percentage)

fact, according to the HBS report, the “...overall goal of the government is to ensure that all households in Zanzibar have access to safe drinking water within reasonable distance.” The evidence from the Zanzibar HBS shows that approximately two-thirds of households have access to piped water, and such access has increased significantly from the time of the previous HBS survey in 1991/92. Access to water is better in urban areas, where almost half of urban households have private piped water within their housing, and another quarter of urban households have access to private piped water outside of their housing unit. Whereas, in rural areas a quarter of households rely upon a community supply of water, and a significant proportion on public wells (both protected and unprotected), and slightly fewer rural households rely on private piped water.

A potentially crucial indicator is the distance to drinking water, particularly in the dry season. The findings are again generally positive, and consistent in both the HBS and ILFS data. More than three-quarters of all households have access to drinking water less than 1 kilometre from their home, and the ILFS suggests that less than 5 per cent of households have to travel more than 2 kilometres to access a water supply (see Figure 3.9). The HBS reports around 5 per cent of households have to travel more than 3 kilometres to a drinking water supply. As is consistent with other findings, distance to drinking water is lower in urban areas compared to rural areas. At the district level, the biggest incidence of reporting long distances to drinking water in dry season is found in Wete.

Figure 3.9 Housing characteristics – Distance to water supply by area (percentage)

3.5 Levels of educational attainment and access to education

Zanzibar has relatively high literacy rates, with the 2004/05 HBS showing that three-quarters of the population aged 15 years and over are able to read and write in at least one language (Kiswahili), and just under 30 per cent of the population are also able to read and write in English. Literacy rates are lower in rural areas, particularly for females, with 40 per cent of females aged 15 years and above in rural areas unable to read or write.

From the ILFS data, we observe similar findings, although slightly different proportions in each category of reading and writing capability; in Figure 3.10 we can observe that just under three-quarters of the population are able to read and write in Kiswahili, and almost 40 per cent in English and Kiswahili. The lack of an available, and appropriate, individual weighting variable limited our analysis of the ILFS at the individual level, so the small difference reported may be due to being unable to counter for a particular bias in the sample of data collected.

Focusing initially on the HBS data, just over 40 per cent of school-aged children (5-14 years) were found not to have received an education. This equates to around a quarter of the total population not receiving an education, and this correlates with the literacy rates. Thus, it appears that the vast majority of the population who have received some form of education are able to read and write in at least one language as an outcome of a period of education. A quarter of the population aged 15 years and above has achieved a Standard 5-8 level education, with nearly forty per cent of those aged 15 and over attaining an OSC-Form4 level education. Very small proportions (less than 5 per cent) of the population have achieved post-school level qualifications. **Relating back to the analysis of educational attainment of household head and poverty, a big challenge remains in increasing the average level of educational attainment, which has a knock-on effect on individual labour market prospects.**

Moving to the ILFS data, we see similar trends, although this analysis may be limited as it only relates to the specific sample of individuals, not a nationally weighted measure of educational attainment. However, analysis of this data suggests around a third of the rural-only population have received no education, with around 40 per cent of the rural-only population having received a primary-level education, and a further one-fifth a secondary education. Very few of the rural-only population have received some form of Tertiary education. In contrast, from Figure 3.11 it can be seen that just over 15 per cent of the urban-only population have not received an education, with the majority, fairly evenly split, between having primary and secondary education

Figure 3.10 Reading and writing ability by area (percentage)

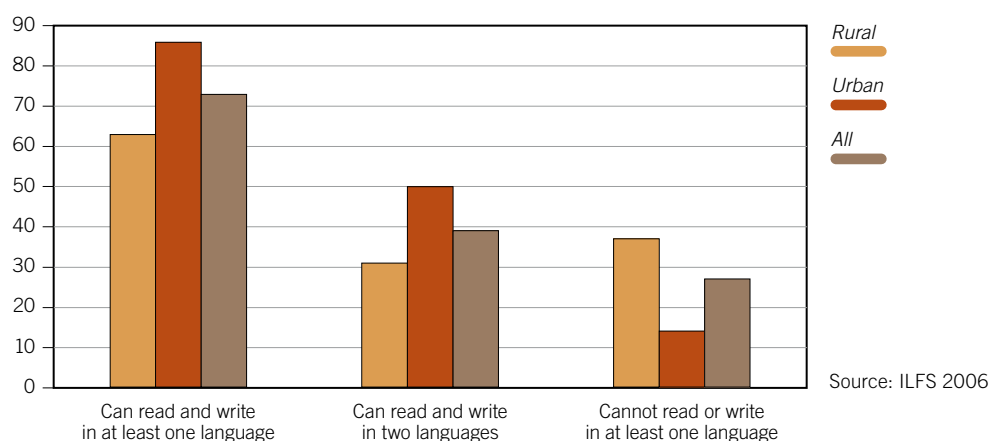
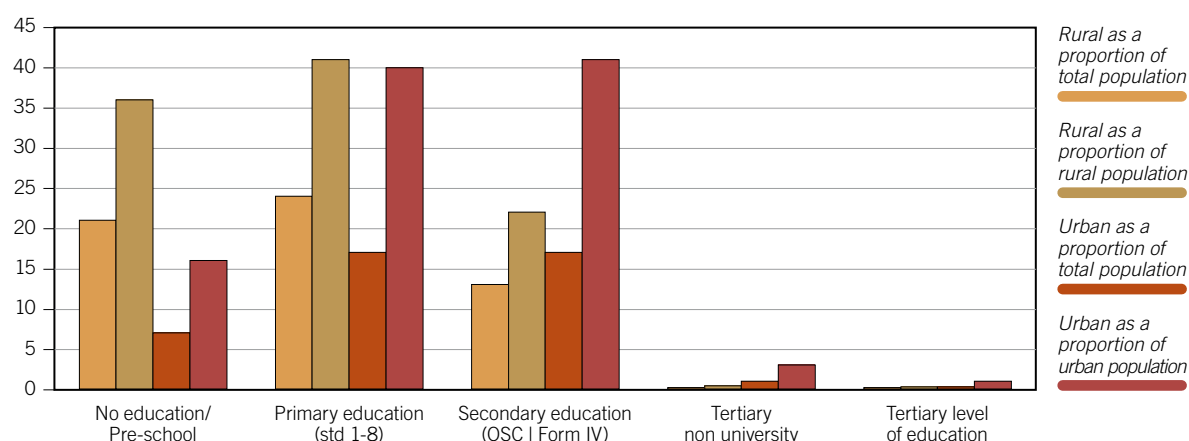


Figure 3.11 Educational attainment by area (percentage)

Source: ILFS 2006

attainment. More of the urban population achieve Tertiary-level education, but this is still very low, well below 5 per cent of the urban-only population. Such low levels of attainment at this level of education appear to be a major issue that must be addressed over the long-term.

Over time, child literacy has improved as the 2004/05 HBS shows that *illiteracy* increases with age, and illiteracy is significantly higher for the old-aged (60 years and over). Less than 10 per cent of the 15-19 years age group are illiterate, and in general illiteracy is a lot higher for females compared to males.

The proportion of children found to be enrolled in basic or primary education at the time of the survey is nearly 80 per cent. As is consistent with other findings, this proportion is higher in urban areas (87 per cent). However, looking wider, enrolment is virtually the same for males and females, and the proportions are also comparable within areas (within rural and within urban). On this basis one would expect to observe further improvements in female literacy rates in the future. By district, Kusini has the highest net enrolment rates (90 per cent), most districts are above 70 per cent, with Micheweni significantly worse off with an enrolment rate of approximately 50 per cent.

Secondary education net enrolment is a lot lower than basic or primary education net enrolment. The net enrolment ratio is around one-third, with again a bias towards urban areas (42 per cent) compared to rural areas (27 per cent). By district, the distribution is similar to the basic or primary enrolment ratios, although Mjini has the highest secondary enrolment ratio of 44 per cent. Again, Micheweni has the lowest net enrolment ratio of just over 20 per cent. Thus, there appears to be some correlation between low school enrolment, subsequent education attainment, and poverty.

School dropout rates in Zanzibar are highest in the earlier years of education, at Standard 3 or Standard 4, and the main reasons for dropout are predominantly because the child is defined as “useless or uninterested”. A fair proportion of dropouts are because the child is “too old or completed school”, and a smaller (seven per cent) proportion dropout because of the failure to pay school contributions. These separate issues may be relevant when thinking of suitable social protection policy interventions that may be discussed in the future.

Notably, distance to the nearest school does not appear to be a major issue in Zanzibar, with the average distance to a primary school being 1 kilometre, and just under 2 kilometres for a secondary school. Split by area, mean distances are considerably longer in rural areas, with the average distance to the nearest secondary school in a rural area being 2.5 kilometres. At the district level, a few districts have a significant

proportion of schools more than 6 kilometres from homes, particularly in Chake Chake and Micheweni. Despite this, it may not fully explain the significantly low net enrolment ratios found in Micheweni.

3.6 Health status

The HBS gathered data on persons reporting illness in the prior four weeks to the survey taking place. More people in rural areas reported being ill in the last four weeks (22.9 per cent), compared to those reporting illness over the same time frame in urban areas (13.1 per cent). Overall, around one-fifth of the population reported being ill in the four weeks prior to being surveyed. The sex of a person reporting an illness was marginally more likely to be a female.

Looking at age groups, the highest proportion of illness reported in the last four weeks is found in the 65 years and over age group (just over one-third of all those 65 years and over), followed by children aged 0-4 (just over one-quarter of children aged 0-4 years).

Across all age groups, the predominant illness complaint was “fever/malaria”: covering around 70 per cent of illnesses. The next major, individually identifiable, complaint was diarrhoea, covering approximately 7 per cent of illnesses. Malaria was less likely to be the complaint for the over 65 years of age group (although it still represents around 60 per cent of all complaints), where instead “other disease” is twice as high for the over 65 years group than the overall finding for all age groups.

3.7 Vulnerability

In the following section an analysis is undertaken to look at the extent to which households are vulnerable to poverty in Zanzibar.

Implied in the present approach are two questions that are vital from a social protection perspective. On the one hand, what are the external (exogenous) risks that may hasten or entrench deterioration in households’ well being to the point of lowering consumption below the poverty line, or even further down below the poverty line? On the other hand, which (endogenous) characteristics are likely to predispose individuals, households or communities in Zanzibar to poverty? Although we cannot answer either question in its entirety in this report, we do present evidence indicating some of the key risks engendering poverty in Zanzibar as well as identifying those who are particularly susceptible to poverty and should be targeted in anti-poverty measures.

The MKUZA report places emphasis on economic growth and reduction in income poverty, as well as access to social services and maintenance and improvement of well-being. For the purpose of analysis in this report, we have looked at a number of relevant issues relating an individual’s or household’s vulnerability, including:

- ☐ Meeting food needs;
- ☐ Accessing health services;
- ☐ HIV/AIDS prevalence; and
- ☐ Orphanhood.

Meeting Food Needs

3.7.1

The Zanzibar ILFS asked questions about the usual number of meals a household has per day, and how often over the preceding year a household has had problems in satisfying their food needs. Whilst not directly linked in methodological terms, the latter question has some relevance to the poverty analysis presented earlier.

As one might expect, urban households consume a higher average, and median, number of meals compared to rural households, but not significantly higher. Table 3.4 summarises the findings.

In terms of problems in satisfying food needs, this perhaps gives a starker indication of how large is the proportion that is most poor. Figure 3.12 shows that just over one-third of rural households have a problem satisfying food need “sometimes” or “often”, of which the most extreme category (often) comes to 15 per cent of rural households. Marginally less than one-third of urban households are also found to have fairly frequent problems in meeting food needs, of which 8 per cent of urban households often have a problem satisfying food needs.

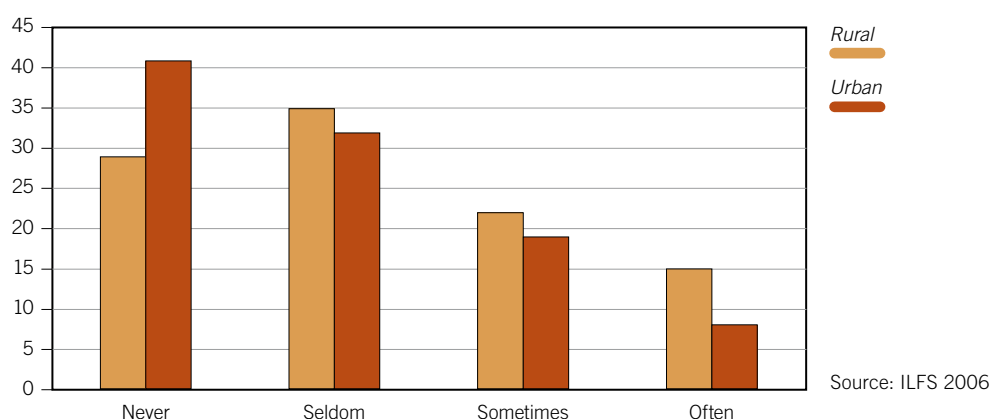
As the rural population outnumbers the urban population, overall it appears that just over 10 per cent of households often fail to satisfy their food needs. This finding correlates reasonably with the poverty headcount analysis for the number of food poor persons in Zanzibar from the HBS. Moreover, another one-fifth appears to have problems with meeting food needs sporadically.

Table 3.4 Average and median number of meals per day by area

Area	Average number of meals per day	Median number of meals per day
Rural	2.47	2
Urban	2.72	3

Source: ILFS 2006

Figure 3.12 Satisfying food needs



Accessing Health Services

3.7.2

The Zanzibar HBS reported approximately one-fifth of the population reported an illness or injury in the four weeks prior to the survey. This relates to 200,963 people, of which 166,613 people accessed some form of medical attention. Of the remaining 34,320 who did not use medical care, just over one quarter of this group said it was too

expensive to get medical attention, and another 3 per cent said it was too far to travel to a medical facility. Over 60 per cent felt there was “No need” to access medical attention for their illness or injury. Thus, around 10,000 people, or 5 per cent, of those reporting an illness or injury in the previous four weeks appeared to fail to access medical care due to the cost or distance of travel required to receive medical care.

Further evidence from the HBS shows that the majority (approximately 90 per cent) of health centres in urban areas are less than 2 kilometres away from households, compared to just over half of rural households being able to access a health centre less than 2 kilometres away. The mean distance to a health centre in an urban area is 0.4 kilometres, compared to 1.7 kilometres in rural areas.

The situation is not as positive for the distance to the nearest hospital. In urban areas, more than three-quarters of households live within 5 kilometres of a hospital, with a distance of 3.1 kilometres on average. In contrast, half of rural households are 12 kilometres or more from the nearest hospital. The mean distance to a hospital in a rural area is 12.8 kilometres.

3.7.3 HIV/AIDS

Evidence from the Tanzania HIV and Malaria Indicator Survey (THMIS) estimates the prevalence of HIV in the working age (15-49 years) population at 0.6 per cent. This indicator suggests that HIV/AIDS is currently not a major health issue that could place individuals nearer vulnerability in the future. See Chapter 4 for more information on health-related issues.

3.7.4 Household size and composition

Poverty analysis presented earlier in this chapter showed that the larger the size of the household the more likely a household would be in poverty. Analysis of living conditions showed that the average number of persons per sleeping room was 2.27 persons. Linking these findings to the average household size, the 2004/05 HBS data show that the average household size is 5.54 persons per household. This finding is a slightly lower than the average household size recorded during the previous HBS survey in 1991. Urban households are marginally larger than rural households, with 5.94 members per household in urban areas, compared to 5.31 members in rural areas. The largest average household size, of 6.1 persons per household, can be found in two districts, Mjini and Chake Chake. Conversely, the smallest average household size is found in Kusini.

Just over one-fifth of all households were headed by females, with urban households marginally more likely to be headed by females than in rural areas.

3.7.5 Orphanhood

Vulnerability predicated on the loss of both parents (orphan hood) is an important issue to measure. In Zanzibar, only 0.4 per cent of the total population under 18 years have lost both parents. Another 6.5 per cent of this population have lost one parent, of which 4.9 per cent have a surviving mother. Thus, the majority of households have both parents alive.

Disability

3.7.6

Another dimension of vulnerability is disability. An “Act to Establish the Rights and Privileges of Persons with Disabilities” was passed by the President of Zanzibar and Chairman of the Revolutionary Council, Amani Abeid Karume, on 5 December 2006. The Act is comprehensive, covering definition of disability, care and maintenance with responsibilities of relatives and the Government, discrimination in employment, no denial to access to health and education, access to a barrier-free environment, exemption from taxation on some disability aids, equal rights before the courts, the establishment of a “Disability Council”, which is tripartite and the establishment of a “Development Fund”, which the Council may access.

However, the most up-to-date statistical information comes from the 2002 Population and Housing Census. This can be supplemented by the Zanzibar Association for the Disabled situation analysis of 2004 (UWZ). It must be noted that information is very out-of-date and may not properly reflect the number of disabled persons and their type of disability. The 2002 data show a very low percentage of the population as being disabled and these results are not consistent with other findings in Africa. Whereas the figures held by UWZ indicate that approximately 10 per cent of the population are disabled, WHO have estimated that 20 per cent of all children are disabled. The main types of disability are physical handicap, visual impairment, hearing impairment, mental handicap and multi-handicap with a small number of albinos. There are very small gender differences in type of disability.

The project has been unable to reliably relate numbers and types of disability to expenditure. Discussions with UWZ indicated that expenditure is low both by the Government and NGOs active in this field. Particular mention was made of problems to do with accessing health care as, although the disabled are exempt from charges, they often have to pay for drugs which results in them not receiving the medication that they need.

It is recommended that efforts be made to capture up-to-date information on numbers and types of disability broken down by gender and per capita expenditure and expenditure broken down by health care, education and nutritional needs.

Conclusions

3.8

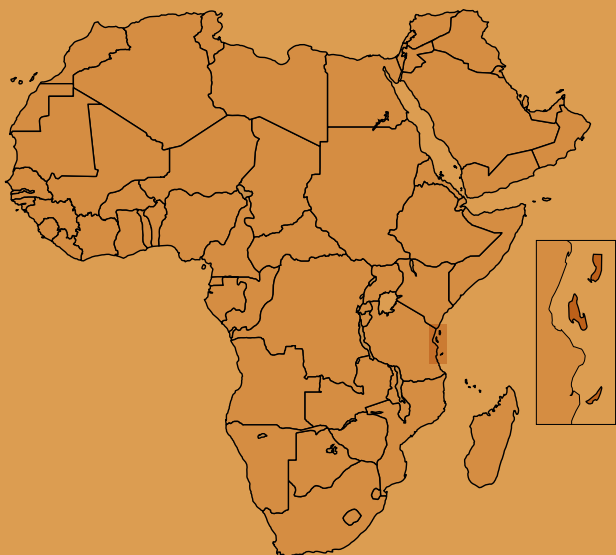
There are a number of key findings from this analysis of the Zanzibar poverty profile which impact on the longer-term development prospects of Zanzibar. They are:

- ☐ Just under half of the population are said to be living below the basic needs poverty line, with poverty being more prevalent in rural areas.
- ☐ Approximately ten per cent of the population are food poor, or who could be described as often having a problem satisfying the food needs of the household.
- ☐ General living conditions are good, with those living in urban areas being more likely to live in better quality, solid housing. Very few people appear to have access problems to drinking water, and problems with sanitation.
- ☐ Educational attainment is an interesting problem. A high proportion of the population can read or write in at least one language.
- ☐ However, around a third of the whole population have had no education. This statistic needs to improve markedly for the country to progress and grow in an equitable manner.

- ☐ In addition, too few of the population are attaining Tertiary-level education. This is likely to limit Zanzibar's economic development prospects.
- ☐ Some of the population fail to receive, or complete, an education due to the inability to pay school enrolment fees.
- ☐ There appears to be some correlation between low levels of school enrolment, subsequent low levels of education attainment, and poverty, particularly in Micheweni.
- ☐ Similarly, a small proportion of the population have problems accessing health care due to cost or distance of travel.

3.9 Priority areas for action

- ☐ It would be worthwhile to undertake further investigation of those who appear to be the most vulnerable, i.e. those who are food poor, and those who cannot access education and health care due to cost.
- ☐ There appears to be potential to look at methods of integrating social policy interventions to tackle the links between lack of access to education, overall education attainment, and poverty. This may initially be considered as a pilot scheme at a District level.
- ☐ For tackling the problems associated with accessibility to healthcare services, there may be a need to balance policy interventions that address demand issues (i.e. ability to pay for healthcare) and supply issues (i.e. means of accessing healthcare within a reasonable timeframe).



4.1 Introduction

This chapter considers both contributory and non-contributory social protection in Zanzibar. It examines the types of provision and attempts to reach an assessment of the extent and adequacy of such coverage. It makes some recommendations for reform of the existing social insurance scheme.

The first part of the chapter looks at contributory provision: pensions, invalidity, survivors, workmen's compensation, health and maternity benefits. It makes some comparisons with provision on Tanzania Mainland. It draws heavily on an actuarial valuation (of ZSSF) that the ILO carried out in 2008.

The second part of the chapter looks at non-contributory provision focusing on education and health care, and refers to findings of a mapping exercise carried out by the ILO that looked at national and international NGO provision as well as small-scale Government schemes.

The picture is mixed. The contributory social insurance scheme is young but needs to be reformed if it is to be financially sustainable in the longer term. Currently, coverage is low (1563 beneficiaries) and average monthly benefit payments are 8711 TZS which are also low. However, these figures have to be treated with caution as it is a young scheme and benefit levels will increase over time. There is sufficient time to agree and implement the necessary reforms. There is also a previous scheme for civil servants and currently there are 9965 beneficiaries receiving an average monthly benefit payment of 33,458 TZS. It is possible that the figure for ZSSF is included in these beneficiary figures. If this is the case the average monthly benefit payment would be approximately 35,000 TZS. Table 4.1 shows total coverage and compares Tanzania Mainland, Zanzibar and Tanzania overall, and the following picture emerges.

The chapter considers education, health care, government welfare schemes and national and internal NGO and faith based provision to be in the category of non-contributory provision. This type of provision is highly dependent on donor funding particularly health care. Expenditure on government welfare schemes and NGO and faith based amounts to only 0.4 per cent of GDP. Interestingly, they complement Government provision on health and education and focus on government policy imperatives.

Contributory and non-contributory services and programmes

Table 4.1 Number of insured persons by social insurance schemes:
Tanzania mainland Zanzibar and Tanzania overall

		Mainland	Zanzibar	Tanzania
Covered population (all schemes)	male	467 533	25 635	493 168
	female	223 347	15 337	238 684
	total	690 881	40 971	731 852
Total population	male	19 103 653	558 800	19 662 453
	female	19 819 631	577 783	20 397 414
	total	38 923 284	1 136 583	40 059 867
Working age population 15-69	male	10 079 477	299 737	10 379 214
	female	10 811 884	321 522	11 133 406
	total	20 891 361	621 259	21 512 621
Coverage rates	male	4.6%	8.6%	4.8%
	female	2.1%	4.8%	2.1%
	total	3.3%	6.6%	3.4%

Pension system in Zanzibar

4.2

There is only one public pension scheme in Zanzibar, the Zanzibar Social Security Fund (ZSSF). This is a very different situation to that on Tanzania Mainland where coverage is shared among five public pension schemes each aimed at a specific population group. In Zanzibar, prior to 1998, only civil servant employees had protection on retirement under the Pensions Act No. 2 of 1990. The self-employed and employees from the private sector were not covered. To address this issue, the ZSSF was established under the Zanzibar Security Fund Act No. 2 of 1998 which was subsequently amended by the Zanzibar Social Security Fund Act No. 9 of 2002 and re-enacted by the Act No. 2 of 2005.

Pension protection in Zanzibar is provided as follows:

- ZSSF for the public and private sectors for service after July 1998;
- Service accrued by civilian employees under the Pensions Act No. 2 of 1990 (pre July 1998) is paid by the Government from the Consolidated Fund;
- Old age pensioners on July 1998 received a pension from the Government from the Consolidated Fund.

For the year 2007/2008 there were 9,965 people receiving a pension from the Government compared to 1,590 people receiving a ZSSF pension in June 2006. These figures show the importance of the role of the Government in providing pensions to civil servants. However, as time goes by, the ZSSF will become a larger pension provider because the government scheme (except for the special forces of the Zanzibar government) is closed to new members. The pension formula of the government's scheme is similar to the one of ZSSF (see section 4.2.1) with the following features:

- a pension is based on the contributor's last salary;
- the accrual rate is 3 per cent per year of service;
- one-third of the full pension is commuted using a factor of 20.

Even though ZSSF is the only pension scheme in Zanzibar, it does not mean it will not be influenced by the pension environment in the United Republic of Tanzania. A number of important changes have and are taking place on the Mainland. They are:

- In 2008, the Social Security Regulatory Authority Act was enacted in Tanzania Mainland. This Act is one of the necessary steps towards implementation of the Social Security Bill (2003). The Act which does not directly (it does cover investments on the Mainland) apply to ZSSF and responds to the need to institute a mechanism of good governance and sustainability of social security pensions on Tanzania Mainland. The functions of the new authority, although they are mainly oriented to those of a supervision authority, also concern the promotion and development of the social security sector, the implementation of reforms and the facilitation of the extension of social security coverage to the informal sector.
- The Social Security Bill (2003) has a requirement to achieve better coordination and harmonization of the social security provisions of the schemes on Tanzania Mainland. Therefore, it is probable that the landscape of social protection will change considerably.
- As was pointed out in Chapter 1, in 2002, 262,731 persons were born outside Zanzibar which is 26.8 per cent of the population, and over 250,000 persons have left Zanzibar to live in other parts of Tanzania. This means, over time, residents of both Zanzibar and Tanzania will have accrued pension rights in ZSSF and in the Mainland schemes. It will be important to work out agreed arrangements for dealing with issues, such as accrual rates, etc., which differ.
- There are emerging issues as to whether Mainland schemes can/should cover Zanzibar residents.

A comparison of the pension schemes in the United Republic of Tanzania is at Table 4.2.

Table 4.2 Comparison of pension schemes in United Republic of Tanzania, 2005/2006

Schemes	Targeted population	Number of contributors	Year of establishment
Zanzibar Social security Fund (ZSSF)	Private- and Public-sector workers	38 200	1998
National Social Security Fund (NSSF)	Private-sector workers	307 500	1964
Local Authorities Provident Fund (LAPF)	Local government employees	45 000*	1944
Parastatal Pension Fund (PPF)	Private- and Public-sector workers	64 100	1978
Public service Pension Fund (PSPF)	Central government employees	233 400	1999
Government Employees Provident fund (GEPF)	Police, the military and government contract workers	22 200	1942

* On 31 December 2003

Source: ILO calculations

Overview of the Zanzibar Social Security Fund (ZSSF)

4.2.1

The legal framework of ZSSF is set out in the “Zanzibar Social Security Fund Act, 2005”. By law, coverage of all employees in Zanzibar by the ZSSF is mandatory. Self-employed workers can join the scheme on a voluntary basis. The ZSSF is administered by a Board of Trustees, which reports to the Ministry of Finance in Zanzibar. The contribution rate is 15 per cent (10 per cent paid by the employer and 5 per cent by the employee).

There are five types of benefits provided by the ZSSF: retirement, survivor, disability, maternity and medical.

Old age benefits: A monthly pension and a gratuity (lump sum) are paid to a member who retires when reaching pensionable age (over 55 years) and who has at least 60 months of contributions.

Invalidity benefits: A monthly pension and a gratuity (lump sum) are paid to a member who has at least 60 months of contributions and is permanently unable to work, based on medical evidence, to the satisfaction of the board.

Survivors benefits: The beneficiaries of the deceased member who had at least 60 months of contributions are entitled to a gratuity (lump sum) which is paid to the Wakf and Trust Commission (WTC) for distribution to the beneficiaries.

A woman is entitled to a maternity benefit once every three years. In case of an entitlement to multiple benefits, only the highest benefit is paid, provided that an insured person shall not be entitled at any time to more than one benefit. A member can withdraw accumulated contributions at 3 per cent of insurable earnings with interest as maternity or medical benefits (see Table 4.3 for details).

The pension scheme’s income comes from four sources:

- ☐ contributions from employers and workers;
- ☐ Government subsidies (up to 2005/2006);
- ☐ investment income;
- ☐ penalties because of delays in the payment of contributions or in transmission of the statements (declarations) of salary.

Table 4.3 Main features of benefits paid by ZSSF

Type of benefits	Definition	Other information
Old age benefits	Old age pension if 60 months of contributions – Full Pension = 3.33% of last average five years of salary for each year of contributions – Monthly pension = two-third of the full pension on a monthly basis – Gratuity = one-third of the full pension times 20	– Normal retirement age: 60 – Old age pension can start at age 55 with a reduction – No Minimum pension – No Maximum pension – Reimbursement of contributions plus interest if less than 60 months of contributions – No automatic adjustment of pension to reflect an increase in the cost of living. Adjustments to benefits in payment are made in line with actuarial valuations.
Invalidity benefits	Invalidity pension if 60 months of contributions – Full Pension = 3.33% of last average five years of salary for each year of contributions – Monthly pension = two-third of the full pension on a monthly basis – Gratuity = one-third of the full pension times 20	– Medical evidence to the satisfaction of the Board that the employee is permanently unable to work – No Minimum pension – No Maximum pension – Reimbursement of contributions plus interest if less than 60 months of contributions – No automatic adjustment of pension to reflect an increase in the cost of living
Survivor benefits	Survivor benefits if 60 months of contributions – Full Pension = 3.33% of last average five years of salary for each year of contributions – Gratuity = one-third of the full pension times 20	– Only lump sum paid (the gratuity) – Paid to the Wakf and Trust Commission (WTC) for distribution to the beneficiaries
Maternity and medical benefits	The maximum amount that can be withdrawn is the accumulation of contributions at 3% of insurable earnings with interest.	– A woman is entitled to maternity benefit once every three years. – In case of entitlement to multiple benefits, only the highest benefit will be paid to the member, provided that no insured person shall be entitled at any time to more than one benefit.

There are two types of expenditure:

- ☐ benefits payments;
- ☐ operating and investment expenditures.

Actuarial evaluation

Section 12(e) of the Zanzibar Social Security Fund Act, 2005 requires an actuarial evaluation to be carried out every three years. The second actuarial valuation of the ZSSF was carried out in 2007/2008. The actuarial valuation date was 30 June 2006.

Table 4.4 shows the ZSSF financial statement for the years 2002/2003 to 2004/2005 and some selected indicators. It can be seen that:

- ☐ The ratio of total expenses to total earnings (the pay-as-you-go rate) has increased from 1.1 per cent to 3.2 per cent at the end of the period. This ratio is low compared to the current contribution rates of 15 per cent. This is usual as it is a young scheme. Over time, this ratio will increase because there will be more benefits that will be paid from the fund.
- ☐ The reserve ratio has fallen from 58.0 to 23.5. Over time, as the ZSSF scheme matures, this ratio will decrease. Normally, a scheme would have a specified lower

Table 4.4 Financial statements of ZSSF (000 000 TZS) and selected indicators

	2002/2003	2003/2004	2004/2005
Total revenue income	3 185.5	4 576.4	4 911.8
Contribution income	2 828.3	3 601.4	4 002.4
Net Investment income	304.9	516.9	834.7
Other Income	52.3	458.1	74.7
Total expenditure	198.1	775.0	851.9
Benefit expenditure		404.9	283.0
Administrative costs and other costs	198.1	370.1	568.9
Surplus/Deficit of the year	2 987.4	3 801.4	4 059.9
Assets at the end of the year	11 498.0	15 705.0	20 047.0
<i>Selected indicators</i>			
Number of Contributors	34 552	36 496	38 219
Male	n/a	n/a	23 887
Female	n/a	n/a	14 332
Per cent of members to employed population	8.0%	8.5%	8.6%
Actual contribution rate	15.0%	15.0%	15.0%
Ratio of total expenses to total earnings	1.1%	3.2%	3.2%
Reserve ratio	58.0	20.3	23.5
Investment return on assets	3.1%	3.9%	4.8%
Inflation rate	7.1%	8.6%	8.9%
Real investment return on assets	-4.0%	-4.7%	-4.1%
Administrative expenses as a per cent of contribution income	7.0%	10.3%	14.2%

Source: ZSSF financial statements

limit for such a ratio set out in its funding policy document. This ratio is an indicator of the degree of funding of a scheme. The ZSSF has no such limit.

- The ratio of administrative expenses to contribution income was 14.2 per cent in the year 2004/2005. This ratio is an average of the ratios for the five pension schemes in Tanzania Mainland. It is important to keep administrative costs at a reasonable level to give members an accrued return on contributions paid to the scheme. As good governance, a target (maximum) on administrative costs should be put in place by the ZSSF.
- The average real return on the assets over the 3 years is negative. It is important to keep in mind that the real rate of return is more important than nominal rate of return. A follow up of the real rate of return will be very important in coming years. In a scheme such as ZSSF, putting in place an investment portfolio is profitable when the return on assets exceeds the average increase in salary. Holding a reserve is also a means to diversify risk. Having a reasonable return on investments is also a way to give members more confidence in the scheme.
- The Asset value of ZSSF was about at 20 billion TZS at the end of the fiscal year 2004/2005 and was made up of 70 per cent of short-term investments (Treasury Bills and Fixed Deposits).
- The covered population compared to the total employed population has increased over the 3 years from 8.0 per cent to 8.6 per cent.

4.2.2 *Assessment of pension system's performance*

An assessment of the pension system in Zanzibar is difficult because ZSSF is a young scheme and a small number of benefits have been paid since its inception. Pension benefits began to be paid in the fiscal year 2003/2004 since members must have contributed five years to the scheme in order to receive a pension benefit. Despite the youth of the scheme, it is possible to make a preliminary analysis of its performance. The following analysis also takes into consideration the conclusions of the last actuarial valuation as at 30 June 2006.

Lack of measures to prevent and reduce poverty in old age

The pension system in Zanzibar, as it is the case in Tanzania Mainland, is limited and targeted specifically at the employed population which represents a very low percentage of the total labour force. This suggests that most people will not be able to meet their basic needs in old age other than through extended family support which is declining because of urbanization and globalization. Poverty in old age could increase (as the number of elderly will increase in the future as a result of improved medical care and the natural ageing trend) and the absence of adequate retirement income schemes.

Thus the feasibility of putting in place a universal pension for the elderly should be studied in more depth than has been possible in the illustrative costs set out in Chapter 6 of this report. It will be important to arrive at an approach that will be adequate, equitable and affordable. At the same time, if it wishes to achieve the MDG and MKUZA goals of reducing poverty, the Government is encouraged to consider producing a framework that would balance the allocation of donor funding between economic and social imperatives.

Generosity of benefits

The following table compares the pension benefit accrual rates among all the pension schemes in the United Republic of Tanzania.

Analysing Table 4.5 shows that there are three elements that make pension benefits payable by the ZSSF more generous than the other schemes in the United Republic of Tanzania.

- The accrual rate for each year of service is 3.33 per cent which is at least 50 per cent higher than the one prevailing for the other schemes in Mainland. All other things being equal, that means that over the long term, the ZSSF contribution rate should be about 50 per cent higher than most of the other schemes in Tanzania. Currently the ZSSF contribution rate is the lowest. Comparing the level of benefits and the contribution rate is an indication of the pressures that ZSSF's contributors could face in the future. Such high annual benefit accrual rates are sometimes seen in Muslim countries. It is however rare in non-Muslim African countries.
- The commutation factor is 20 compared to 15.5 for LAPF and PSPF and 12.5 for PPF. The commutation factor can be seen as the factor necessary to convert a life-time monthly pension to a cash equivalent one-time payment. Today, a commutation factor at age 60 that converts to a fully indexed life time pension is around 14¹.

¹ Without taking account indexation, the factor is around 10.

Table 4.5 Comparison of retirement pension benefits, United Republic of Tanzania

Schemes	Accrual rates	Commutation factor (if any)	Salary of reference (SoR)	Age of retirement	Total contribution rates (%)	Years of service for a full pension
Zanzibar Social security Fund (ZSSF)	3.33% of SoR for each year of service	One third of pension can be commuted at a factor of 20	Last average five years	60 and a pension can start at age 55 with a reduction	15	5
National Social Security Fund (NSSF)	2.0% of SoR for first 15 years and 1.5% for each additional year	Can withdraw accumulated contributions on retirement	Best five of last ten years	60 and a pension can start at age 55 with a reduction	20	15
Local Authorities Provident fund (LAPF)	2.22% of SoR for each year of service	Half of a pension can be commuted at a factor of 15.5	Final salary	60 and a pension can start at age 55 with the consent of the employer	20	15
Parastatal Pension Fund (PPF)	2.0% of SoR for each year of service	Quarter of a pension can be commuted at a factor of 12.5	Average best five years	60 and can start at age 55 with the consent of the employer	20	15
Public Service Pension Fund (PSPF)	2.22% of SoR for each year of service	Half of a pension can be commuted at a factor of 15.5	Final salary	60 and a pension can start at age 55 with conditions	20	15
Government Employees Provident Fund (GEPF)	Payment of the accumulated value of contributions with interest.	N/A	N/A	60 and in some circumstances a person can be retired as young as 45	25	N/A

Source: Scheme specific information.

This factor of 14, when compared to the current commutation factor of 20 used to commute the pension, shows the generous nature of the ZSSF provision.

- The number of years of service required to be entitled to a full pension is five years compared to 15 years for other schemes. That means that for a given retirement age (60 for example) more ZSSF members will qualify for a life pension than those in other schemes where the eligibility criteria is 15 years of service. Having a number of years of service of 5 instead of 15 is not a bad thing in itself. It is probably more equitable. But it is in the end, more expensive.

The combination of a high accrual rate and a high commutation factor could produce situations where the replacement rate at retirement for some individuals is higher than 100 per cent. Seen differently, the combination of the grant and the pension could produce a much higher annual accrual rate than 3.33 per cent. In fact the annual credit is about 3.8 per cent. This leads to the question: what should be the accrual rate? It depends on a number of considerations:

- The existence of other benefits for the elderly. If there were to be, for example, a flat rate benefit paid to all residents, the benefits being offered by the pension fund should be taken into account when devising a universal benefit scheme.
- The more generous the pension provisions the higher will be the contribution rate. Therefore, the capacity of contributors to pay higher rates will be a very important consideration.

- The analysis of global compensation is very important when designing pension benefits. It is often seen in some countries that the basic salary used to calculate pension and contributions is lower than the total emoluments of a given worker. For example, a basic salary could represent 50 per cent of total emoluments. That means among the covered population, a large portion of the total salary of a worker is not covered by the scheme, and this could happen for every level of income. In such a situation, the scheme may create a wrong perception among the insured population, i.e., that they are fully covered on retirement, which is probably not the case because the true replacement rate should be based on the total salary and not only the basic salary. Therefore, a possible course of action could be to design the scheme in order to include all sources of income into the coverage scope, and at the same time, reduce the replacement ratio through a change in the formula.
- Whilst it is attractive to a participant to be able to receive a grant on reaching retirement age due to other existing financial liabilities (mortgage, school fees, etc.) it limits the longer term income stream. This is an important issue when ensuring the integrity of a social insurance social security scheme and poverty in old age.

The last actuarial valuation set out a number of tools available to reform the scheme:

1. reduction of the commutation factor;
2. introduction of an early retirement factor that is more in line with actuarial principles; and
3. introduction of a maximum pension that could be paid to avoid situations where people will have a pension that is higher than their previous salary.

These solutions need to be analysed in relation to other approaches such as reducing the accrual rate, increasing contributions and raising retirement age. However, it is important to arrive at solutions in collaboration with ZSSF stakeholders: the employers, the workers and the government.

Although ZSSF retirement benefits are generous, this is not the case for survivor benefits. Upon the death of an active member or a retired member, only a one-time cash benefit is paid. There are no survivors or dependant pensions that are paid to surviving spouses and children. Only the gratuity (one-third of the full pension times 20) is paid to the heirs. By international standards, survivor benefits in Zanzibar can be considered inadequate.

The administrative costs of paying a retirement cash grant are much lower than paying a survivor's pension. Paperwork is more complicated, as one needs proof of marriage, a proof that the spouse is still alive, and eventually, presence of children. However, a survivor pension benefit helps the family to face one of the most disturbing events that can affect the financial status of a family: the death of the breadwinner. Such an event compromises the immediate ability of a family to face the day-to-day needs such as food, lodging, clothing and healthcare. It is advised that before undertaking any reform, an analysis of the feasibility and level of protection should be done. The cost impact, design and implementation could be done as part of an actuarial valuation.

Workers covered under more than one scheme

It would appear some schemes in Tanzania Mainland, mainly the NSSF and the PPF are actively recruiting new members in Zanzibar. The possibility that workers in a given jurisdiction can be covered by more than one scheme raises some serious questions concerning efficiency and equity of the pension system in Zanzibar.

Such recruitment is permitted by the Act and Regulations covering ZSSF in two situations:

- ☐ The worker is self-employed. It is possible to be a voluntary member of a scheme on the Mainland as it is not mandatory to contribute to ZSSF.
- ☐ The worker is registered in another mandatory scheme on the Mainland and there is an understanding between the ZSSF and the scheme on the Mainland.

Information on the maximum number of workers in Zanzibar who are now contributing to schemes in Tanzania Mainland can be obtained by comparing the 2006 ILFS with the number of contributors at ZSSF in 2006. According to the 2006 ILFS there were 46,000 persons that were covered by a pension scheme and there were 38,000 persons who contributed to ZSSF in 2006. The difference between the two numbers is an indication of the maximum number of workers in Zanzibar that could be covered by a scheme on the Mainland. The word maximum is important. Since ZSSF started, there are over 46,000 persons that have been registered. The estimation of the number of person covered by a scheme on the Mainland is highly dependent on the definition of the word 'covered'. Is it the number of persons who are registered or who are currently contributing? Therefore, the number of persons covered by a scheme on the Mainland is between zero and eight thousand.

Such competition between the schemes is not a problem in itself provided the pension system:

- ☐ Is aimed at providing a certain level of uniformity of provisions among the schemes. This is not the case currently. Benefit provision and contribution rates among the schemes are different and raise some serious questions concerning equity. Is it equitable that two workers in Zanzibar doing a similar job will have different protections on retirement and are paying contribution rates that are not necessarily in line with the differences in the benefits? The ZSSF is the more generous scheme with the lower contribution rates while the NSSF pay withdrawal benefits that undermine the level of benefits on retirement.
- ☐ Permits pension right accumulated by each member to be portable from one scheme to another. However, such a portability environment does not exist in the United Republic of Tanzania.

Uncoordinated benefit provision across ZSSF and existing schemes in Tanzania Mainland and lack of portability

The benefits offered by the various pension schemes in United Republic of Tanzania vary considerably. There is no uniform core set of provisions surrounding the different pension schemes. This means for the same level of contribution paid, an active worker could be entitled to different levels of benefit depending on which scheme he/she is affiliated to. Although such differences could be justified on the ground of varying eligibility conditions or for special reasons, there remain fundamental disparities in the

costs of provisions across the schemes. These differences make it difficult to currently put in place arrangements to allow portability of accrued rights across the schemes. The lack of portability of pension rights between pension schemes is detrimental to the evolving need for labour force mobility. Currently, the workforce is increasingly mobile and it is reasonable to expect a person to be covered by more than one pension scheme during his/her active life. If a beneficiary has moved between employment and thus pension schemes over his/her working life, this lack of portability of benefit rights results in him/her being eligible on retirement to a number of low pension benefits, rather than the higher benefit that would have been available if the individual had remained in one scheme throughout. This problem is further exacerbated by the prevailing practice on the Mainland of allowing withdrawals of contributions when a contributor becomes unemployed, with the resulting effect of reduced or no pension entitlements at retirement.

In theory the ZSSF should not be affected by the Social Security Bill (2003) or the Social Security Regulatory Authority (2008). These pieces of legislation concern only the schemes on the Mainland. The Social Security Bill (2003) has an objective of promoting uniformity of provisions among schemes on the Mainland. In reality, mobility of workers and the principle of equity suggests that there should be a minimum uniformity among the schemes so that the retirement incomes of workers are more optimized.

No indexation of pension

Once a benefit is in payment, ZSSF does not provide protection against inflation. This is also the case on the Mainland. The Board of ZSSF (Trustees) is required to review the level of benefits in payment from time to time and to make adjustments in line with the latest actuarial valuation. Annual indexation of pensions by the CPI would increase workers' confidence in the benefits of the retirement component of the social security system. More importantly, indexation would protect older retirees from poverty. Without indexation, pensioners become poorer with age owing to the declining value of their fixed-income pensions. Contributors' preference for lump sums at retirement could also be partially explained by the lack of indexation.

Lack of public information on the important role of social security

Throughout Africa, there is a lack of public awareness of the benefits provided by social security schemes. This may be due to limited marketing efforts by the social security funds, the Government and the social partners. Members of social security schemes are not always aware of their pension rights especially regarding employment injury insurance and other forms of short-term benefits. Better public education is needed. Schemes should formally notify members on a regular basis about their current status, contributions paid and their potential benefits – this is not standard practice.

Financial system of the ZSSF

Article 12 of the Act of the ZSSF stipulates that an actuarial valuation shall be carried out every three years while article 34 fixes the contribution rate at 15 per cent to be reassessed on a regular basis in line with an actuarial valuation of the Fund. There is

nothing in the legislation addressing what is the legal scheme's funding level and what are the funding objectives of the scheme.

The social security code provides that contribution rates must be fixed so that total income covers technical expenses as well as administrative costs. The code should also specify the level of reserve. However there are different factors that will affect the achievement of this goal:

- ☐ The natural increase in the level of expenditures over a long period (especially for a young scheme like the ZSSF).
- ☐ The desire to have a stable contribution rate (making it more likely that employees and employers will remain confident in the scheme) and to have a contribution rate that will not become a burden on the people who contribute to the scheme.
- ☐ The duration of the equilibrium period (period over that contributions should be enough to pay all the expenditures and accumulate the desired funding level (reserve)) and the amount (level) of reserve that must be attained throughout this period.

Thus, it is important that the funding objectives of a pension fund (the equilibrium period, the minimum level of reserve that has to be maintained) be included in regulations. This would help to establish a common and stable objective and avoid situations where such objectives could change from one actuarial valuation to another. Another solution would be to put in place a funding policy.

There is a growing interest in pension schemes in putting in place funding policies. Many major pension schemes have already done so. This is a useful tool to:

- ☐ formalize the long-term funding objectives of schemes;
- ☐ better understand the risks and advantages of financing options;
- ☐ assure that sufficient scheme assets are maintained to deliver the promised benefits in a defined benefit scheme;
- ☐ improve corporate governance by increasing transparency.

Funding rules must address the interests of stakeholders:

- ☐ scheme participants and former participants, as beneficiaries of the system and often as contributors to the financing of the system;
- ☐ scheme sponsors, as the parties bearing responsibility for financing the pension system;
- ☐ the general public.

The funding policy would specify:

- ☐ contribution rates;
- ☐ risks faced by the scheme and how these risks can be managed;
- ☐ risk tolerance;
- ☐ allocation of risks among participants and employers;
- ☐ funding objectives (like contribution stability or improving the funding ratios);
- ☐ frequency of actuarial valuations, method of actuarial projection and the level of margins to be included in the assumptions;
- ☐ funding method;
- ☐ goal related to intergenerational equity;
- ☐ all other funding issues.

Financial governance of the national pension system

Sound financial governance is critical in order to ensure the optimal use of the financial resources available from various sources of funding. By establishing priorities in a national social protection strategy and through coordinated social expenditure programmes, the Government is more likely to be able to attract more international donor and community support. This will also improve the confidence of the investment community and stimulate economic development by foreign investors.

Availability of data on pension schemes

In order to monitor a social security system effectively, a clear picture of the system is essential. This requires comprehensive information about the contributors, pensioners and financial status of the social security schemes. Keeping good statistics and analyzing them are one of the corner stones of a pension fund and if it is not properly done could limit the management, the policy decisions, the valuation and the understanding of the pension fund. As the ZSSF becomes more mature, collection of data will become more and more crucial and resources should be devoted to increasing the quality of and access to data. The production of an annual statistical report is a good way to analyse and to gather all necessary information. The production of essential statistics is highly dependent on the implementation of a performing computerized system and database.

Redesign of the medical care and maternity benefits

Currently, the contribution rate for the medical care and maternity benefit part of the scheme is set at three per cent. This means the remaining twelve per cent is for the pension scheme. The medical care and maternity benefit scheme is a defined contribution scheme. The maximum amount that can be withdrawn is the accumulation of contributions at three per cent of insurable earnings with interest. A member may transfer the monies on his or her medical credit to meet his or her spouse's or children's medical bill. A woman is entitled to a maternity benefit once every three years. In case of entitlement to multiple benefits, only the highest benefit will be paid to the member, provided that no insured person shall be entitled at any time to more than one benefit. Once a participant has emptied its accumulated account, no more benefit is paid.

It is difficult to ascertain if any benefits have been paid under this part of the scheme and this needs to be the subject of close examination. However, there are considerable problems covering health care financing in Zanzibar and this points to the need for an integrated health care strategy. Indeed the Performance Review for Health as well as the MKUZA report mention the need for such an approach. At the moment, ZSSF is not providing health social insurance but is providing a savings account so that contributors can meet some, but not necessarily all, of their health care bills.

A separate study, including costings, is needed before deciding on the way forward.

Withdrawals benefits (allowing refunding of contributions on cessation of employment)

Some schemes in Tanzania Mainland permit contributions to the pension fund plus interest to be refunded when a member becomes unemployed. Under the NSSF scheme, for example, more than 90 per cent of those members reaching pension age are choosing to withdraw their account balances instead of receiving a lifetime pension. Withdrawals of contributions by members on becoming unemployed accounted for 80 per cent of the total expenditure of the scheme.

There is pressure on ZSSF to follow this practice. This should be resisted as ZSSF is a pension scheme and must be designed to satisfy the clear objectives of a social security system. Currently with the differences that exist between all the pension schemes in United Republic of Tanzania, it is obvious that such clear objectives do not exist. The Government should define clear objectives for the schemes. Those clear objectives could take the form of: what is the minimum level of pension everybody should be entitled to in Zanzibar? How should a minimum pension be increased if someone is working? What is the best way to proceed in case of loss of employment? Allowing withdrawals of contributions upon unemployment, as is the case on the Mainland, is not in accordance with the role of a pension fund. It can undermine seriously the objectives of a pension system which is to provide an appropriate income replacement level.

There are other ways to meet the needs of people in case of unemployment. For example, an unemployment benefit scheme could be put in place which could offer job-search facilities and re-training services. Whatever the approach chosen it should be based on rigorous studies concerning the needs of people and the objectives of the Government.

Low pension payable

The level of pension in payment at the ZSSF is very low compared to other schemes on Tanzania Mainland. This is illustrated in Table 4.6.

For schemes on Tanzania Mainland, the number of pensioners who received a minimum pension was very important. For example, for both NSSF and the Government schemes, over 80 per cent of pensioners receive the minimum pension. Lack of portability, withdrawals as a result of employment termination, and commuted pension provisions largely explain this unfortunate situation. There is no such minimum pension at the ZSSF. The low level of pension compared to other schemes on the Mainland is due to the fact that the scheme is young. For those individuals who claimed their pension in 2006, the maximum number of years of service on which they could have paid contributions was eight and a half years. However, as the scheme matures, the average pension will increase considerably. This low level of pension is not a problem in itself for the government employees as the government is paying a pension for pre June 1998 service. However, for employees working in the private sector, this is a small amount and it will take a long time before the entire career will be taken into account in the pension calculations. This low level of pension benefit can also discourage people from joining ZSSF. In some schemes, to overcome this phenomenon, minimum pension or grandfathering provisions have been put in place in the pension formulae.

The level of pension paid by the Government is low compared to that paid by the other schemes. This is because 1/3 of the full pension is commuted on retirement to a

Table 4.6. Numbers of pensioners and average monthly pension

Type of pension	Number of pensioners	Average monthly pension (TZS)
<i>ZSSF (June 2006)</i>		
Invalidity pension	1 563	8 711
Old age pension	27	10 750
<i>Government Zanzibar (2007/2008)</i>		
Total pension	9 965	33 458
<i>PPF (June 2006)</i>		
Invalidity pension	257	47 563
Survivors pension	255	80 553
Old age pension	14 077	37 560
<i>PSPF (June 2006)</i>		
Invalidity pension	58	80 041
Survivors pension	484	57 093
Old age pension	5 849	85 825
<i>NSSF (June 2006)</i>		
Old age pension	1 277	52 904
<i>Government Mainland (January 2006)</i>		
Total Pension	54 510	40 165

Source: ZSSF, PPF, PSPF, NSSF and the Government of Tanzania Mainland.

one-time cash payment (gratuities). This high level of commutation causes the lifetime residual pensions to be very low. In fact, the accrual rate for the pension part of the retirement benefits is 2 per cent ($1/3 \times 3$ per cent) instead of 3 per cent.

Worker's compensation

The data on worker's compensation in Zanzibar which would allow an in-depth situational analysis of this crucial area of social protection are not available. Putting in place a system that will help to collect environmental data and health statistics is a very important issue. This would enable the worker's compensation system in Zanzibar to be monitored: a cornerstone of a social security system.

Employment injury in Zanzibar is regulated through the Workmen's Compensation Act No. 15 of 1986 and the Worker's compensation (amendment) Act, no. 5 of 2005. Unlike on Tanzania Mainland, there is no public pension fund (the NSSF) that covers this branch of the social security system.

According to the Act, an employer is liable to pay compensation to a worker if the worker is victim of an injury or accident arising in the course of employment. If there is a permanent incapacity, the compensation is equal to 48 months of earnings or 5 million of TZS whichever is the higher. For partial incapacity, the compensation is 48 months of earnings times a percentage of incapacity. The employer should also pay reasonable medical and hospital expenses. If the worker dies, the employer is obligated to compensate the dependents by an amount of compensation equal to thirty six months' earnings and pay burial expenses up to one third of the total expenses. According to the Act, the employer is obligated to report the accident, injury or death of its worker to the concerned authorities.

Non-contributory services and programmes

4.3

Introduction

4.3.1

This part of the report attempts to review the main formal and informal non-contributory social protection programmes and services in Zanzibar. It has been very difficult to put together a comprehensive, quantitative picture of non-contributory provision. This is a serious problem when trying to assess coverage, types of provision and adequacy of that provision; it means it is difficult to write with certainty on these matters. The focus of a large part of the chapter is on education and health. In addition a summary is provided of the findings of an ILO mapping exercise of government welfare programmes and national and international NGOs engaged in social protection in Zanzibar. (A full analysis is published in Annex A) Finally, there are the religious obligations mainly Zakat, which feature in MKUZA 2007 as being able to make a contribution to social protection. A summary of a working paper commissioned by the ILO is also summarized. There is some overlap between these two pieces of work. (A full text of the working paper is at Annex B).

There are many actors engaged in social protection activities in Zanzibar; the One UN (Tanzania including Zanzibar is one of eight One-UN pilot sites), the EU, the World Bank, and major bilateral donors (Canada, Denmark, DFID, Finland, Germany, Ireland, Japan, Netherlands, Norway, Sweden and Switzerland), NGOs and of course the Government.

Zanzibar's education system

4.3.2

Education policy

Education has always been a priority for the people of Zanzibar. However, in recent years, it has moved to centre stage as a tool for long-term economic development and poverty alleviation. There have been four recent key reports which address all aspects of education: literacy, pre-school, primary, secondary and tertiary levels, management of schools as well as coverage and financing. These reports are Zanzibar Vision 2020, the Education Policy 2006, the Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP) known in Swahili as MKUZA 2007 and the Zanzibar Education Development Programme (ZEDP) 2008/09-2015/16. Responsibility for education policy and delivery is devolved to Zanzibar for pre-school, primary and secondary (where the system is the same as on the Mainland). Responsibility for tertiary education rests with the Mainland. There is an acknowledged problem with data concerning education in Zanzibar, which inhibits strategic planning. Steps have been taken to improve the situation with a new education management information system (EMIS), which is not fully operational. This Report has had to rely on incomplete existing data and mostly secondary data sources.

Vision 2020

Zanzibar Vision 2020 sets a number of critical targets for extending education coverage. There is a target of achieving basic universal education by raising primary school enrolment to 100 per cent by the year 2005 and a target of all primary school children moving to secondary education by 2020. In addition there is a target of eradicating illiteracy. It places special emphasis on the needs of members of poor households, women and persons with disabilities.

4.3.3 *Education policy 2006*

The vision of the Education Policy 2006 is “A democratic and peaceful society enjoying a high quality of education and livelihood and committed to lifelong learning to effectively respond to development challenges. And the mission is “To strive for equitable access, quality education for all and promotion of lifelong learning”. The process of arriving at the new policy was very consultative and open. The Education Policy 2006 sets out in detail overall policies and sub-sector policies, which are very briefly described as follows:

Overall policies

- ☐ Expand access and equity
- ☐ Improve the quality and effectiveness of the education system
- ☐ Promote good governance

Sub sector policies on

- ☐ The structure of pre-primary, primary and secondary schooling
- ☐ The entry age for pre-primary, primary, secondary, lower and advanced levels
- ☐ Increased access to post basic and higher education
- ☐ Learners with special needs
- ☐ Adaptation of TVET to labour market demands
- ☐ Diversified adult and alternative education
- ☐ Establishing new institutes and organs
- ☐ Language of instruction
- ☐ Recruitment and quality control of teachers
- ☐ Education management and decentralization
- ☐ Inspection of schools
- ☐ Role of community and parents

4.3.4 *MKUZA*

The Report Education Policy 2006 needs to be read in conjunction with that part of the MKUZA 2007 which deals with education and which recognized that there are existing disparities in access to education, especially between rural and urban areas, by gender and children with disabilities. As a result the Government has given top priority to education because it has a significant impact on growth and poverty reduction. It has identified clear targets:²

² Zanzibar Strategy for Growth and Reduction of Poverty, page 44.

Early childhood care and development

- ☐ Increased Gross Enrolment Rate for pre-school from 15.9 per cent in 2005 to 35 per cent in 2010

Primary education

- ☐ Increased Net Enrolment Rate from 77 per cent in 2005 to 90 per cent in 2010
- ☐ Increased proportion of children with disabilities, enrolled, attend and completing schools by 5 per cent annually

Secondary education

- ☐ Increased transition rate at form two examinations from 46.9 per cent in 2005 to 70 per cent by 2010
- ☐ Increased Net Enrolment Rate from 36.1 per cent in 2006 to 75 per cent in 2010
- ☐ Increased proportion of girls who join low and higher secondary education from 46 per cent in 2005 to 50 per cent by 2010
- ☐ Increased percentage of qualified secondary schools teachers
- ☐ Improved quality of secondary education and promoted acquisition of knowledge
- ☐ Increased proportion of orphans and vulnerable children and children with disabilities who join secondary education
- ☐ Increased proportion of graduates from tertiary education institutions

Science and technology

- ☐ Enhanced teaching of science, mathematics and technology in schools
- ☐ Promoted the use of Information and Communications Technology
- ☐ Expanded access to ICT for education development

Non-formal education

- ☐ Increased literacy rate from 75.8 per cent in 2005 to 100 per cent in 2010
- ☐ Increased literacy rate of women from 69.8 per cent in 2005 to 100 per cent in 2010
- ☐ Improved Vocational Education and Training
- ☐ Enhanced entrepreneurial skills among the youth

Tertiary education

- ☐ Increased proportion of graduates of tertiary education institution

Quality education

- Improved quality of education at all levels

Institutional reform

- Integrated cross cutting issues into education system (gender, environment, population, HIV and AIDS, employment and disaster preparedness)

4.3.5 *Zanzibar education development programme*

Finally, it has produced a Zanzibar Education Development Programme (ZEDP) 2008/09-2015/16, which is the tool to achieve Vision 2020, the Education Policy 2006 and MKUZA by setting clear pathways to improving education at all levels. It is to be supported by the World Bank Zanzibar Basic Education Improvement Project, which will finance much of the capital side of the education plans. Chapter 3 of the Report has identified the correlation between educational attainment and the likelihood of being engaged in formal employment. The higher the level of education, the greater part of an individual's employment will be in the formal sector. There is also a strong correlation between low level of head of household education and level of poverty in the household.

In conclusion, there have been considerable efforts to develop comprehensive education policies to enable Zanzibar to have a better skilled population for the 21st century which will contribute to growth, provide employment opportunities in the formal sector and alleviate poverty. However, policies need financing and institutional capacity to move to implementation.

4.3.6 *Financing*

Historically the MoEVT has struggled to raise sufficient money for the operation and maintenance of the education system and for investment in infrastructure. Domestic budget transfers have just about covered salaries and personnel costs and donors have provided important additional resources. The policy changes set out earlier require a considerable increase in resources for both recurrent and capital expenditures. The Government has shown a commitment to change by announcing a fifty percent increase in expenditure for 2007/08. Local communities have a high commitment to education and are major investors and there is an expectation donors will increase their support. Indeed, the World Bank agreement (credit line) – Zanzibar Basic Education Improvement Project will make considerable additional funds available for physical infrastructure: rehabilitation of schools and the building of a teacher-training college in Pemba. In addition, it will strengthen teacher training, curriculum reform and provide books and learning materials in secondary schools. Forty two million US dollars will be made available until 2013. However, ZEDP will require additional funds over and above committed funds if it is to implement the planned reforms in an effective and efficient way.

Public expenditure on education cannot be seen as separate to projected overall public domestic resources (not included tied project aid). These projections are based on forecasts for GDP, tax revenue etc which are dealt with earlier in this report. In

addition it is difficult to predict the effect of the global financial crisis on Zanzibar which is heavily dependent on the tourist industry (see Chapter 3) and has assumed continued high levels of donor aid. MoEVT has used three different assumptions of the share that the ZEDP will receive from total revenue when forecasting the resources for recurrent expenditure. They are 20, 25 and 30 percent. The RGoZ is relying on the middle scenario which would mean education financed from domestic revenues would be constant at 3.7 percent of GDP up to 2011/12.

Education spending as a share of the Government budget and of GDP saw a major increase in 2007/8 from approximately TZS 18 billion (actual) in 2006/7 to TZS 28 billion. The majority of which went to finance the additional 2027 persons employed by the ministry mainly as teachers. In addition there was TZS 10 million of foreign and financed development expenditure.³

Recurrent expenditure funds are organized under four broad categories:

- ☐ Personnel-related expenditure (81 per cent of the total)
- ☐ Non-wage recurrent expenditures (5 per cent of the total)
- ☐ Capital expenditure (negligible)
- ☐ Grants to institutions (14 per cent of the total)

In 2005/06 the ratio of active expenditure to budget was 92 per cent. However, there was considerable variation, i.e., 93 per cent on wages but only 8 per cent for teaching/learning materials and zero per cent for text books. In addition, these figures give an incomplete picture as communities are responsible for the building of (not including the roof) and maintenance of school buildings and provision of text books. The mapping exercise carried out by the ILO showed most NGO expenditure was going on small-scale educational costs and there was some Official Development Assistance (ODA) that was included in the budget but by-passed the MoFA Treasury system and thus does not appear in the national accounts. This makes it difficult, if not impossible, to compare actual expenditures with the budget, at aggregate and sectoral levels.

In conclusion the projections made in the ZEDP are sensitive to population projections, enrolment rates and maintaining pupil teacher ratios at current levels and redirecting numbers of teachers into secondary education. They are highly dependent on obtaining a 25 percent share of government domestic expenditure and if this not secured there will be considerable difficulties in taking on recurrent costs particularly text books for which donor funding is due to end in 2013.

Literacy

4.3.7

Zanzibar does better than Tanzania Mainland in relation to literacy rates. However, just as on the Mainland men are more literate than women. The latest literacy estimates indicate that 77 percent of Zanzibar women and 86 per cent of Zanzibar men are literate compared to 67 percent of women and 79 percent of men on Tanzania Mainland. There are higher literacy rates between men and women in Unguja than their counterparts in Pemba. The disparity in literacy rates between men and women is also much higher in Pemba where the illiteracy rate for women is 40 per cent compared to only 20 per cent for men. The Urban West Region has the highest literacy rate to 82 per cent for men and 76 per cent for women followed by South Unguja district with

³ Education Situational Analysis 2007. Volume 1 in Main Text Draft June 2007 MOEVT and ZEDCO.

76 per cent for men and 68 per cent for women. The district with the lowest literacy is North Pemba with only 55 per cent literacy rates for men and 43 per cent for women. Table 3.10 reports the literacy situation of women and men in Zanzibar, Unguja and Pemba and compares it with the situation in the rest of Tanzania.

4.3.8 *Tiers of education provision*

Zanzibar has seen improvements in the numbers of children attending pre-school, primary school and secondary school and at the tertiary level. Gender parity has been achieved at primary and basic education. However a number of problems exist:

- ☐ Zanzibar has not achieved enrolment of 100 per cent at all levels;
- ☐ Levels are low for children suffering from disabilities and from poor families;
- ☐ There are shortages of schools and teachers in some subjects and in some districts

There is a relationship between living in a rural area, poverty and lack of educational achievement. This report now looks at the different education tiers and highlights some key aspects.

Pre-primary education

MKUZA summarizes concerns related to Early Childhood Care and Development (ECD) as follows:

“Enrolment at the pre-school level of education is still low and teacher quality is inadequate. One area that needs special attention is childhood care and development, a concept that encompasses all children from 9 months to the time these children enter primary schools. Interventions in this regard would include developing a holistic approach to cover care, nutrition, health and education.”⁴

Since 1988, the overall enrolment of 4-6 year-old children in pre-school education has increased significantly. The Gross Enrolment Ratio (GER) was 15.6 per cent in 2006, which had risen to 22.7 per cent in 2007.⁵ The growth has been most rapid in the private supply of pre-schools with the public share falling from 24.8 per cent in 2000 to 15.6 per cent in 2006. Parents are required to pay a fee of 2500 TZS a month to cover the cost of a snack and materials. Private supply is concentrated in a few districts, mainly in urban areas where demand is high and the ability of parents to pay is more likely. This has led to a very uneven distribution of enrolment – being highly variable between districts and with marked differences in urban and rural areas.

These are four categories of private pre-schools in Zanzibar:

- ☐ Quramic centres – no fees , wide coverage
- ☐ Private commercial pre-schools – which cost 30,000 TZS a month,
- ☐ Community pre-schools registered – financed by the Aga Khan Foundation
- ☐ Community pre-schools unregistered

⁴ MKUZA, p. 43.

⁵ MKUZA Annual Implementation Report, 2007/08, p. 46.

In 2006, there were 977 teachers of which approximately 78 per cent had undergone some training (there is no specific pre-school training centre in Zanzibar, with in-service training to take place in Teacher Centres (TC) which are weak). A curriculum for pre-schools has been developed. Government policy is to have one teacher to twenty children. However, there is considerable variation between districts and public and private provision. The number of unregistered schools is unknown.

Interestingly, the Government has introduced a radio programme – Radio Instructions for Strengthening Education (RISE), which provides low-cost community based pre-school education to 729 children including districts which have the lowest pre-school enrolment. This resulted in an increase in the number of children attending pre-school from 16,326 in 2006/07 to 21,538 in 2007/08.

Critical issues

The intention is to make it compulsory for all children aged 4 or 5 to attend pre-primary education and this requires a rapid expansion of provision. Currently this expansion has been in private institutions and those in greatest need cannot afford to pay. This question of equity is fundamental if education is to be a tool to alleviate poverty.

Primary education

MKUZA describes the position of primary education as follows:-

“Most schools are in urban areas therefore reducing access to education by rural children. Compared to boys, girls have less access to education and so do children with special needs. The quality of education is still poor as a result of inadequate numbers of qualified teachers, availability of equipment and laboratory and library facilities. School leavers are unprepared for the world of work. The prevalence of disease, malnutrition, HIV and AIDS/STDs, inadequate changes of attitude regarding reproductive health, and gender-based violence all have negative effects on access to school and achievement.”

In 2006 the net enrolment figure was 75.7 per cent and it has increased to 77 per cent. However, the distribution is not even across Zanzibar with a clear correlation between socio-economic factors and enrolment and completion of studies. Unlike pre-school provision the vast majority of schools are public schools with only 4 per cent of children in private schools.

Micheweni district has a net enrolment rate of 59.5 percent in March 2006 compared to 90.1 percent in South district. Many schools are overcrowded which means children have to wait for a place, there are double and in some cases triple sittings, classes are overcrowded, with poor water supply and sanitation. Communities put in enormous efforts in maintaining schools and finishing construction. The supply of classrooms is critical to meeting the policy targets.

Unsurprisingly, this has an impact on children dropping out of school (a study showed a large number of children drop out as they are engaged in income generation and this is corroborated by ILO analysis set out in Chapter 3) and level of academic attainment. It also impacts on the pupil/teacher ratio which has remained constant but with large variations between districts – North B district in Unguja has a ratio of 27:1 whereas Micheweni district in Pemba has the highest at 46:1. The Ministry believes that there is a sufficient supply of teachers but some 10 percent are untrained, there is a lack of teachers in english, mathematics and science and a lack of in-service training.

Critical issues

There is a good understanding of the problems facing primary education but many of the solutions are medium term in nature – building of schools, generating a supply of teachers – and some short term – access to text books.

Secondary education

Enrolment in and completion of secondary education is the main plank of the Government's educational policy. It suffers from many of the problems identified for pre-school and primary school provision: lack of classrooms, overcrowding of classes (double shift), and children either not enrolling or dropping out before completion of their studies, unqualified teachers, and poor levels of academic attainment. There are the same socio-economic correlations as for primary education. The existing two parallel structures for secondary education have created a sharp divide between the small number of children who are selected to go to the biased secondary schools and the rest.

Nonetheless, considerable improvements have been seen in the last five years. But, the planned policy changes present a considerable challenge. The most striking being the greater emphasis placed on schooling in English, the increases in enrolment and numbers of teachers. The success of the World Bank project is fundamental to achieving the planned changes.

Technical and vocational education and training

Zanzibar has a young population (see Chapter 1) which needs to find work and contribute to the economic growth of the country. It also has high levels of youth unemployment. Good skills' training is essential to harness this potential. However, opportunities for vocational training are limited. A project was undertaken by a Canadian Consultancy in 2004 which mapped existing provision and made assessments on quality and appropriateness of training courses for the new World of Work.

There is one technical college – Karume Technical College – and other schools – the Mikunguni Secondary Technical School, Kengeja Secondary Technical School (Pemba), the Mwanakwerekwe Skills Training Centre. In addition there are specialist schools for agriculture, health science, finance and administration. Unfortunately the latest available figures are for 1998.

Critical issues

Students are required to pay a fee the level of which varies between institutions and the schools are supposed to generate income. There are problems with equipment, qualifications of trainers, drop out levels and match between needs of the labour market and type of training provided.

Higher education

Responsibility for tertiary and higher education rests with Tanzania Mainland. Students are required to finance their studies and the Zanzibar Higher Education Loan Board has been established to help Zanzibar students. This is in addition to the Board on the Mainland. Several institutions provide post-secondary education at both tertiary and higher education levels in Zanzibar. Higher education is currently provided

by the Government and two private institutions, namely the State University of Zanzibar (SUZA), the Zanzibar University (ZU), and the University College of Education (UCE) which is funded mainly by the African Muslim Agency. The three universities had in 2006/7 a total enrolment of 2758 students. It is not possible to breakdown funding for the institutions in Zanzibar given the nature of the sources of their funding.

Critical issues

The critical issues surrounding tertiary and higher education are similar to those identified for the other tiers of education. They are: a lack of sound buildings, well qualified staff, low attainment of the students and far fewer young women studying than men. There is also the issue of the relationship of the type of subjects being taught and the needs of the labour market.

Conclusions

4.4

A number of important conclusions can be reached from the foregoing analysis:-

- ☐ All levels of education provision have been made a priority for economic development and poverty alleviation;
- ☐ All levels of provision are suffering from the same problems: under-funding, inadequately trained staff, low levels of pupil/student attainment;
- ☐ There is a mismatch between the skills being transferred and the needs of the labour market;

but:

- ☐ There is major World Bank support available and considerable community support.

Zanzibar's health system

4.4.1

Health care is a devolved responsibility from the Mainland to the Revolutionary Government of Zanzibar and it is a designated priority for action in the MKUZA report which is supported by a number of more detailed policy and planning reports. The provision of health care has been seriously under funded for a number of years and many areas of provision are highly dependent on donor funding: drugs and HIV/AIDS. According to the 2006 health sector PER the government contribution accounted for 29 per cent of expenditure in 2004/5 and development partners for the remaining balance of 71 per cent. The Health Sector Reform Strategic Plan 2002/3-2006/7 has been acknowledged to have been too ambitious and has not been implemented at the speed that was envisaged. A new plan is in place running from 2006/7 to 2010/11 which addresses both vertical and horizontal reform. Vertical priorities are infant and child health, maternal and reproductive health, communicable diseases -malaria, HIV/AIDS and tuberculosis. Horizontal priorities are strengthening decentralization of services, improved health care delivery, better coordination and ensuring coverage of vulnerable groups. A particular reference has to be made to the difficulty of capturing financial data which is essential for successful long term planning. This problem was highlighted in the PER on Health Care and it is hoped that implementation of the Health Information System will help.

It is important to look at a number of key indicators in developing countries when trying to reach an assessment of the effectiveness of existing coverage in relation to coverage, scope and adequacy. It is usual to look at life expectancy, fertility and mortality and morbidity. Chapter 1 sets out the improvements in life expectancy and fertility that have taken place. However, child and maternal mortality rates are high. Mortality in children is dominated by preventable diseases such as malaria, tuberculosis and diarrhoea and occasional outbreaks of cholera. Maternal mortality is dominated by the poor care received during pregnancy and at the birth. These problems – infant and maternal mortality are major vertical policy priorities and targets have been set in the MKUZA report. Incidence of malaria remains the highest diagnosis at Primary Health Care Units. HIV prevalence is low amongst the sexually active population at 0.6 per cent.

4.4.2 **Health Care Policy**

The overall goal of the Zanzibar health policy is to “improve and sustain the health status of all Zanzibar people” (GOZ 2002a, p 10). The intermediate objective is the reduction of both the absolute levels of morbidity and mortality from all major causes, and the disparities in those levels between different population groups and geographical areas. Emphasis is given to ensuring that vulnerable groups such as the poor, women of reproductive age, children, the disabled, and the elderly are assured of access to high quality services.

Health care comes under Cluster 11 in the MKUZA report and six goals are identified each with a number of operational targets. The goals are in the main vertical rather than horizontal:

- ☐ Goal 2: Improve health status including reproductive health, survival and well being of children, women men and vulnerable groups.
- ☐ Goal 3: Increase access to clean, safe and affordable water.
- ☐ Goal 4: Improve sanitation and sustainable environment.
- ☐ Goal 6: Improve food and nutrition security among the poorest, pregnant women, children and most vulnerable groups.

This has been translated into key targets some of which follow.

Goal 2

A. Infant and child health

- ☐ Reduced infant mortality from 61/1000 in 2005 to 57/1000 in 2010
- ☐ Reduced mortality of children under five from 101/1000 in 2005 to 71/1000 in 2010
- ☐ Increased coverage of children immunized against measles by age one from 93 per cent to 98 percent by 2010

B. Maternal and reproductive health

- ☐ Reduced Maternal Mortality from 377/100,000 in 1999 to 251/100,000 in 2010 (MDG)
- ☐ Increased percentage of births delivered in health facilities from 49 per cent in 2005 to 60 percent in 2010
- ☐ Improve contraceptive prevalence rate from 10 per cent to 15 percent for modern methods and from 15 per cent to 20 per cent for any method by 2010 (MDG)

C. Communicable diseases

Malaria

- ☐ To raise the percentage of under-fives having prompt access to and receiving appropriate management for febrile illness within 24 hours from 13 per cent in 2005 to 70 per cent in 2010
- ☐ To increase the percentage of under-fives sleeping under ITN's from 37 per cent in 2005 to 90 per cent in 2010
- ☐ To reduce the case-fatality rate from 2.1 per cent in 2005 to 0.5 per cent in 2010

HIV and AIDS

- ☐ Reduce HIV prevalence among 15-24 years pregnant women from 1 per cent in 2005 to 0.5 per cent in 2010 (MDG)

TB

- ☐ To reduce the death rate from 8 per cent to 5 per cent in 2010
- ☐ To increase cure rates from 80 per cent to 85 per cent in 2010
- ☐ To increase HIV screening for tuberculosis patients from 20 per cent to 100 per cent in 2010

In addition goals 3 and 4 target safe water and sanitation and goal 6 targets nutrition in under-fives and vulnerable pregnant women.

It is important, at this point, to make reference to other reports and their findings and recommendations. There have been two Public Expenditure Reviews carried out for HIV and AIDS. This Report focuses on the second report which is based on a review carried out between September and October 2008.⁶ The PER looked at existing HIV and AIDS financing and expenditures, future financing, thematic allocations and donor financing, and made recommendations. The report is comprehensive and only the key findings are mentioned here.

The most important findings are that donor funding of actual expenditure was 96 per cent in 2006/07 and 92 per cent in 2007/08. Government share of actual expenditure increased from 4 per cent to 8 per cent over the period. This means that HIV and AIDS funding is highly donor dependent.

In 2007/08 this amounted to 6,429 million TZS. However, this level of funding will have to increase to maintain existing provision because of high inflation levels and population growth rates. The five main donors are the World Bank, PEPFAR (Presidential Emergency Plan for AIDS Relief), the UN, the Global Fund and UNICEF. The first three account for 86 per cent of total expenditures. There is a considerable difference between the levels of resources needed to achieve the strategic plans and the actual revenues received.

There are considerable concerns about financial management of the funds, including poor record keeping, lack of budgeted work plans, varying absorption capacities between government and ministries financial planning is on a year by year basis.

In relation to thematic interventions, the majority of expenditure goes on prevention, followed by monitoring and evaluation, impact mitigation and, lowest of all,

⁶ Revolutionary Government of Zanzibar, Zanzibar Aids Commission, Public Expenditure Review for HIV and AIDS 2007/2008. Report prepared by Rashid Kinbasa, Fred Burman and Peter Collings on behalf of the Zanzibar Aids Commission.

care and treatment. There is a major problem in linking HIV and AIDS' programmes to broader health sector programmes and in coordination at the community level.

Thus, it is possible to conclude that there is an urgent need to put in place the PER recommendations concerning data consistency, sound financial management systems, improved coordination and the need for Government to take on a higher percentage of expenditure in the medium term.

It is also important to try and assess the numbers of people being reached and the type of intervention provided. The Zanzibar AIDS Commission Biannual Service Coverage Report, January-June 2008 provides some useful information which is broken down by region and type of intervention. It shows an increase in numbers reached for prevention education, as well as materials distributed. It is interesting to look at the interventions for the most vulnerable, children and the elderly, where support covers health care, malnutrition, financial support and, for children, school-related assistance. External support was almost the same for children and the elderly, 1,612 children and 1,682 elderly persons received support from January to March 2008. Health care support was the largest for the elderly and emotional and psychological support for children closely followed by school support. The report also highlights the need to purchase and distribute more condoms as usage is low.

However, there is no data linking expenditures and persons covered.

It can be argued that the control of malaria is of the greatest importance, given its impact on infant mortality and mortality generally. The Government has worked hard to reduce the levels of malaria by the provision of nets, spraying of houses and early and correct diagnosis. It has clear targets for nets, which started with all households with a child under five and/or a pregnant woman receiving a net (233,000 nets), to providing two nets per household to full coverage: everyone sleeping under a net. This links with the target for reducing mortality. Programmes for spraying houses twice a year have been re-introduced (covering 96 per cent of houses) although the number of mosquitoes has greatly increased and will only decrease with better drainage systems and improved sanitation.

There is a Zanzibar RBM Malaria Strategic Plan (2004/05-2008/09) and there is a President's Malaria Initiative, which is mainly donor-funded: ADB, Global Fund, USAID, WHO, UNICEF, etc. This means expenditure planning is subject to donor timetables and level of support. There are questions surrounding the financial capacity of the Government to take on this area of need if donor funding reduces.

The horizontal priorities are to be found in the ZHSRSP 11. They are strengthening human resources for health, strengthening decentralised health service delivery, ensuring coverage for vulnerable groups, improving efficiency through integration and improved transparency, accountability and partnership. The targets set under MKUZA cannot be realised without improvements in staffing (including skills development, deployment of staff and decentralization) and infrastructure (including community based care, primary health care, the laboratory of the Chief Chemist and the Public Health Laboratory) which are identified in the horizontal priorities. The Government is clear about what needs to be done to bring about improvements but resources are lacking and need to be mobilized.

4.4.3 Health Care Financing

Unsurprisingly, the vast majority of internal raised resources available to the government are absorbed by health sector wages, salaries and other allowances. Donor financing covers all drug expenditures, much of the expenditure on malaria and HIV/AIDS. It is difficult to accurately assess geographical distribution of resources and to

have a clear picture of the effective use of donor financed activities. The Government has set a target of tax revenue reaching 20 per cent of GDP by 2020. If this went to occur and high inflation came under control and economic growth were to be maintained it would be possible to revisit existing priorities and create new priorities. The fact that donor resources are in the main channelled vertically makes it difficult to quickly alter priorities.

Critical issues

The situation for health care is in many ways similar to that for education. A number of very thorough policy reports exist with clear outcome targets which have been the subject of major consultation exercises. At the same time the new policies draw on an existing base which in many instances is higher than in other parts of Sub-Saharan Africa. The challenge does not lie in the identification of problems and policy priorities but in the area of resource mobilization and capacity to effectively manage extra resources.

Findings of a mapping exercise of public and NGOs engaged in social protection provision in Zanzibar

4.5

In the summer of 2008, the ILO carried out a mapping exercise of government departments and national and international NGO's (including some faith based NGO's) providing non contributory social protection in Zanzibar in cash or in kind.. This was a similar exercise to that carried out in Tanzania Mainland. The aim of the exercise being to answer the following questions:

- ☐ Who is covered by such provision?
- ☐ What is the scope of such provision and
- ☐ How much is it worth in financial terms

Summarising the main findings of the mapping, we find that there were 92 institutions that provided non-contributory social protection, within 146 programmes. The predominant type of institution was a local or national NGO, which were predominantly based in Zanzibar. Of the 92 institutions, 95 per cent of them operated on a legal basis.

The main beneficiary group served by these programmes were children, mainly through benefits in kind, in the form of education. The number of beneficiaries is in the region of 100,000, with nearly 60 per cent of the beneficiaries being female.

Funding for these programmes was mainly through donors, totalling 6,265 TZS when the survey was undertaken. Of this funding envelope, around 90 per cent of the money was used as budgetary expenditure. There is some variation in the average expenditure by type of institution, with international agencies/NGOs spending around seven times more, on average, than the overall average expenditures.

Table 4.7 Summary of findings from NGO mapping exercise

	Number of institutions = 92 Number of programmes = 146
Main type of institution	Local or national NGO (58 of 92 institutions)
Proportion of institutions which have a legal basis	95%
Predominant office location	Single office in Zanzibar (65 of 92 institutions)
Main target group	Children (64 of 92 institutions)
Main type of intervention	Education (82 of 92 institutions)
Main source of funding	Donor funding (59 of 92 institutions)
Total funding to all institutions	6,265 Million TZS
Proportion of budget to funding for all institutions	87%
Ratio of average international agency/ngo spending to overall average spending	7 : 1
Main form of intervention	Benefit in kind
Number of beneficiaries	106484

4.5.1 *ZAKAT and other faith based provision*

It was decided after discussion with the Steering Committee to undertake a small mapping exercise of Zakat provision as it is specifically mentioned in MKUZA as a possible avenue for non-contributory support. Two small scale studies were done which showed that whilst Zakat etc. is being disbursed in Zanzibar the total value is small and payments tend to be one off in nature to help with education or health care needs or immediate food poverty. Importantly, it is clear that disbursements reflect the policy priorities set out in MKUZA and complement existing Government expenditures. A full report is at Annex B. There is some duplication between the two mapping exercises.

4.5.2 *Child Labour*

The Ministry of Labour, Youth, Women and Children Development has a National Action Plan for the Elimination of Child Labour 2009-2015, which focuses on the worst forms of child labour (WFCC). The work involved in putting together the Plan was funded by the United Nations Country Team under their UN Joint Programme JP5 project and the ILO. A number of studies have identified that children are engaged in child labour due to poverty, irresponsible parents, family breakdown, a lack of alternatives for children after they have completed their education and the child wishing to be financially independent.

The Plan is comprehensive and has a overall objective to “reduce the incidence of WLFC to the barest minimum by 2015, while laying strong social, policy and institutional foundations for eliminating all other forms of child labour in the longer term”.⁷ There are ten specific objectives and related outcomes which cover legislation and

⁷ National Action Plan for the Elimination of Child Labour, 2009-2015, p.8.

guidance, awareness raising, education, mechanisms for identifying children engaged in child labour, protection of children through labour inspections, a better knowledge base and necessary infrastructural capacity.

Child labour is common in Zanzibar with prostitution, fishing and seaweed farming among the most hazardous sectors. Children are also working in the clove plantations, tourism and hotels. This Report is particularly interesting in the numbers of children engaged in child labour and its impact on poverty alleviation as well as the cost of any programmes designed to eradicate child labour in all of its forms.

There are a few small-scale projects working in the field of child labour. One project, funded by the Foundation for Civil Society is based in Pemba-Jumuiya ya Kupunguza Umaskini na Kuboresha hali ya Wanauchi (KUKHAWA), which has been able to reintegrate 60 children back into school in less than six months since the start of the project. There is also an ILO-IPEC time based second phase project.

The Zanzibar National Action Plan refers to 9.2 per cent of children aged 5-17 years as being engaged in the WFCL according to the 2006 (ILFS). This Report in Chapter 2 refers to 25 per cent of children under 15 years of age being engaged in some type of work: child labour. The differences in these figures can be explained by the use of different definitions concerning work. However, the percentages are high. The National Action Plan acknowledges the data problems and general lack of information and makes recommendations to improve quality of data and to increase its knowledge base.

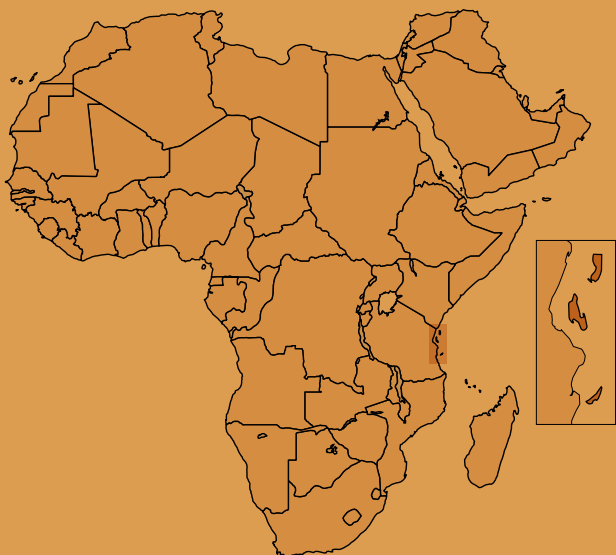
It has not been possible to quantify the donor /Government funding being made available to combat the worst forms of child labour or the more general form of child labour. It is arguable whether or not such funding should be included under social protection: generally, it is not. But, it would be useful to be able to do some analysis on poverty, child labour and funding so as to be able to refine the impact of interventions given scarce revenues.

Conclusions

4.6

This is a long and detailed Chapter which sets out to describe existing contributory and non-contributory provision in Zanzibar. There are some conclusions that can be reached. They are:

- ☐ Coverage and adequacy of contributory social protection is low.
- ☐ The social insurance scheme needs to be reformed in accordance with the recommendations in the last actuarial valuation.
- ☐ A special study needs to be done on medical and maternity benefits.
- ☐ The jurisdiction of Mainland schemes operating in Zanzibar needs to be resolved.
- ☐ The strategy for improvement the quality of education and educational attainment needs to be linked to labour market policies.
- ☐ Coverage for education is high for primary levels but falls off thereafter.
- ☐ Data needs to be improved for health care.
- ☐ Other non-contributory provision is insignificant in terms of coverage, scope and adequacy.
- ☐ Faith based provision has a role to play but needs to be more focussed.



5

5.1 Introduction

This chapter concerns the Social Budget, which is a method of analysing and forecasting the revenue and expenditure of a social protection system. Social budgeting helps to inform the political decision-making process because:

- It helps one to see how a social protection system behaves and would behave financially in comparison to macroeconomic and general government budget developments; and
- It is a tool for analysing the impacts on incomes, expenditures and targeted population of modifications or new alternative policies regarding the social protection system.
- It is also a tool for inter-governmental co-ordination.

This chapter presents the assumptions, methodology and results of the Social Budget for Zanzibar. The Social Budget is limited to describing the existing baseline and projections based on it. This is an essential first step to being able to model future policy options. The reader will find some unavoidable duplication of information already presented in Chapters 1 to 4, as well as some new information.

Social budgeting comprises two basic components: a statistically and methodologically consistent compilation of the revenues and expenditures of a social protection system (the social accounting system – SAS); and their forecast under demographic, economic, actuarial and legislative assumptions (the Social Budget).

The design of the SAS follows three guidelines:

1. its methodology is close to the System of National Accounts;
2. it covers all social expenditures and their related revenues; and
3. it is structured – with respect to revenue – according to legal categories of flows of funds to the institutions and according to the economic sectors providing these funds (enterprises, private households, public sector, rest of the world); and – with respect to expenditure – by the institutions administering the social subsystems and by the social functions of the paid benefits.

Social budget

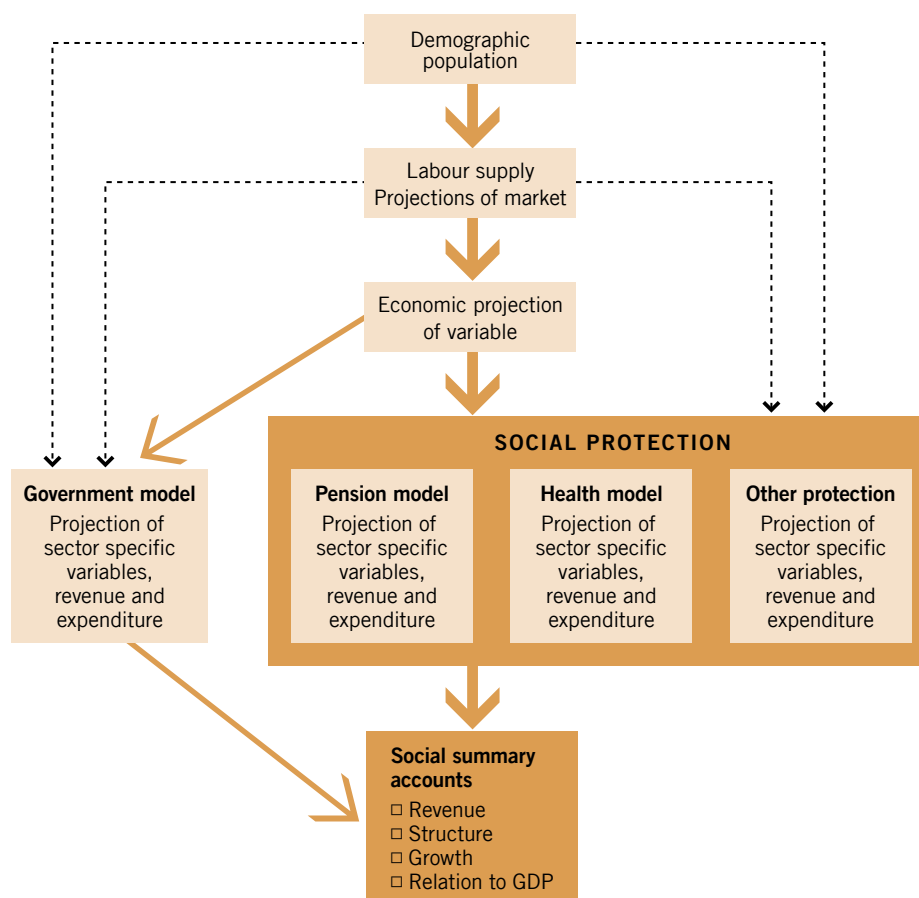
In order to follow guideline (3), statistical practice has introduced types of revenue and expenditure that represent the smallest data category for the compilation of an SAS. Examples are different categories of contributions or subsidies paid to social institutions or different pension, health, employment or family related benefits. The exact contents of an SAS may vary from country to country, depending on the organization of the social protection systems, as well as the range of benefits offered. The transition from the statistical base and its analysis (SAS) to forecasts (Social Budget) is done with the help of formal models, which can be time-series analysis models or micro- or macro-analytical system approaches or other well-established standard procedures. In social budgeting, a modular macro-approach has proved best in practice. It comprises the following interdependent model components, which can normally also be used stand-alone:

1. a demographic model, used for population projections by single ages and sex;
2. a labour supply model, allowing for projections of the labour force and contributors by single ages and sex;
3. an economic model, which projects Gross Domestic Product, primary incomes, prices, wages, labour productivity and a labour market balance;
4. a government budget model, describing revenue and expenditure of the different levels of public administration;
5. a social protection model, describing revenue and expenditure of pension system(s), health system(s) and other social subsystems (as, for example, unemployment benefit or social assistance benefit systems).

Figure 5.1 describes the structure of the ILO Social Budget model. This generic methodology has been modified for Zanzibar because:

- ☐ Data availability and data quality were not satisfactory and therefore it was not possible to establish a complete picture of the social protection system and it was not possible to make projections of some components of the system.
- ☐ **Some elements of the SAS were difficult to project, e.g., grants, which represent a large part of the Government's revenue. For 2007/2008, grants are expected to represent 36 per cent of all government revenue.**

Figure 5.1 Structure of the ILO Social Budget model



It is also important to understand that this Social Budget is not an actuarial valuation of social security system in Zanzibar. The long-term projection of the Social Budget is based on a set of assumptions that tries to reflect a realistic vision of Zanzibar's future socio-economic development. We forecast revenues and expenses from the fiscal year 2006/2007 to 2024/2025, a 19 year period. The population projection is consistent with other official forecasts when information is available. For example, the National Bureau of Statistics carried out projection of the population until the year 2025. However, we did not use these projections as the basis for the Social budget:

- At the start of the projection (2003), there is an important drop in the number of children between age 0 and age 1 (from 40 651 to 29 684 children). This evolution of the children when used in the Social Budget model gives questionable results concerning the evolution of the future working population;
- For the year 2003 to 2025, the youth dependency ratio is quite stable (.83 to .82) even in the context of strong declining fertility rates and high growth of the working population.

Thus, for the Social Budget we make our own projection of the population. However, we kept unchanged the important parameters of the projection of the National Bureau of Statistics related to the number of births, deaths and life expectancy, migration and fertility rates. Assumptions used in the SB for the projection of the population of Zanzibar are summarized in the following paragraph.

Demographic and macro-economic assumptions

5.2

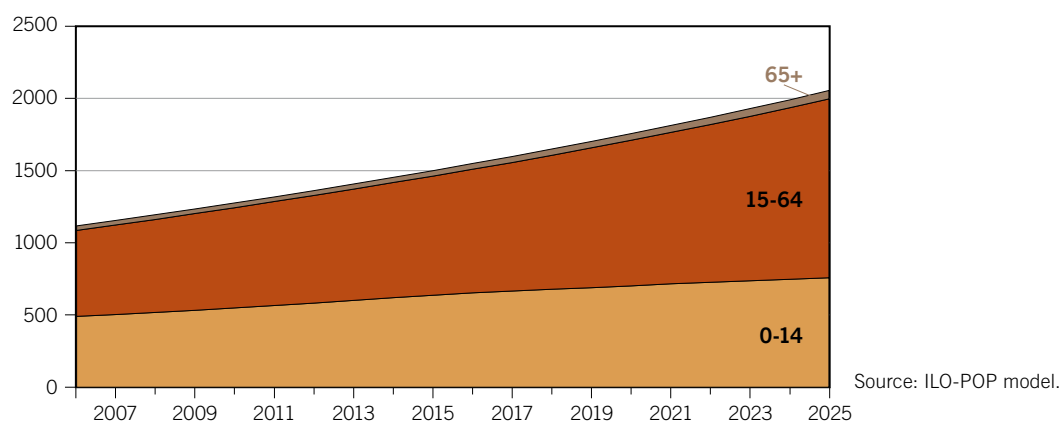
Projection of the total population of Zanzibar

5.2.1

Projected population

The population of Zanzibar is currently estimated to be around 1.2 million. Over the projection period it is expected to grow to reach 2.0 million persons, an annual increase of 3.3 per cent. Over the next 18 years, the average age of the population will increase from 21.5 to 23.9 years. This development is accompanied by a process of declining fertility rates and increasing life expectancy. The ageing process is important for decisions to be taken in many policy areas, notably old age, health and education. But it is important to realize that at the end of the projection period, Zanzibar's population will still be a young population (see Figure 5.2).

Figure 5.2 Projected population of Zanzibar, by age groups, 2006/2007 to 2024/2025 (thousands)

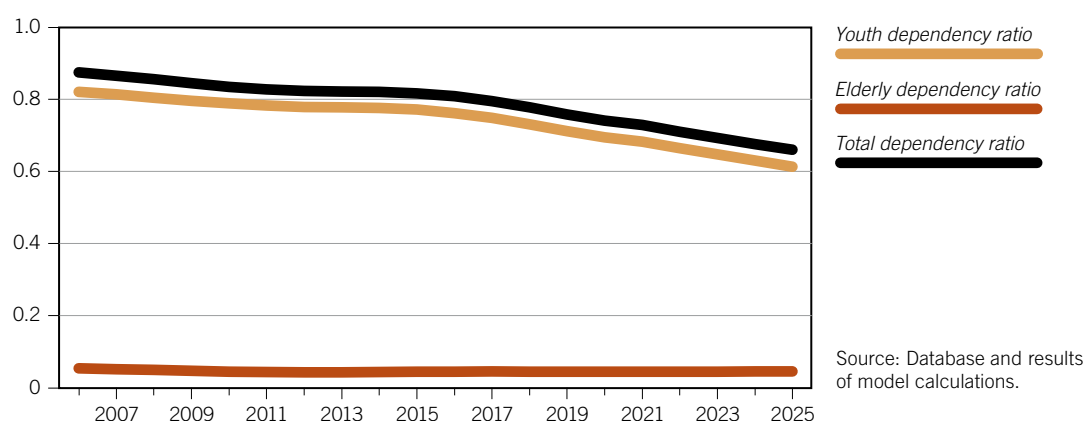


The ageing-induced burden on societies is frequently expressed in “dependency ratios”, which are defined as follows:

1. Youth dependency ratio: Number of persons aged under 15 per persons aged 15-65;
2. Elderly dependency ratio: Number of persons aged over 65 per persons aged 15-65;
3. Total dependency ratio: Number of persons aged under 15 and over 65 per persons aged 15-65.

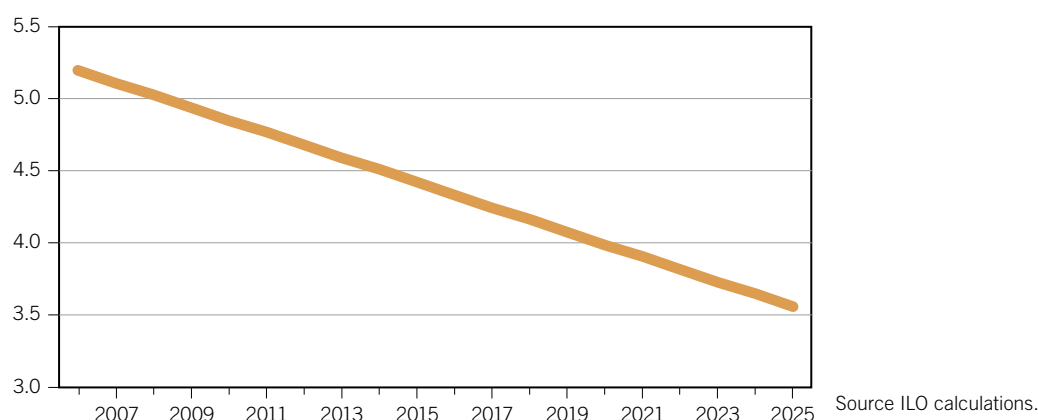
The total dependency ratio will decline from .88 dependants per one active person aged between 15-65 in 2006 to a one of .66 in 2025 (see Figure 5.3). Both the youth dependency ratio and the elderly dependency ratio will decrease. However, the largest decrease is due to the youth dependency ratio. The decrease in the youth dependency ratio is attributable to two factors:

- the drastic decrease in fertility rate; and
- the fact that many people will be entering working age during the projection period.

Figure 5.3 Projected dependency ratios, 2006 to 2025

Fertility rates

As shown in the Figure 5.4, fertility rates are 5.4 in 2006 and are expected to decrease to 3.6 in 2025. The decrease in the fertility rates used in the projection is in line with the one assumed in the projection of the National Bureau of Statistics.

Figure 5.4 Fertility rates, 2006-2025

Mortality rates

Death rates per age used for the projections have been derived from population projection by the United Nations and have been chosen to fit the life expectancy, the infant mortality and under-5 mortality rates used in the national projection. Table 5.1 shows life expectancy at various ages for men and women while Table 5.2 shows sample of mortality rates used in the projection. Life expectancy in 2006 was established

Table 5.1 Life expectancy at different periods of time, by year and sex

Year	Males			Females		
	At birth	At 20	At 60	At birth	At 20	At 60
2006	56.2	46.5	15.5	59.6	49.0	17.4
2012	58.3	47.4	15.8	62.1	50.2	18.0
2018	60.5	48.3	16.2	64.5	51.3	18.5
2025	62.9	49.3	16.6	67.2	52.8	19.2

Source: ILO calculations

Table 5.2 Sample mortality rates, 2006 and 2025

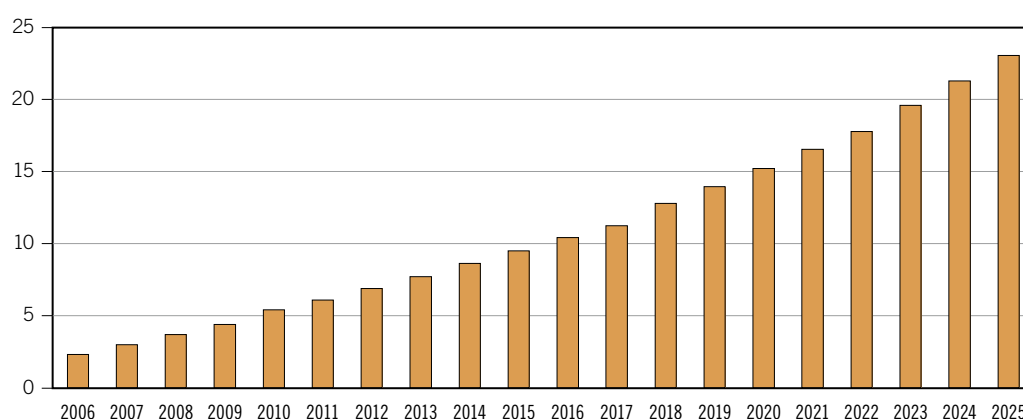
Age	Males		Females	
	2006	2025	2006	2025
0	0.0794	0.0504	0.0676	0.0430
5	0.0053	0.0025	0.0053	0.0018
10	0.0034	0.0018	0.0026	0.0008
15	0.0022	0.0014	0.0016	0.0008
20	0.0027	0.0018	0.0025	0.0015
25	0.0037	0.0026	0.0038	0.0025
30	0.0050	0.0037	0.0053	0.0037
35	0.0068	0.0050	0.0068	0.0049
40	0.0084	0.0063	0.0078	0.0056
45	0.0097	0.0076	0.0079	0.0058
50	0.0114	0.0092	0.0080	0.0059
55	0.0144	0.0120	0.0092	0.0067
60	0.0204	0.0172	0.0132	0.0096
65	0.0316	0.0268	0.0224	0.0165
70	0.0511	0.0443	0.0396	0.0307
75	0.0830	0.0744	0.0688	0.0561
80	0.1319	0.1207	0.1143	0.0978
85	0.2036	0.1863	0.1804	0.1545
90	0.3052	0.2792	0.2737	0.2343
95	0.4449	0.4069	0.4010	0.3433
100	1.0000	1.0000	1.0000	1.0000

Source: ILO calculations

at 56.2 years for men and 59.6 years for women. This life expectancy is expected to increase during the period of projection and to reach 62.9 years for men in 2025 and 67.2 years for women in the same year.

Migration

The net migration used for the projection has been chosen to match the one used in the national projection. To deduct the number of migrants by year we have combined some information disclosed in the national projection: the increase in the population, the number of births and the number of deaths. Figure 5.5 shows the resulting number of migrants used in the projection.

Figure 5.5 Number of migrants, 2006-2025 (thousands)

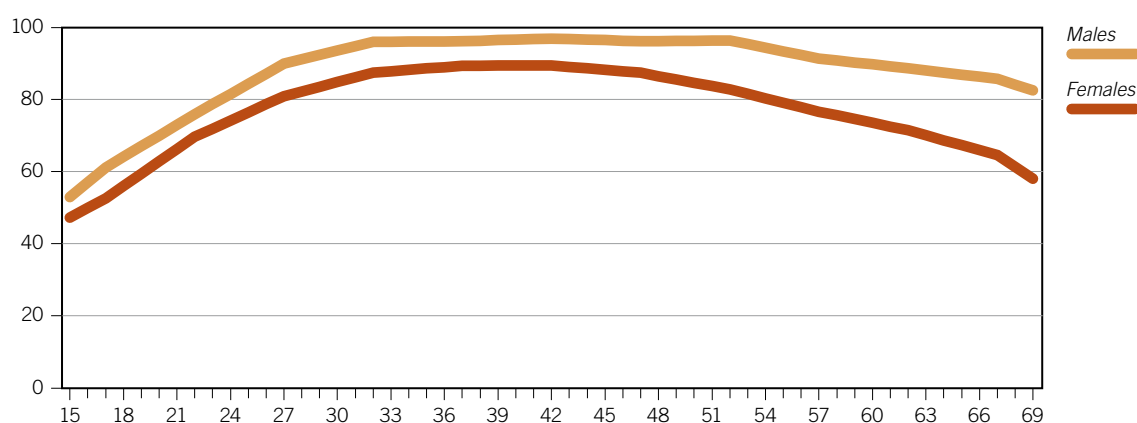
Source: ILO calculations.

5.2.2 Projected macro-economic environment

Labour force participation rate

Labour market participation rates are an exogenous input to the labour supply model. Participation rates by age groups and sex for years 2006 to 2025 are derived using the ones observed in the last labour force survey of 2006. Participation rates during working age are relatively high and are estimated to remain at this level throughout the entire projection period. The total participation rate during working age is 83 per cent for men and 75 per cent for women. Use of constant labour participation rates assumptions by age throughout the period is also due to the absence of a long series of past experience permitting more in deep analysis. Currently, available data on the labour force exists only for the years 1992 and 2006.

Figure 5.6 Labour market participation by age groups and sex (constant from 2006 to 2025) (percentages)



Source: Database and results of ILO model calculations.

Unemployment

Unemployment rates are also exogenous inputs to the ILO's model. In 2006, the total unemployment rate was 1.2 per cent for men and 2.3 per cent for women, for an average of 1.7 per cent. The total unemployment rate for the projection period is virtually stable reaching 1.6 per cent in 2025. Table 5.3 shows the labour market balance from 2006 to 2025.

Economic growth and labour productivity

Since 2003, Zanzibar's economic performance has been strong and was characterized by a strong real GDP growth. In fact during the last five years, average real GDP growth was 5.9 per cent. During the same period, the employed population and the real labour productivity increase on average respectively by 3.8 per cent and 2.1 per cent. Such economic performance should continue in coming years.

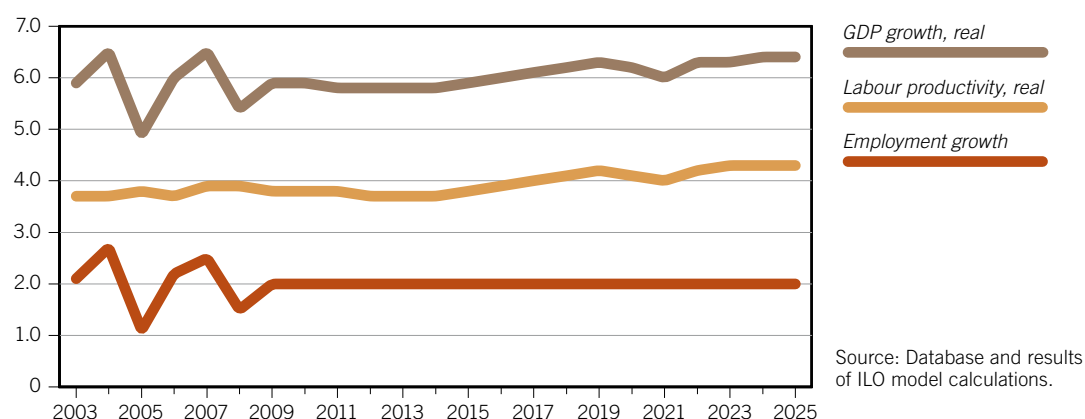
In our model, for every year of the projections, real GDP growth is related to growth in employment and growth in real labour productivity. Annual employment growth is expected to be 3.9 per cent in 2007 increasing to 4.3 per cent in 2025 and we estimate that real labour productivity growth will be constant at 2.0 per cent. The effects of those exogenous assumptions on real GDP growth appear in Figure 5.7.

Table 5.3 Labour market balance (2006-2025)

	2006	2009	2012	2015	2018	2021	2025
Total population	1 117 771	1 233 954	1 361 619	1 500 031	1 649 152	1 811 953	2 053 983
Male	549 403	607 393	670 985	739 875	814 016	894 895	1 015 000
Female	568 368	626 561	690 634	760 156	835 136	917 058	1 038 982
Population 15-69	609 507	682 003	758 498	841 748	947 620	1 068 457	1 262 939
Male	293 881	329 944	367 883	408 998	461 654	521 968	618 348
Female	315 626	352 059	390 614	432 750	485 966	546 489	644 591
Labour force	478 911	536 518	599 544	669 275	753 162	849 302	1 003 657
Male	243 316	273 152	305 878	342 237	386 387	437 158	518 164
Female	235 595	263 366	293 666	327 038	366 775	412 144	485 493
Total participation rate	78.6%	78.7%	79.0%	79.5%	79.5%	79.5%	79.5%
Male	82.8%	82.8%	83.1%	83.7%	83.7%	83.8%	83.8%
Female	74.6%	74.8%	75.2%	75.6%	75.5%	75.4%	75.3%
Employed	470 732	527 341	589 218	657 848	740 707	835 594	987 362
Male	240 474	269 897	302 171	338 134	381 895	432 168	512 202
Female	230 258	257 444	287 046	319 714	358 812	403 426	475 160
Unemployed	8 179	9 176	10 326	11 427	12 454	13 708	16 295
Male	2 842	3 255	3 707	4 103	4 491	4 990	5 962
Female	5 337	5 922	6 620	7 323	7 963	8 718	10 333
Employment rate	1.7%	1.7%	1.7%	1.7%	1.7%	1.6%	1.6%
Male	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.2%
Female	2.3%	2.2%	2.3%	2.2%	2.2%	2.1%	2.1%

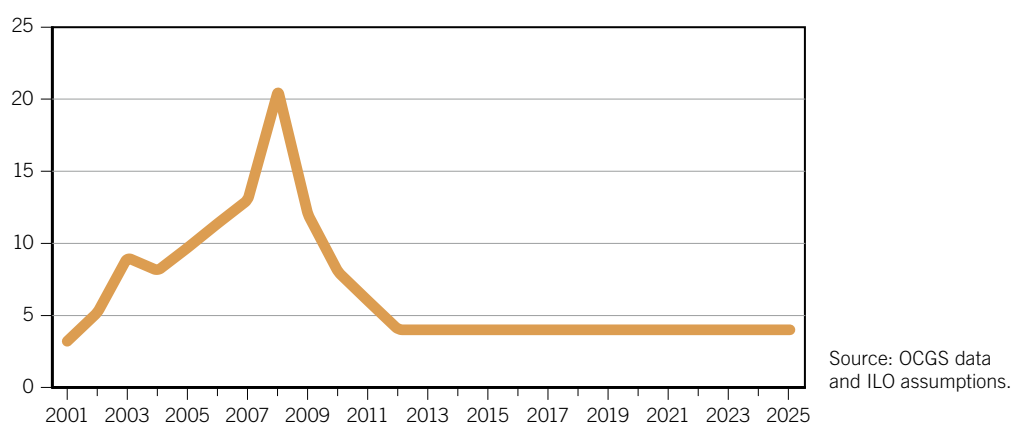
Source: Database and results of ILO model calculations.

Figure 5.7 Productivity growth, employment growth and real GDP growth, 2003-2025 (percentages)



Inflation

Figure 5.8 shows the inflation rate in Zanzibar since 2001 and the assumptions used. This information comes from data obtained by the Ministry of Finance. In 2008, inflation increased considerably to 20.6 per cent and the upward pressure on overall inflation was driven by increases in food, energy and transport prices. Inflation is presumed to be 12 per cent in 2009, which is slightly above the average of the last four years. Inflation is assumed to decline until it reaches 4 per cent per annum in 2011 and thereafter.

Figure 5.8 Inflation, 2001-2025 (percentages)

Salary growth

The future expected growth path of salaries is difficult to assess. The growth rate will very much depend on factors such as the cost structure of production, the cyclical behaviour of the economy, the inflationary environment, the bargaining power and culture of trade unions and employers and remuneration in countries close to Zanzibar. For the purposes of the social budget calculations, it was assumed that real salary increases for workers will be equal to the real growth in labour productivity, which is 2.0 per cent from 2007 to 2025.

5.3 Zanzibar's Social Budget

A social budget contains a projection of components of all revenue by sources, as well as expenditure over a certain period. The following social components are explicitly taken into account:

1. education;
2. health;
3. social insurance (pension funds and pension paid by government);
4. Government welfare programmes and non-contributory social assistance programmes run by NGOs

Zanzibar's Social Budget focuses more on the evolution of the social insurance fund, pensions paid by government and to some extent health and education because of data availability. Lack of adequate information on the public health system makes it difficult to use a sophisticated projection methodology. There was very limited information available concerning other government social services and welfare programmes. Data on non-contributory social assistance programmes offered by NGOs does not permit the use of detailed projections such as those used for the social insurance funds. A projection period until the fiscal year 2024/25 (19 years) is used. For the social insurance component, expenditures are subdivided into three categories:

1. long-term pensions (old age, invalidity and survivors)
2. cash benefits (old age, invalidity, death/survivors and withdrawals)
3. short-term benefits (maternity, health and employment injury).

It is necessary to make a distinction between periodic pension benefit payments and one-off pension payments because there is a large proportion of cash benefit payments (commuted pension benefits).

The income side of the social insurance budget distinguishes the following types of revenue:

1. social security contributions (employers and employees)
2. investment income
3. other income.

After all revenue and expenditure items were projected, the model calculated the overall balance of the Social Budget for every year. The results of the calculations are presented in absolute (nominal) terms and as percentage of GDP. In the Social Budget, private-sector health expenditures are not considered because no data were available to permit plausible projections. Whilst education is not part of social protection per se, it has a significant impact on poverty alleviation. Therefore, it was decided to include expenditure on education in the Social Budget.

Projection methodology of each component of the Social Budget

5.3.1

Central Government budget

Revenue

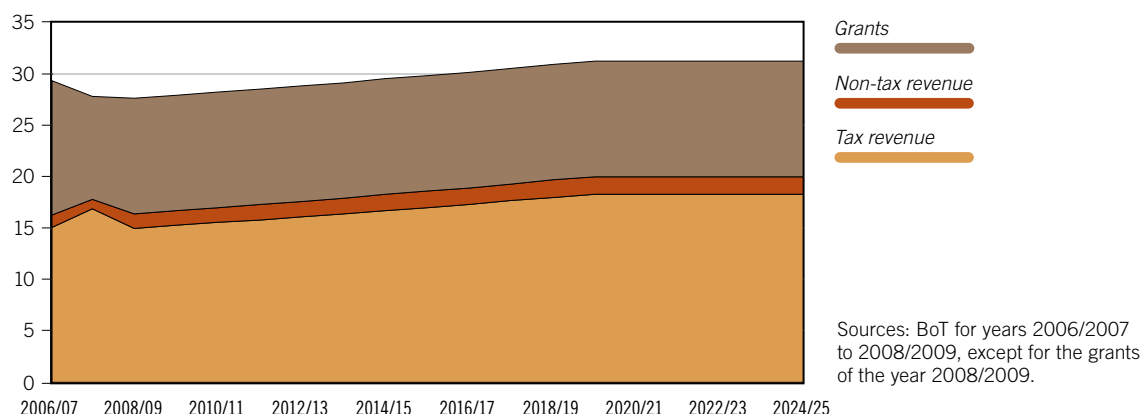
For the first three years of the projection (2006/2007, 2007/2008 and 2008/2009), total government's revenues are those that appear in the latest government economic bulletins, except for grants for the year 2008/2009. There are three types of government revenues: tax revenue, non-tax revenue and grants. Total revenue for the year 2008/2009 is budgeted at 271.1 billion TZS. Total revenue is expected to increase considerably compared to the previous year 2007/2008, a 46 per cent increase. This increase is mainly attributable to the revenue from grants that are expected to grow from 67 to 137 billion TZS, a 100 per cent increase. As mentioned in Chapter 1, total expenditure for the first ten months of the fiscal year 2008/2009 is 171.1 billion TZS which is for 50.2 per cent¹ of the 2008/09 annual budget projection of TZS 341.7 billion. Development expenditure underperformed due to lower inflows of donor funds than expected. This situation shows how it can be difficult to budget or project when a large part of the economy is dependent on monies that come from donors.

For the projection, we have assumed that, starting in year 2009/2010, tax and non-tax revenue will increase at the rate of nominal GDP plus 1.8%. The additional 1.8% to the increase in GDP is necessary so that in year 2019/2020, tax and non-tax revenues will be 20% of GDP as set out in government policy. The readers must be aware that there are a lot of uncertainties surrounding this kind of projection. If the government does not increasing its taxation capabilities, as it is assumed in the projection, the picture at the end of the projection period will be worst than the one obtained.

Grants account for a large part of the total revenue of the government. For the years, 2006/2007, 2007/2008 and 2008/2009, according to the information of the BoT, grants are expected to account for 44, 36 and 50 of all budgeted revenue. For the basic scenario projection, we assume that grants are two-third of those budgeted for the year

¹ June 2009's Monetary policy Statement

Figure 5.9 Projected Government revenue to GDP, 2006/2007 to 2024/2025, (percentages)



2008/2009 and that they will increase according to nominal GDP for the following year. A similar adjustment is made to development expenditure. If the government does not receive this amount, they will have two choices: going into deficit (and then having to find revenue to pay the deficit) or decreasing expenditure. Figure 5.9 represents the evolution of government revenue to GDP for the projection period.

If the government is successful in improving its 'tax effort' and reaches its target of tax revenue being twenty per cent of GDP by 2020 there is a high expectation that there will be a reduction in the deficit in 2012 which will move to a surplus by 2017. However, there is a range of uncertainty around this estimate given the quality of the data, expectations of donor funding and no changes in other government policies. The target is achieved by adding tax revenue and non-tax revenue.

Expenditure

Health care

Good data and information on health expenditure is scarce and not up-to-date. The latest information available comes from the Zanzibar Health Sector Public Expenditure Review of 2006 (ZHSPER). In this review, numbers for the year 2005/2006 are those budgeted and not the actual ones. This means that the last confirmed data is for the year 2004/2005. According to the ZHSPER, recurrent health expenditure from year 2000/2001 to 2005/2006 has represented about 7 per cent of the government recurrent expenditure. The ZHSPER also points out that the largest part of the monies for financing the public health expenditure come from donors. However, the information is not systematically available because there is no central record. According to ZHSPER's review, for the two years analysed (2004/2005 and 2005/2006), the funding from external sources is on average, twice the one for recurrent expenditure. Recurrent expenditure plus health expenditure financed from donors represented about 12 per cent of total government budget at the beginning of the projection period.

The projection for health expenditure is based on the following assumptions:

- At the beginning of the projection period, recurrent expenditure is 7 per cent of the government total recurrent expenditure and the development expenditure is twice the recurrent expenditure;

- For the projection period, the growth of the total expenditure will increase according to two components:
 1. The total health expenditure with growth at the rate of GDP. This is based on the assumption that elasticity of health expenditure to GDP is 1.
 2. In 2001, in Abuja, the African Union's Heads of the States committed to allocate to the health sector 15 per cent of the annual government budget. To take into account such commitment, we have made the assumption that the government will put additional effort, maybe by reallocating its budget, to reach the Abuja's target at the end of the projection period.
 3. When combining these two assumptions, the average annual growth rate of the health sector during the projection period is 1.1 per cent higher than the growth of the GDP.

Education

Unlike the health sector, there is more information available showing trends in expenditure for the past years and a lot of useful information on the current and forthcoming budget for the education sector. As explained at the beginning of this section, education is not part of social protection per se. However, it is an important part of the government's budget and its evolution will impact on poverty alleviation and economic growth.

Education recurrent expenditure for the year 2006/2007 is about 20 billion TZS, which represents 12 per cent of the annual budget and 3.7 per cent of GDP. In the 2007/2008 budget, the Government took a decision to double the education sector budget to 28.0 billion for that period.

In 2007, the Ministry of Education and Vocational Training carried out a study on the possible evolution of the government budget to meet the goals of the Education Sector Policy 2006². The study concerns the years 2007/2008 to 2015/2016. The approach used by MEVT to project expenditure takes into account many aspects of the education system like the target enrolment rate (for example achieving a net enrolment rate for primary education of 90% by 2010 and 95% by 2016), the targeted pupils per teacher ratio (for primary and secondary sector, this ratio is expected to move from 1/26 to 1/40) and the expenditure structure (salary, administration). It is written in the MEVT's document that an average growth of 6 per cent of GDP has been applied for projecting domestic resources, which is the average one used for the projection of the social budget.

The projection presented in the MEVT report for the years 2007/2008 to 2015/2016 is used as the basis for the projection of the education expenditure in the Social Budget. Numbers included in the report have been adjusted to reflect our economic assumptions. For the year after 2015/2016 we assumed that the expenditure is expected to increase according to GDP.

Pension paid by Government

All employees in the public and the private sector are covered by the ZSSF for services accrued after July 1998. Before that date, employees in the private sector have no protection on retirement while employees of the Government were covered by the Government. For the years 2007/2008, there were 9 965 former employees of the Government

² Revolutionary Government of Zanzibar, Ministry of Education and Vocational Training, Zanzibar Education Development Programme (ZEDP), 2008/09 – 2015-16, Draft 3, February 6, 2007

of Zanzibar who were receiving 4 billion TZS in pension. During that year, an amount of 5.2 billion TZS was paid as a gratuity.

For the projection of the pensions paid by Government, the data of the ZSSF were used to estimate the number of Government employees who accrued past service before July 2008 and the amount of service accrued. According to our estimation, in 2007/2008, there are about 18,000 current Government employees that are expected to receive pension and gratuities from the Government's scheme. The average length of service accrued before July 1998 is about 15 years.

For the projection, approximation of the current population of pensioners and current employees of Government by age and sex were made. The ILO-PENS model was used to project the future cash flows of the pensions paid by Government. Pensions and gratuities paid for the year 2006/2007 have been estimated since no information was available on the amount paid.

There is no automatic adjustment to a pension in payment to reflect increases in the cost of living. The Government has however made ad hoc adjustments in the past. The last two occurred in July 2003 and in July 2007. To take into account possible adjustment to pensions in payment in the future, the assumption that they will increase according to inflation is used.

According to the projection, the total amount of pension and gratuities paid by the Government are expected to increase at an average annual rate of 6.5 per cent during the projection period. This is lower than the increase in GDP for two reasons:

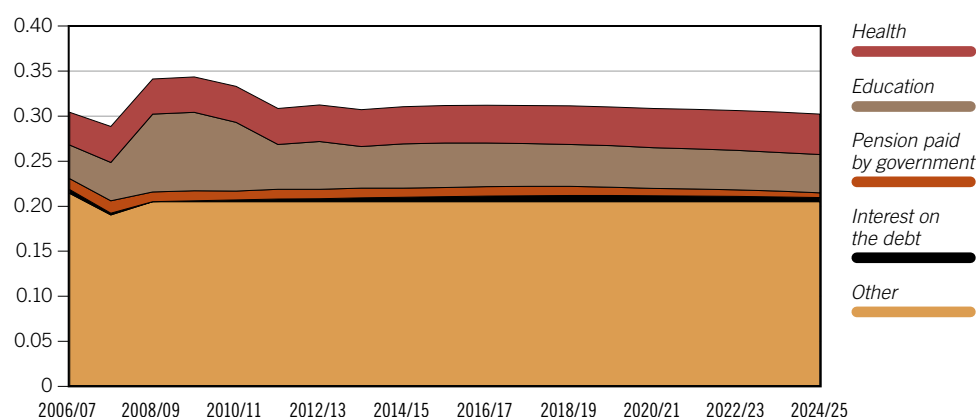
- There is no accumulation of years of service for this scheme. This means, as time goes by, new generations of pensioners will receive smaller pensions than previous pensioners because they had accumulated less service by July 1998. The pension paid by the ZSSF will however compensate for this situation as all post July 1998 service will be taken into account in the pension formula.
- The pension is low because one-third is commuted in gratuities. The amount of gratuities is a one-time cash payment. The magnitude of such payments in relation to the economy will decrease in the future.

Interest payment

As in other African countries, Zanzibar has received debt relief. The last important debt relief happened in the first quarter of 2008 where external debt declined from 120 billion to 78 billion TZS. It is impossible to project the amount of debt that will be relieved in the future. During the last four years, interest payment on the debt has represented, on average, 5.5% of the expected payment using the amount of debt and the interest rate. For the base scenario, we assume this same proportion of interest payment at the beginning of the projection period. We also assume that this proportion will increase by 5% for each year of the projection. The increase in the proportion of payment of the interest on the debt is related to the fact that, throughout the projection period, we assume that the taxation capabilities of the government will increase at a higher rate than GDP.

Other expenditure

Other government expenses which include expenses for administration, economic services and other social services will grow at the same rate as nominal GDP throughout the whole projection. However, for the year 2008/2009 other than health and education development expenditure has been decreased by one-third to reflect the anticipated problem with donors' funding for this year.

Figure 5.10 Projected Government expenditure, 2006/2007 to 2024/2025 (Y axis)

Sources: BoT for years 2006/2007 to 2008/2009, except for the other development expenditure for the year 2008/2009.

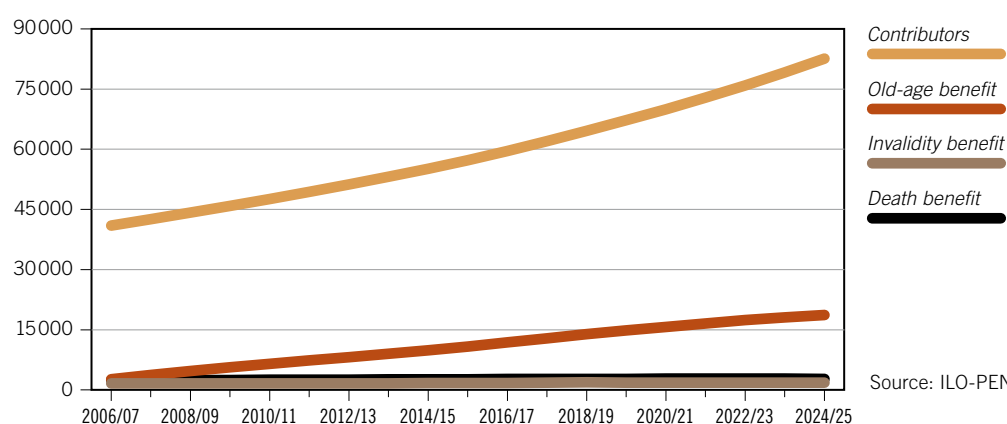
Figure 5.10 represents the evolution of government expenditure until year 2024/2025. There is a jump in the education expenditure to the GDP. This is explained by higher development expenditure for this sector as indicated in the study of the MEVT (see also Tables 5.4 and 5.5).

The Social Insurance Budget (ZSSF)

5.4

To project the revenue and expenditure of ZSSF, the ILO-PENS model is used, adjusted as necessary to take into account the particularities of each fund (pension formulae, eligibility conditions, etc). Annex D presents a brief description of the ILO-PENS model used to project revenue and expenditure of the Fund. Annex B presents the assumptions used for the projection for the ZSSF and the results of the financial projection. The projection is made on the basis of no change in the level of benefits or in the contribution rates. This is the current situation that is projected.

Figure 5.11 shows the number of contributors and beneficiaries expected over the projection period. Globally, the number of contributors is expected to grow annually at the same rate as the employed population which is 4.0 per cent. For the same period, old age pensioners, invalidity pensioners and death benefits will increase

Figure 5.11 Evolution of the numbers of contributors and beneficiaries, 2006/2007 to 2024/2025

Source: ILO-PENS projection model.

Table 5.4 Government budget (million TZS)

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
REVENUE								
1. Tax Revenue	83 147.8	112 744.0	122 763.8	145 371.4	167 538.4	189 432.7	212 200.4	237 682.3
1.1. Tax on Imports	20 421.4	29 245.6	29 946.1	35 460.9	40 868.1	46 208.9	51 762.7	57 978.6
1.2. VAT and Excise Duties (local)	29 091.7	39 239.8	43 104.4	51 042.3	58 825.5	66 513.0	74 507.1	83 454.2
1.3. Income Tax	10 071.2	15 128.8	19 274.8	22 824.4	26 304.7	29 742.3	33 317.0	37 317.8
1.4. Other Taxes	23 563.5	29 129.8	30 438.4	36 043.8	41 540.0	46 968.5	52 613.6	58 931.7
2. Non-Tax Revenue	6 480.0	6 148.6	11 396.4	13 495.1	15 552.9	17 585.4	19 698.9	22 064.5
3. Grants	71 467.0	67 117.6	91 288.0	106 172.6	120 181.5	133 465.2	146 841.7	161 543.6
Total revenue	161 094.8	186 010.3	225 448.1	265 039.0	303 272.8	340 483.3	378 741.0	421 290.4
EXPENDITURE								
1. Recurrent	93 098.8	124 378.3	149 435.0	173 080.2	193 908.5	216 065.5	237 505.4	260 572.8
1.1 Financing of socio-cultural services	26 816.9	36 736.5	44 226.0	49 579.5	54 536.8	58 769.4	64 429.9	68 516.2
1.1.1. Health care	6 516.9	8 706.5	10 460.5	12 280.1	14 029.5	15 723.6	17 457.2	19 378.6
1.1.2. Education	20 300.0	28 030.0	33 765.5	37 299.4	40 507.3	43 045.8	46 972.7	49 137.7
1.1.3. Others								
1.2 Pensions paid by government	6 640.6	9 218.9	8 967.3	10 641.9	10 321.4	13 074.2	13 757.5	15 551.9
1.3 Interest payment (Public debt)	2 388.9	1 214.6	0.0	924.8	2 347.2	3 514.3	4 508.1	6 194.9
1.4 Other expenditure	57 252.4	77 208.2	96 241.7	111 934.0	126 703.1	140 707.7	154 809.9	170 309.7
2. Development	73 090.6	67 359.8	128 182.7	152 036.8	162 681.1	150 893.9	171 383.6	181 702.3
2.1 Financing of socio-cultural services	13 316.7	18 115.1	57 773.3	70 147.2	69 986.6	47 953.7	58 126.4	57 105.7
2.1.1. Health care	13 316.7	17 757.1	21 341.9	25 054.4	28 623.7	32 080.0	35 617.0	39 537.1
2.1.2. Education	0.0	358.0	36 431.4	45 092.7	41 362.9	15 873.7	22 509.4	17 568.6
2.1.3. Others								
2.2 Other expenditure	59 773.9	49 244.8	70 409.3	81 889.6	92 694.6	102 940.2	113 257.2	124 596.7
Total expenditure	166 189.4	191 738.1	277 617.7	325 117.0	356 589.6	366 959.4	408 889.0	442 275.1
Adjustment to cash and other items	8 411.9	9 574.11	-6 664.9	0	0	0	0	0
Overall Government Surplus (Deficit)	-13 506.5	-15 301.9	-45 504.6	-60 078.0	-53 316.8	-26 476.0	-30 148.0	-20 984.7
Public debt end of period)	198 900.0	128 200.0	141 000.0	208 042.2	261 359.0	287 835.0	317 983.1	338 967.8
Domestic Debt	67 600.0	53 200.0	58 400.0	74 375.9	90 365.1	102 175.7	114 504.1	126 399.9
External Debt	131 300.0	75 000.0	82 600.0	133 666.3	178 985.6	201 490.2	227 116.1	244 953.1

2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
266 376.2	298 843.9	335 607.9	377 290.9	424 483.0	477 549.3	527 106.1	582 054.7	643 610.3	711 919.2	787 563.1
64 978.0	72 897.9	81 865.8	92 033.7	103 545.4	116 490.0	128 578.6	141 982.3	156 997.8	173 660.6	192 112.6
93 529.2	104 929.1	117 837.5	132 473.2	149 043.1	167 675.6	185 075.8	204 369.2	225 982.4	249 966.8	276 526.6
41 823.0	46 920.7	52 692.9	59 237.4	66 646.9	74 978.7	82 759.5	91 386.8	101 051.5	111 776.5	123 653.1
66 046.1	74 096.2	83 211.6	93 546.6	105 247.6	118 405.0	130 692.3	144 316.4	159 578.7	176 515.4	195 270.7
24 728.2	27 742.2	31 155.1	35 024.6	39 405.5	44 331.7	48 932.2	54 033.1	59 747.4	66 088.7	73 110.8
177 819.1	195 937.3	216 119.9	238 632.1	263 695.5	291 373.8	321 610.6	355 137.1	392 694.9	434 373.2	480 526.8
468 923.5	522 523.4	582 882.8	650 947.6	727 583.9	813 254.9	897 648.9	991 224.9	1 096 052.6	1 212 381.0	1 341 200.8
284 606.0	316 321.6	351 197.5	388 432.1	429 262.8	472 706.2	518 225.6	570 339.1	627 351.5	689 066.5	755 143.2
72 877.4	82 035.1	90 717.3	100 423.3	111 253.9	123 244.5	136 379.5	150 978.0	167 366.6	185 596.5	205 833.0
<i>21 522.0</i>	<i>23 925.3</i>	<i>26 622.0</i>	<i>29 651.4</i>	<i>33 048.9</i>	<i>36 830.9</i>	<i>40 998.4</i>	<i>45 653.8</i>	<i>50 903.8</i>	<i>56 773.1</i>	<i>63 321.6</i>
<i>51 355.4</i>	<i>58 109.7</i>	<i>64 095.4</i>	<i>70 771.9</i>	<i>78 205.0</i>	<i>86 413.6</i>	<i>95 381.1</i>	<i>105 324.1</i>	<i>116 462.8</i>	<i>128 823.4</i>	<i>142 511.4</i>
16 361.7	17 895.5	20 756.9	22 446.2	24 012.9	24 535.1	23 811.8	25 099.1	25 605.4	25 157.6	23 093.8
7 898.6	9 821.2	11 875.7	13 981.3	15 991.3	17 741.6	18 971.7	19 853.7	20 375.3	20 368.2	19 614.0
187 468.3	206 569.7	227 847.5	251 581.3	278 004.7	307 185.0	339 062.6	374 408.4	414 004.2	457 944.1	506 602.3
207 462.8	227 894.5	250 081.2	274 788.3	302 260.8	332 582.7	365 715.1	402 432.4	443 526.6	489 118.8	539 607.7
70 313.0	76 770.4	83 390.5	90 734.3	98 875.6	107 849.6	117 660.7	128 519.4	140 645.7	154 092.0	168 983.1
<i>43 910.1</i>	<i>48 813.7</i>	<i>54 315.4</i>	<i>60 496.2</i>	<i>67 428.0</i>	<i>75 144.1</i>	<i>83 647.0</i>	<i>93 145.2</i>	<i>103 856.5</i>	<i>115 831.2</i>	<i>129 191.9</i>
<i>26 402.9</i>	<i>27 956.8</i>	<i>29 075.1</i>	<i>30 238.1</i>	<i>31 447.6</i>	<i>32 705.5</i>	<i>34 013.7</i>	<i>35 374.2</i>	<i>36 789.2</i>	<i>38 260.8</i>	<i>39 791.2</i>
137 149.7	151 124.1	166 690.7	184 054.1	203 385.2	224 733.1	248 054.4	273 913.0	302 880.9	335 026.8	370 624.6
492 068.8	544 216.1	601 278.6	663 220.5	731 523.6	805 289.0	883 940.7	972 771.5	1 070 878.1	1 178 185.4	1 294 750.9
0	0	0	0	0	0	0	0	0	0	0
-23 145.4	-21 692.7	-18 395.8	-12 272.9	-3 939.7	7 965.9	13 708.2	18 453.4	25 174.5	34 195.7	46 449.9
362 113.2	383 805.9	402 201.7	414 474.6	418 414.3	410 448.4	396 740.2	378 286.8	353 112.3	318 916.6	272 466.7
139 528.7	153 442.6	167 925.0	182 595.4	197 136.6	211 003.0	225 067.4	239 494.5	254 015.7	268 293.2	281 823.3
264 626.6	283 065.4	298 701.8	309 133.8	312 482.5	305 711.5	294 059.6	278 374.2	256 975.8	227 909.5	188 427.1

Table 5.5 Government budget to GDP (percentage)

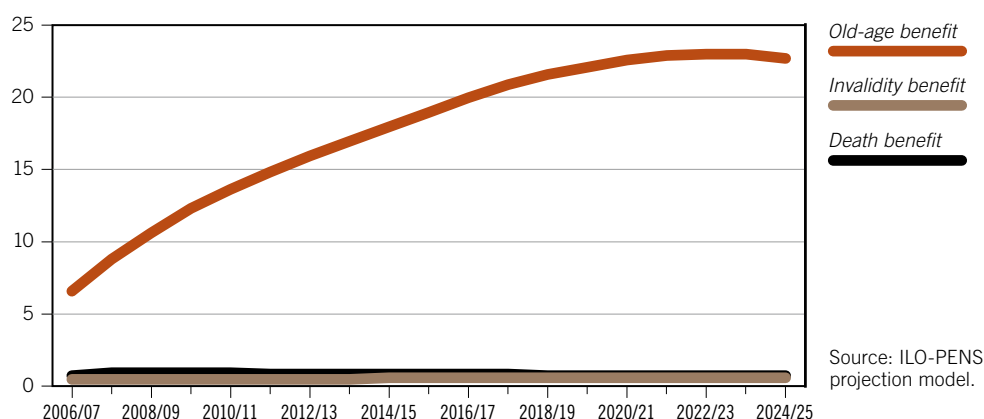
	2006/07 %	2007/08 %	2008/09 %	2009/10 %	2010/11 %	2011/12 %	2012/13 %	2013/14 %	2014/15 %	2015/16 %
REVENUE										
1. Tax Revenue	15.1	16.9	15.0	15.3	15.6	15.8	16.1	16.4	16.7	17.0
1.1. Tax on Imports	3.7	4.4	3.7	3.7	3.8	3.9	3.9	4.0	4.1	4.1
1.2. VAT and Excise Duties (local)	5.3	5.9	5.3	5.4	5.5	5.6	5.7	5.8	5.9	6.0
1.3. Income Tax	1.8	2.3	2.4	2.4	2.4	2.5	2.5	2.6	2.6	2.7
1.4. Other Taxes	4.3	4.4	3.7	3.8	3.9	3.9	4.0	4.1	4.1	4.2
2. Non-Tax Revenue	1.2	0.9	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6
3. Grants	13.0	10.0	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2
Total revenue	29.3	27.8	27.6	27.9	28.2	28.5	28.8	29.1	29.4	29.8
EXPENDITURE										
1. Recurrent	17.0	18.6	18.3	18.2	18.0	18.1	18.1	18.0	17.9	17.9
1.1 Financing of socio-cultural services	4.9	5.5	5.4	5.2	5.1	4.9	4.9	4.7	4.6	4.6
1.1.1. Health care	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4
1.1.2. Education	3.7	4.2	4.1	3.9	3.8	3.6	3.6	3.4	3.2	3.2
1.1.3. Others										
1.2 Pensions paid by government	1.2	1.4	1.1	1.1	1.0	1.1	1.0	1.1	1.0	1.0
1.3 Interest payment (Public debt)	0.4	0.2	0.0	0.1	0.2	0.3	0.3	0.4	0.5	0.5
1.4 Other expenditure	10.4	11.6	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8
2. Development	13.3	10.1	15.7	16.0	15.1	12.6	13.0	12.6	13.0	13.0
2.1 Financing of socio-cultural services	2.4	2.7	7.1	7.4	6.5	4.0	4.4	3.9	4.4	4.4
2.1.1. Health care	2.4	2.7	2.6	2.6	2.7	2.7	2.7	2.7	2.8	2.8
2.1.2. Education	0.0	0.1	4.5	4.7	3.8	1.3	1.7	1.2	1.7	1.7
2.1.3. Others										
2.2 Other expenditure	10.9	7.4	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Total expenditure	30.3	28.7	34.0	34.2	33.1	30.7	31.1	30.6	30.9	30.9
Adjustment to cash and other items	1.5	1.4	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall Government Surplus (Deficit)	-2.5	-2.3	-5.6	-6.3	-5.0	-2.2	-2.3	-1.5	-1.5	-1.1
Public debt (end of period)	36.2	19.2	17.2	21.9	24.3	24.1	24.2	23.4	22.7	22.7
Domestic Debt	12.3	8.0	7.1	7.8	8.4	8.5	8.7	8.7	8.8	8.8
External Debt	23.9	11.2	10.1	14.1	16.6	16.9	17.3	16.9	16.6	16.6

2015/16 %	2016/17 %	2017/18 %	2018/19 %	2019/20 %	2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %
17.0	17.3	17.7	18.0	18.3	18.3	18.3	18.3	18.3	18.3
4.2	4.2	4.3	4.4	4.5	4.5	4.5	4.5	4.5	4.5
6.0	6.1	6.2	6.3	6.4	6.4	6.4	6.4	6.4	6.4
2.7	2.7	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.9
4.2	4.3	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.5
1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7
11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2
9.8	30.1	30.5	30.8	31.2	31.2	31.2	31.2	31.2	31.2
8.0	18.1	18.2	18.2	18.1	18.0	17.9	17.8	17.7	17.5
4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.8	4.8	4.8
1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5
3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
1.0	1.1	1.1	1.0	0.9	0.8	0.8	0.7	0.6	0.5
0.6	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.5	0.5
1.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8
3.0	12.9	12.9	12.8	12.7	12.7	12.7	12.6	12.6	12.5
4.4	4.3	4.2	4.2	4.1	4.1	4.0	4.0	4.0	3.9
2.8	2.8	2.8	2.9	2.9	2.9	2.9	3.0	3.0	3.0
1.6	1.5	1.4	1.3	1.3	1.2	1.1	1.0	1.0	0.9
8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
1.0	31.1	31.0	31.0	30.9	30.7	30.6	30.5	30.3	30.1
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2	-1.0	-0.6	-0.2	0.3	0.5	0.6	0.7	0.9	1.1
1.9	20.8	19.4	17.7	15.7	13.8	11.9	10.0	8.2	6.3
8.7	8.7	8.5	8.3	8.1	7.8	7.5	7.2	6.9	6.5
6.1	15.4	14.5	13.2	11.7	10.2	8.8	7.3	5.9	4.4

respectively by 11.4 per cent, 8.9 per cent and 4.3 per cent. The lower growth rate of death benefits compared to old age and invalidity is explained by the fact that no survivor pensions are paid by ZSSF. Because the number of beneficiaries will grow at a higher rate than the number of contributors, the demographic ratio (ratio of beneficiaries to contributors) will increase during the period of the projection. This is shown in Figure 5.12. An increase in the demographic ratio is one of the two conditions that indicate a possible increase in contribution rate in the future.

In Chapter 4, it was pointed out that the benefits paid by ZSSF are expected to increase considerably throughout the projection period because the number of years of

Figure 5.12 Evolution of the ratio of beneficiaries to contributors, 2006/2007-2024/2025 (percentage)



service taken into account in the pension formulae will increase due to the maturing of the scheme. For the year 2006/2007, the maximum number of years of service for an individual is 9. Eighteen years later it will be 27. It takes about 40 years for a pension scheme to mature, in term of years of service credited. Figure 5.13 compares the average pensions and benefits to the average salary. This ratio is commonly referred to the replacement ratio. An increase in this ratio is the second indication for a possible increase in contribution rates.

The Zanzibar social insurance system, as is the case with the Mainland social insurance system, is characterized by large amounts of benefit being paid in the form of a cash benefit instead of as a periodic pension, e.g., the commuted pensions. With the passage of time, pension benefits payment will become more and more important and

Figure 5.13 Evolution of the replacement ratio, 2006/2007-2024/2025 (percentage)

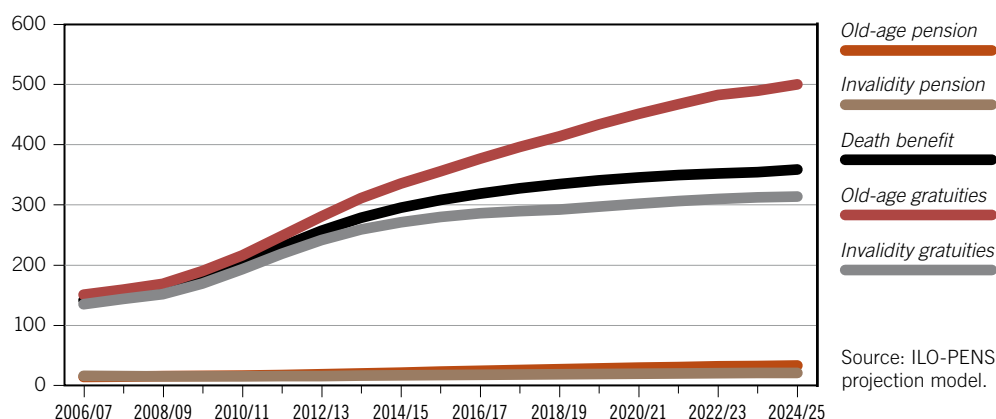
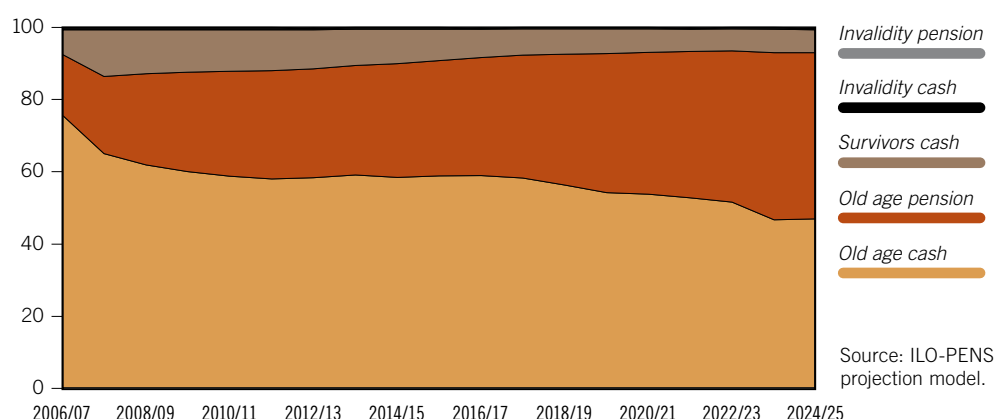


Figure 5.14 Share of benefits paid by type of benefits (per cent of the total) 2006/2007-2024/2025



the relative importance of the cash benefits will decrease. This is shown in Figure 5.14 where the relative proportion of each kind of benefits paid is represented. During the projection period, few invalidity benefits will be paid compared to others benefits. At the beginning of the projection period, old-age cash benefits are the largest part of benefits paid at 75 per cent. At the end of the projection period, 47 per cent of monies paid to beneficiaries will be old-age cash benefit.

Table 5.6 presents the results of the projection concerning the pension branch of the ZSSF. Contributions paid to the social insurance funds accounted for TZS 4.2 billion TZS in 2006/2007 (equivalent of 1.0% of GDP) and are expected to increase at an annual nominal rate of 12.1 per cent (nominal terms) to reach 33.2 billion TZS in 2024/2025 (equivalent of 1.0 per cent of GDP).

Table 5.6 ZSSF financial results, (000 000' TZS), 2006/2007-2024/2025

Years	Income			Expenses		Surplus (Deficit)	Reserve (end year)	PAYG	Reserve ratio
	Contributions	Investment earnings	Other income	Benefits	Administrative expenses				
2006/2007	4 241	3 717	0	1 994	601	5 364	30 986	7.3%	11.9
2007/2008	5 155	3 115	0	2 667	730	4 873	35 859	7.9%	10.6
2008/2009	6 311	3 406	0	3 468	894	5 356	41 215	8.3%	9.4
2009/2010	7 343	5 085	0	4 400	1 040	6 988	48 203	8.9%	8.9
2010/2011	8 313	5 328	0	5 467	1 178	6 997	55 200	9.6%	8.3
2011/2012	9 234	4 895	0	6 739	1 308	6 081	61 281	10.5%	7.6
2012/2013	10 159	4 748	0	8 405	1 439	5 062	66 343	11.6%	6.7
2013/2014	11 177	5 091	0	10 570	1 583	4 115	70 458	13.0%	5.8
2014/2015	12 302	5 371	0	12 623	1 743	3 308	73 766	14.0%	5.1
2015/2016	13 556	5 564	0	15 463	1 920	1 737	75 503	15.4%	4.3
2016/2017	14 952	5 628	0	18 692	2 118	-230	75 273	16.7%	3.6
2017/2018	16 509	5 547	0	21 949	2 339	-2 232	73 042	17.7%	3.0
2018/2019	18 243	5 338	0	24 698	2 584	-3 701	69 340	17.9%	2.5
2019/2020	20 158	5 028	0	27 358	2 856	-5 028	64 312	18.0%	2.1
2020/2021	22 250	4 568	0	31 455	3 152	-7 789	56 523	18.7%	1.6
2021/2022	24 569	3 909	0	35 480	3 481	-10 483	46 040	19.0%	1.2
2022/2023	27 167	3 053	0	39 542	3 849	-13 171	32 870	19.2%	0.8
2023/2024	30 050	2 129	0	40 247	4 257	-12 325	20 545	17.8%	0.5
2024/2025	33 243	1 115	0	45 371	4 709	-15 722	4 822	18.1%	0.1

ZSSF is not automatically adjusting its pensions in payment by the increase in either prices or wages. We have assumed that all pensions are indexed annually according to the Consumer Price Index. It is assumed the Government will have to change its policy on this matter sometime in the future. Confidence in a pension system cannot exist without adjusting pensions in payment. For 2006/2007, total expected benefits paid by the ZSSF accounted for TZS 2.0 billion TZS (0.4 per cent of GDP). In 2024/2025, according to the projection, the level of benefits will be TZS 45.4 billion TZS (1.1 per cent of GDP), an annual nominal increase of 19 per cent.

According to the projection, the total income (contributions + investment income) at ZSSF will exceed the total expenditure (benefits + administrative expenses) until the year 2015/2016. At that moment, ZSSF will go into deficit year after year if nothing is changed (contribution rate or benefits provision). The pay-as-you-go rate which is the necessary rate to pay all scheme expenditures in a given year will increase from 7.3 per cent at the beginning of the projection period to 18.1 per cent at the end. During the same period, the reserve ratio³ will go down from 11.9 to 0.1.

ZSSF also offers health and maternity benefits to members which are referred to as short-term benefits.

Short term components of ZSSF

The medical care and maternity benefit scheme at ZSSF is a defined contribution scheme. Under the act, the maximum amount that can be withdrawn is the accumulation of contributions at three per cent of insurable earnings with interest. For the social budget we have made the assumption that each year members withdraw the total of their account for medical or maternity reasons. We make this assumption because we have no information on the utilization rates of these two benefits and because of the nature of the scheme: the monies accumulated in the individual account belong to the individuals.

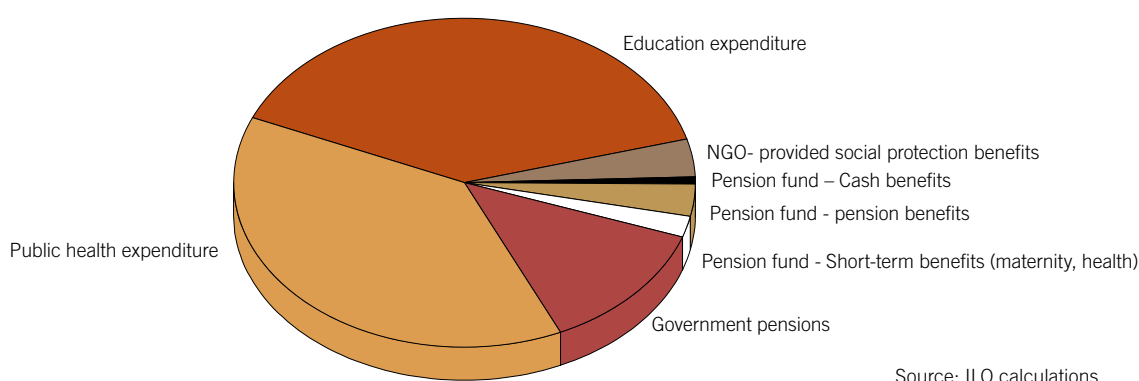
Welfare programmes or non-contributory social assistance programmes run by NGOs

To obtain a complete picture of the social security system, welfare programmes and non-contributory social assistance programmes run by NGOs should be included in the Social Budget. During 2008, the ILO conducted a mapping of Zanzibar NGOs engaged in social protection. According to preliminary data, 92 NGOs have expenditure of about TZS 2.6 billion, which is about 0.4 per cent of GDP. For the purposes of the Social Budget, we have made the assumption that this amount is constant in relation to GDP for the entire projection period.

5.5 Results of projections: The Social Budget

In this section, results discussed previously are summarized and presented within the overall Zanzibar Social Budget framework. A pie-chart of the expenditure structure for the year 2006/2007 is shown at Figure 5.15. According to this figure, education and public health expenditure represent 78 per cent of all social security expenditure while pension and gratuities paid by the government represent about 12 per cent.

³ The ratio of the amount of assets at the end of the year to the previous year's total expenditure.

Figure 5.15 Proportion of social expenditure for 2006/2007, by type of expenditure

Tables 5.7 and 5.8 show detailed projections of the Zanzibar social budget, in absolute amounts and in per cent of GDP. Figure 5.16 presents the expected future development of the expenditure side of the social budget: expenditure on education, health, social insurance and government pensions and NGOs. Overall social expenditure will increase from 10.5 per cent of GDP to 11.5 per cent of GDP in 2024/2025. If measured as percentage of the overall resource envelope (including central government budget, social security funds and resources devoted to social protection by NGOs), social expenditure would take 36 per cent of overall resources available in 2024/25, compared to 31 per cent in 2006/2007. This increase in social expenditure is due to:

1. Increase in expenditure on education from nearly 3.7 per cent of GDP in 2006/2007 to 4.9 per cent of GDP in 2024/2025, due to the increase in the number of children and more financial resources to this sector.
2. Health expenditure is 3.6 per cent of GDP at the beginning of the projection period and is expected to increase to 4.5 per cent of GDP at the end;
3. Pensions and gratuities paid by government are expected to decrease from 1.2 per cent in 2007/2008 to 0.5 per cent in the year 2024/2025
4. Increase in expenditure on pension benefits paid from the pension funds from 0.7 per cent to 1.4 per cent of GDP over 19 years. In 2006/2007, the surplus of the social security fund (or the change in reserves) represented 1.0 per cent of GDP. This amount is expected to decrease considerably in future, to reach 0.0 per cent of GDP at the end of the projection period. The reason for this decrease is the inadequacy of the contribution rate of 12 per cent for the pension branch of the ZSSF.

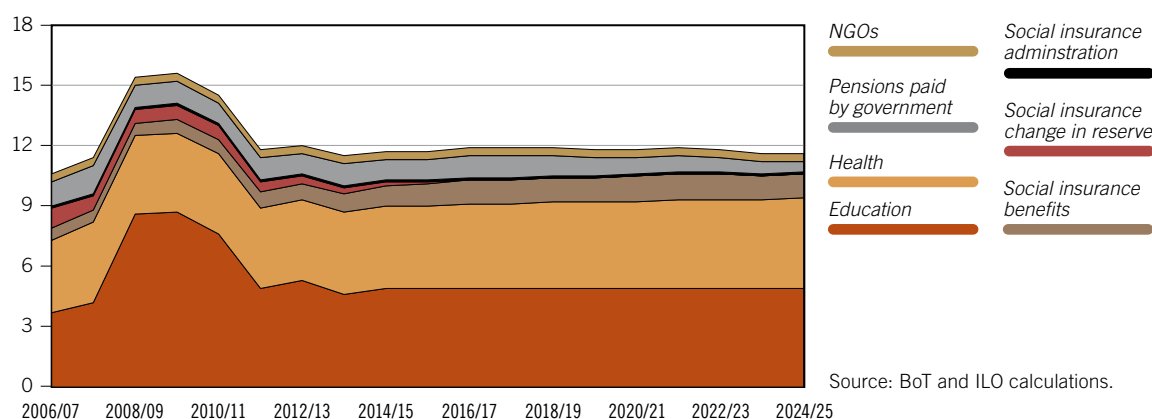
Figure 5.16 Projected social expenditure, per cent of GDP, 2006/2007-2024/2025

Table 5.7 Social budget (million TZS)

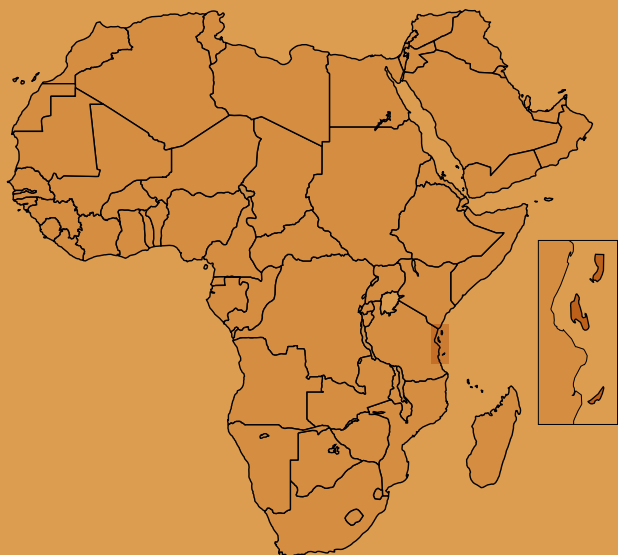
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
EXPENDITURE								
1. Pension Fund (with administrative expenses)	3 655.0	4 685.9	5 939.6	7 275.7	8 723.4	10 355.5	12 384.6	14 947.1
1.1 Long-Term benefits from ZSSF	1 993.8	2 666.8	3 467.6	4 399.7	5 467.3	6 738.9	8 405.5	10 569.6
1.1.1. Pensions	344.2	578.9	887.3	1 227.3	1 610.2	2 045.5	2 568.8	3 234.3
1.1.2. Grants	141.3	350.6	428.4	522.6	636.1	771.6	919.6	1 070.6
1.1.3. Gratuities	1 508.2	1 737.4	2 152.0	2 649.8	3 221.1	3 921.8	4 917.1	6 264.6
1.2 Short-Term benefits from ZSSF	1 060.3	1 288.8	1 577.8	1 835.7	2 078.3	2 308.5	2 539.9	2 794.1
1.2.1. Sickness benefit (medical care)	848.3	1 031.0	1 262.3	1 468.6	1 662.7	1 846.8	2 031.9	2 235.3
1.2.2. Maternity benefit	212.1	257.8	315.6	367.1	415.7	461.7	508.0	558.8
3. Pensions paid by Government	6 640.6	9 218.9	8 967.3	10 641.9	10 321.4	13 074.2	13 757.5	15 551.9
3.1.1. Pensions	2 640.6	4 000.9	4 886.0	5 609.3	6 205.6	6 752.4	7 349.2	8 003.2
3.1.2. Gratuities	4 000.0	5 218.0	4 081.4	5 032.6	4 115.8	6 321.8	6 408.3	7 548.7
4. Health (public expenditure only)	19 833.6	26 463.5	31 802.4	37 334.5	42 653.1	47 803.5	53 074.2	58 915.6
5. Education	20 300.0	28 388.0	70 196.9	82 392.2	81 870.2	58 919.6	69 482.1	66 706.3
6. NGOs	1 934.2	2 353.0	2 878.9	3 348.3	3 790.1	4 209.0	4 630.9	5 094.5
Total current social expenditure	52 363.3	70 379.1	118 891.0	139 952.3	146 180.5	133 053.6	151 890.0	159 632.0
Change of reserves								
Pension insurance and short term benefits	5 363.7	4 872.6	5 356.0	6 988.4	6 996.7	6 081.4	5 062.3	4 115.0
Total social expenditure	57 727.0	75 251.7	124 247.0	146 940.8	153 177.3	139 135.1	156 952.3	163 747.0
INCOME								
1. Social security contributions	5 301.6	6 443.9	7 889.2	9 178.7	10 391.7	11 542.4	12 699.3	13 970.7
1.1. Long-term benefits	4 241.3	5 155.1	6 311.4	7 343.0	8 313.4	9 233.9	10 159.4	11 176.5
1.2. Short-term benefits	1 060.3	1 288.8	1 577.8	1 835.7	2 078.3	2 308.5	2 539.9	2 794.1
2. Investment income	3 717.1	3 114.6	3 406.4	5 085.4	5 328.4	4 894.5	4 747.6	5 091.4
3. Other Income								
4. Income from general revenues (deficit coverage)	48 708.3	65 693.2	112 951.4	132 676.7	137 457.1	122 698.2	139 505.4	144 685.0
Total social income	57 727.0	75 251.7	124 247.0	146 940.8	153 177.3	139 135.1	156 952.3	163 747.0

2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
17 441.4	20 771.9	24 547.7	28 414.8	31 843.0	35 252.9	40 170.1	45 103.0	50 182.5	52 016.4	58 391.1
12 623.0	15 462.6	18 691.6	21 948.8	24 697.9	27 357.8	31 455.5	35 480.3	39 542.2	40 246.8	45 370.9
<i>4 021.5</i>	<i>4 992.7</i>	<i>6 169.5</i>	<i>7 538.6</i>	<i>9 037.2</i>	<i>10 643.6</i>	<i>12 477.2</i>	<i>14 511.0</i>	<i>16 729.2</i>	<i>18 804.3</i>	<i>21 139.0</i>
<i>1 211.6</i>	<i>1 350.5</i>	<i>1 482.6</i>	<i>1 609.4</i>	<i>1 736.8</i>	<i>1 878.7</i>	<i>2 043.1</i>	<i>2 215.5</i>	<i>2 403.0</i>	<i>2 612.3</i>	<i>2 910.9</i>
<i>7 389.8</i>	<i>9 119.4</i>	<i>11 039.4</i>	<i>12 800.8</i>	<i>13 923.9</i>	<i>14 835.5</i>	<i>16 935.1</i>	<i>18 753.7</i>	<i>20 410.0</i>	<i>18 830.2</i>	<i>21 320.9</i>
3 075.6	3 388.9	3 738.0	4 127.2	4 560.7	5 039.4	5 562.5	6 142.2	6 791.7	7 512.5	8 310.8
<i>2 460.5</i>	<i>2 711.1</i>	<i>2 990.4</i>	<i>3 301.8</i>	<i>3 648.6</i>	<i>4 031.6</i>	<i>4 450.0</i>	<i>4 913.8</i>	<i>5 433.4</i>	<i>6 010.0</i>	<i>6 648.6</i>
<i>615.1</i>	<i>677.8</i>	<i>747.6</i>	<i>825.4</i>	<i>912.1</i>	<i>1 007.9</i>	<i>1 112.5</i>	<i>1 228.4</i>	<i>1 358.3</i>	<i>1 502.5</i>	<i>1 662.2</i>
16 361.7	17 895.5	20 756.9	22 446.2	24 012.9	24 535.1	23 811.8	25 099.1	25 605.4	25 157.6	23 093.8
<i>8 715.7</i>	<i>9 467.8</i>	<i>10 353.2</i>	<i>11 369.9</i>	<i>12 443.7</i>	<i>13 513.2</i>	<i>14 466.4</i>	<i>15 345.1</i>	<i>16 214.0</i>	<i>16 988.8</i>	<i>17 551.4</i>
<i>7 646.0</i>	<i>8 427.8</i>	<i>10 403.7</i>	<i>11 076.4</i>	<i>11 569.1</i>	<i>11 021.8</i>	<i>9 345.4</i>	<i>9 753.9</i>	<i>9 391.4</i>	<i>8 168.8</i>	<i>5 542.4</i>
65 432.1	72 739.0	80 937.4	90 147.6	100 477.0	111 975.0	124 645.4	138 799.0	154 760.3	172 604.3	192 513.5
77 758.3	86 066.5	94 931.8	104 820.4	115 829.7	127 987.5	141 269.2	155 995.9	172 493.4	190 800.8	211 074.0
5 607.8	6 179.2	6 815.6	7 525.6	8 316.0	9 188.9	10 142.4	11 199.7	12 384.2	13 698.6	15 154.1
180 858.5	201 731.7	225 871.3	251 015.9	277 894.1	306 083.7	336 886.8	372 716.2	411 577.2	450 020.6	495 517.1
<i>3 307.6</i>	<i>1 737.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
184 166.1	203 468.6	225 871.3	251 015.9	277 894.1	306 083.7	336 886.8	372 716.2	411 577.2	450 020.6	495 517.1
15 378.0	16 944.6	18 689.8	20 636.2	22 803.5	25 197.2	27 812.7	30 711.0	33 958.6	37 562.6	41 553.8
12 302.4	13 555.7	14 951.8	16 509.0	18 242.8	20 157.8	22 250.1	24 568.8	27 166.9	30 050.1	33 243.0
3 075.6	3 388.9	3 738.0	4 127.2	4 560.7	5 039.4	5 562.5	6 142.2	6 791.7	7 512.5	8 310.8
5 371.0	5 564.2	5 628.2	5 546.9	5 338.3	5 027.6	4 568.3	3 909.2	3 053.4	2 128.9	1 114.9
163 417.1	180 959.8	201 553.3	224 832.7	249 752.3	275 858.9	304 505.9	338 096.0	374 565.2	410 329.1	452 848.5
184 166.1	203 468.6	225 871.3	251 015.9	277 894.1	306 083.7	336 886.8	372 716.2	411 577.2	450 020.6	495 517.1

Table 5.8 Social Budget (% of GDP)

Social Budget (in percent of GDP)	2006/07 %	2007/08 %	2008/09 %	2009/10 %	2010/11 %	2011/12 %	2012/13 %	2013/14 %
EXPENDITURE								
1. Pension Fund (with administrative expenses)	0.7	0.7	0.7	0.8	0.8	0.9	0.9	1.0
1.1 Long-Term benefits from ZSSF	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7
1.1. Pensions	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
1.2. Grants	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1.3. Gratuities	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
1.2 Short-Term benefits from ZSSF	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
2.1. Sickness benefit (medical care)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
2.2. Maternity benefit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Pensions paid by Government	1.2	1.4	1.1	1.1	1.0	1.1	1.0	1.1
3.1. Pensions	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
3.2. Gratuities	0.7	0.8	0.5	0.5	0.4	0.5	0.5	0.5
4. Health (public expenditure only)	3.6	4.0	3.9	3.9	4.0	4.0	4.0	4.1
5. Education	3.7	4.2	8.6	8.7	7.6	4.9	5.3	4.6
6. NGOs	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total current social expenditure	9.5	10.5	14.5	14.7	13.6	11.1	11.6	11.0
Change of reserves								
Pension insurance	1.0	0.7	0.7	0.7	0.7	0.5	0.4	0.3
and short term benefits								
Total social expenditure	10.5	11.3	15.2	15.5	14.2	11.6	11.9	11.3
INCOME								
1. Social security contributions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
1.1. Long-term benefits	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
1.2. Short-term benefits	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
2. Investment income	0.7	0.5	0.4	0.5	0.5	0.4	0.4	0.4
3. Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Income from General revenues (deficit coverage)	8.9	9.8	13.8	14.0	12.8	10.3	10.6	10.0
Total social income	10.5	11.3	15.2	15.5	14.2	11.6	11.9	11.3

2014/15 %	2015/16 %	2016/17 %	2017/18 %	2018/19 %	2019/20 %	2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %
1.1	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.3	1.4
0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.0	1.1
0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5
0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.0	1.0	1.1	1.1	1.0	0.9	0.8	0.8	0.7	0.6	0.5
0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4
0.5	0.5	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.2	0.1
4.1	4.1	4.2	4.2	4.3	4.3	4.3	4.4	4.4	4.4	4.5
4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
11.4	11.5	11.7	11.7	11.8	11.7	11.7	11.7	11.7	11.6	11.5
0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.6	11.6	11.7	11.7	11.8	11.7	11.7	11.7	11.7	11.6	11.5
1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10.3	10.3	10.4	10.5	10.6	10.6	10.6	10.6	10.7	10.5	10.5
11.6	11.6	11.7	11.7	11.8	11.7	11.7	11.7	11.7	11.6	11.5



6

In this Chapter we present some analysis of the possible costs and benefits of a non-contributory social protection package for Zanzibar. Due to uncertainty around some of the key drivers of costs, and factors that may impact on the positive impacts of these policies, such as the composition of the population, the likely path of economic growth, and the variability in inflation; these costs and benefits should be treated as illustrative. However, this analysis does indicate the likely path of costs and benefits for a package of non-contributory social protection interventions in Zanzibar.

It is very difficult to identify the full set of (quantifiable and non-quantifiable) costs and benefits of social protection policy interventions without careful *a priori* appraisal of policy options, before extensive monitoring and evaluation of programmes is put into effect.

An extensive policy appraisal process would look to identify comprehensively all of the costs and benefits expected from a policy intervention, before undertaking analysis once the programme was in operation. Imposing good practice such as this at the outset of a policy reform process can significantly impact upon the quality and impact of the policy directions chosen.

First, a “package” of social protection benefits will be defined in Section 6.1. These benefits are all non-contributory in nature. In Section 6.2 a detailed description of how one component of this package, a universal pension paid to anyone aged 60 years and over, has been calculated. Individual and aggregate costs of the package of non-contributory benefits are also presented in this section. Next, in Section 6.3 the issue of indexing benefits is discussed. The indexation of all social protection benefits, whether a contributory or non-contributory benefit, is absolutely crucial for the long-term impact, and relevance of, social protection policies. In Section 6.4, we look at the possible benefits of a package of social protection benefits, focusing mainly on the possible impacts on poverty arising from implementing such a package of benefits. A review of the analysis is presented in Section 6.5. Finally, some conclusions are drawn in Section 6.6.

The costs and benefits of social protection in Zanzibar

Defining a package Social Protection benefits

6.1

The ILO Social Security Department, in its role to further the global extension of social protection, has developed a pragmatic policy framework for social protection that envisages that countries which have not yet achieved universal or widespread social protection coverage should first aim to put in place a basic and modest set of social security guarantees, for all residents in the country, with a longer-term aim of building higher levels of protection¹ as and when further resources can be made available.

In a broad sense, this should include:

- ☐ Access to basic and essential health care including health services for maternity protection;
- ☐ Income security for children, facilitating access to nutrition, education and care;
- ☐ Some measures including social assistance to poor and unemployed persons; and
- ☐ Income security through basic pensions for old and disabled persons.

For consistency with the analytical work presented in the SPER and SB reports for Tanzania Mainland and Zambia, the following hypothetical benefits encompass a “minimum package” that fits in with this pragmatic policy framework for the purpose of the analysis in this chapter:

- ☐ A universal pension for all persons aged 60 years and over, starting with a monthly amount of 15,000 TZS per month in 2009;
- ☐ A child benefit paid for the first child for seven years, at an initial rate of 7,500 TZS per month in 2009;
- ☐ A targeted social assistance scheme – this scheme is intended to identify the most vulnerable households in Zanzibar. It is assumed that this scheme would cover the poorest 10 per cent of households in Zanzibar, who would receive a benefit equal

¹ As envisaged, in particular, in Convention No. 102 and other Conventions relating to social security.

to 30 per cent of GDP per capita, per annum. Thus, recipient households would receive $(0.3 \times 2009 \text{ GDP per capita})/12$ in 2009.

This would allow Zanzibar to start implementing a social protection floor.

The cost of the hypothetical benefits are calculated over the period 2009 to 2025 and are indexed by the Consumer Price Index (CPI) on an annual basis. The CPI is a measure calculated by the Zanzibar OCGS. The importance of indexing benefits will be discussed in section 6.3. Furthermore, there will be additional costs of delivering these benefits. Without a detailed exercise, it is almost impossible to calculate the likely costs of delivery and administration. Therefore, for simplicity, a delivery administration cost equal to ten per cent of the total benefit paid has been applied. The process of costing each benefit is discussed in section 6.2, using the universal pension as the main example.

6.2 Costing a Social Protection package in Zanzibar

The process of identifying the cost of a non-contributory package of social protection benefits in Zanzibar requires the collection of some key data. There are numerous options available when presenting the illustrative costs of policy interventions. However, there are two main modes of analysis. First, the nominal cost in TZS is important. Second, the cost of a policy as a proportion of national output, GDP, is equally important. In an environment where donor funding is common, it may be worthwhile to cost policies in US\$. A detailed explanation of how the universal pension option has been costed is presented below, with some brief background on how the other benefits were costed.

6.2.1 *Calculating the cost of a universal pension*

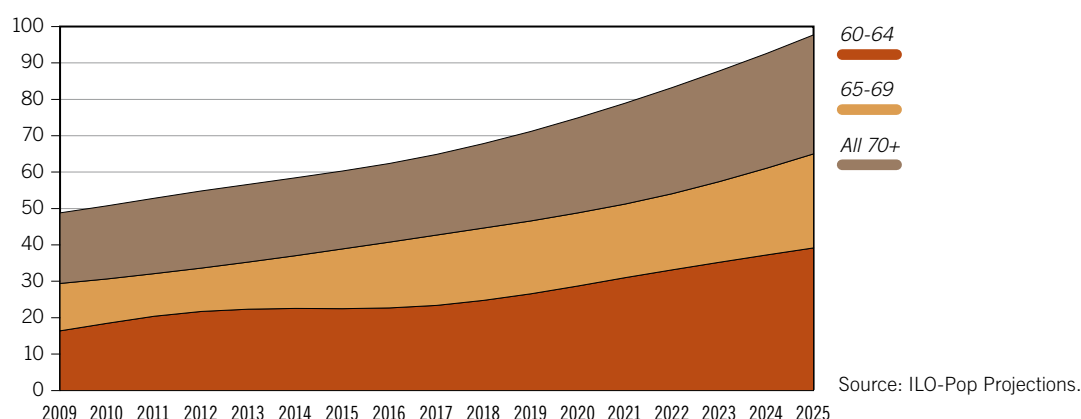
It is important to describe the methodology used to calculate the cost a universal old-age pension in Zanzibar. First, it is useful to outline the characteristics of a universal benefit. Universal benefits may be described as **“Welfare benefits that are available equally to all citizens, regardless of level of income or economic status.”**² In this case, a universal pension, is a welfare benefit as it would be available equally to all citizens aged 60 years and over, regardless of their level of income or economic status. That is, it is not a means-tested benefit.

To calculate the cost of a universal pension in Zanzibar we require the following information:

1. Demographic information – the number of persons aged 60 years and over in Zanzibar.
2. The value of the pension to be paid.
3. A projection of the nominal level of GDP from 2009-2025.
4. A projection of the year-on-year CPI inflation rate from 2009 to 2025.

² <http://www.polity.co.uk/giddens5/students/glossary/s-z.asp#u>

Figure 6.1 Evolution of the 60 years and over population in Zanzibar – 2009/2025 (thousands)



The population projections prepared for the Zanzibar Social Budget model are used to identify the number of beneficiaries – i.e. those aged 60 years and over in Zanzibar. According to the population projections, there were approximately **49,000 persons** aged 60 years and over in Zanzibar in 2009. The 60 years and over population is projected to increase over the period 2009-2025, as shown in Figure 6.1. The population projections are expected to almost double over this period to almost 100,000 people aged 60 years and over in 2025. *Ceteris paribus*, this suggests the nominal cost of a universal pension will increase over time also.

As stated earlier in Section 6.1, to be consistent with the Tanzania Mainland analysis, a pension of 15,000 TZS per month is assumed to be the value of the pension to be paid in 2009. The economic (nominal GDP and inflation) information required for undertaking policy costings has been taken from the economic module of the Zanzibar Social Budget model. The information contained in the module uses the most up-to-date National economic data to drive its assumptions. With this information, a costing of a universal pension for 2009, and a projected cost to 2025 can be calculated. The same economic information has been used to calculate the cost of the other benefits discussed in this chapter.

The total annual cost of the pension paid was calculated by taking the number of beneficiaries multiplied by the pension level per month to get the monthly total pension payment, multiplied by 12 (months) for the total annual pension benefit paid to all beneficiaries.

Step 1: Calculating the total amount of pension paid per annum

$$\text{Number of beneficiaries} \times \text{Pension level per month} \times 12 = \text{Total amount of pension paid per annum}$$

In addition, a delivery administration cost must be added. This is assumed to be ten percent of the total amount of benefit (in this case the pension) paid. Thus, multiplying the **total amount of pension paid per annum** by 10 per cent, and adding this amount to the **total amount of pension paid per annum** gives the **total cost of universal pension per annum**.

Step 2: Calculating the total cost of the universal pension per annum

$$\text{Total amount of pension paid per annum} \times 10\% + \text{Total amount of pension paid per annum} = \text{Total cost of the universal pension per annum}$$

This calculates the nominal TZS cost of a universal pension in Zanzibar for 2009. As an additional step, the cost of the universal pension as a proportion of nominal GDP can be calculated by dividing the total cost of the universal pension per annum by the nominal GDP level in a particular year.

Step 3: Calculating the cost of the universal pension as a proportion of nominal GDP

$$\frac{\text{Total cost of the universal pension per annum}}{\text{Nominal GDP}} = \text{Cost of the universal pension as a proportion of nominal GDP.}$$

To calculate the cost of the universal pension over time, CPI inflation needs to be applied to the pension level paid. This applied using the projection of year-on-year CPI change. This is simply the pension level per month multiplied by the change in CPI year-on-year, i.e. for 2009 to 2010 $\rightarrow 15,000 + (15,000 \times \text{year on year CPI change})$.

Step 4: Indexation of the pension level paid

$$\text{Pension level per month (t-1)} \times \text{Year on year CPI change} = \text{Pension level per month (t)}$$

Then, going back to step 1. the same process as outlined above can be repeated, using the projections of nominal GDP, inflation and demographics to 2025.

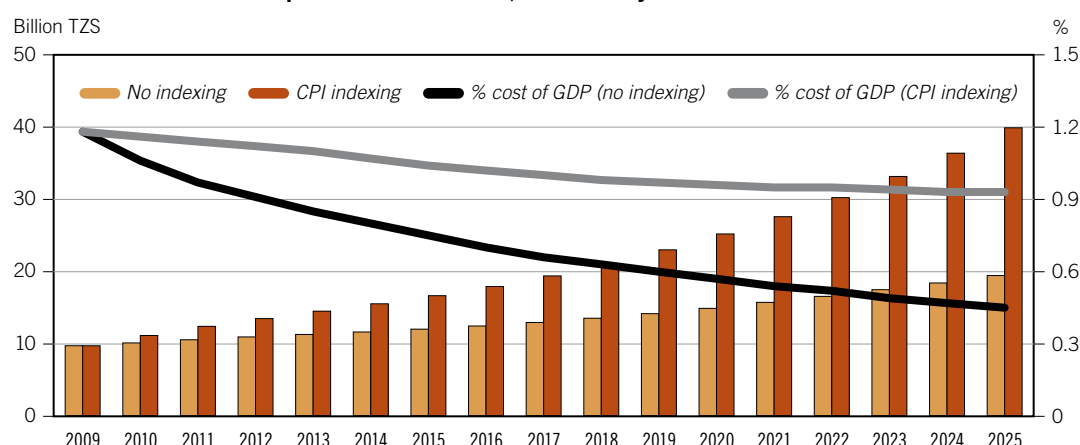
Using this methodology, the cost of a universal pension in Zanzibar has been calculated for the period 2009 to 2025. Figure 6.2 shows the cost of a universal old-age pension in two dimensions. These dimensions are the cost of the pension in nominal TZS, and as a proportion of nominal GDP. Two costs are compared: first the cost of a universal old-age pension if it is not indexed over time, that is it remains at 15,000 TZS from 2009 to 2025; second, the cost of a CPI indexed universal pension over the analysis period.

As one would expect, the CPI indexed pension is more expensive over time and is projected to cost less than 1 per cent of Zanzibar GDP in the long-term. In nominal terms this is just under 10 Billion TZS in 2009. In US \$ terms this is approximately \$7.5 million in 2009³. The slight decline in the proportion of nominal GDP cost over time is due to the macroeconomic assumptions, where the economy grows faster than the growth in the number of beneficiaries over time.

The child benefit policy is assumed to be in two parts:

- (i) At the start of the scheme all households with a child under 7 years of age would receive a benefit of 7'500 TZS until that child reaches 7 years of age.
- (ii) Thereafter each household with a first born child would be eligible for the benefit.

³ Using a commercial exchange rate of \$1: 1310 TZS from September 2009.

Figure 6.2 Costs of a universal pension in Zanzibar, for all 60 years and over – 2009/2025

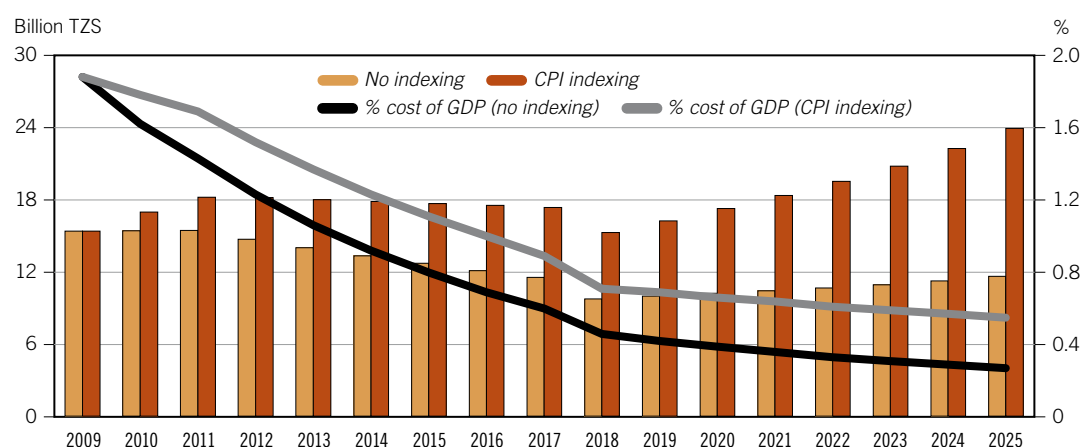
Note: Comparison of costs (Nominal TZS and proportion of GDP) - 15,000 TZS pension, All 60+ CPI and no Indexation (* 10% of total pension added as an administration cost).

Source: ILO calculations.

Therefore, initially the TZS cost of the child benefit is higher, but it declines gradually until all the original beneficiaries are no longer eligible for the child benefit.

Again, a cost comparison can be made to both a CPI Indexed and a Non-Indexed benefit. Over time, despite a projected increase in the number of first-born children in Zanzibar (from the Social Budget projections), the “stock” of beneficiaries falls, as the original recipients tail off, before rising again in line with the growth in first-born children in Zanzibar.

Over the long-term, the cost of a child benefit of 7,500 TZS (indexed by CPI over time) to the first-born child in the household up to 7 years of age is approximately 0.6 per cent of GDP (Figure 6.3). The nominal TZS cost of this benefit rises to 2018, then falls, before rising steadily. This reflects the transition of the original beneficiaries losing their benefit entitlements, and the move to a stock of beneficiaries who are only those who are first-born. The cost of the child benefit as a proportion of GDP declines rapidly, before a step change in costs, to a slower reduction in costs over time after 2018.

Figure 6.3 Comparison of costs: Child benefit paid to first-born up to seven years of age

Note: Comparison of costs (Nominal TZS and proportion of GDP) - Initial 7,500 TZS child benefit, under 7, CPI and no Indexation (* 10% of total child benefit added as an administration cost).

Source: ILO calculations.

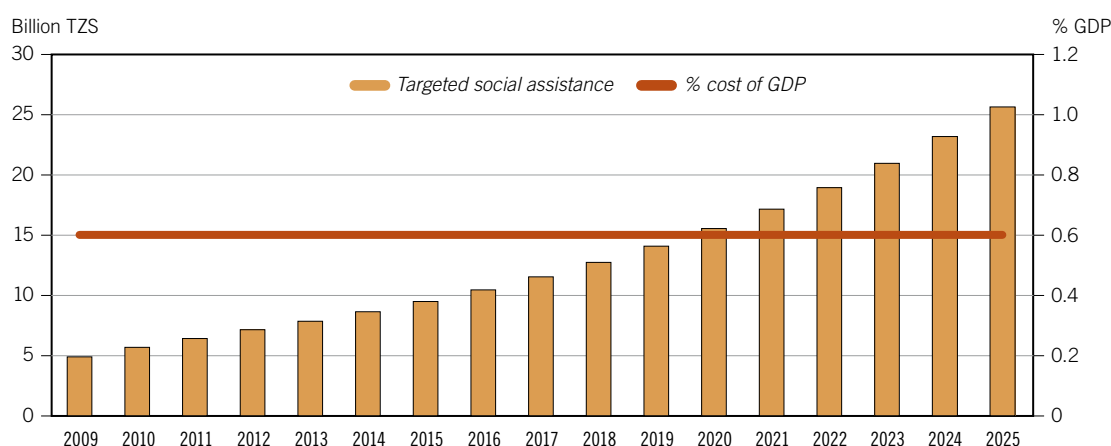
This reflects the move to a full cohort of beneficiaries who qualify from having a first-born child less than seven years of age. Paying a child benefit only to the first new born child in 2009 would cost in the region of 10 Billion TZS, and in US dollar terms most likely less than \$10 million.

The cost of the targeted social assistance scheme is lower than the (nominal and % of GDP) cost of a universal pension, and a child benefit. This is mainly due to who qualifies for the targeted social assistance – i.e. the poorest 10 per cent of households, which means there are fewer beneficiaries than the other two social protection options presented in this chapter.

The targeted social assistance benefit is worth 30 per cent of GDP per capita, per annum. In 2009, this relates to a monthly benefit of approximately 16,000 TZS, which is broadly consistent with the value of the universal pension. Based upon the simplified economic assumptions made, the proportion of GDP cost remains constant over the cost projection period. This cost is calculated to be 0.6 per cent of GDP per annum (Figure 6.3). This is approximately 5 Billion TZS, or in US dollar terms, \$4 million.

In total, the cost of this package of non-contributory social protection benefits, using the economic and demographic assumptions from the Zanzibar Social Budget model is projected to be less than 2.5 per cent of GDP over the long-term (Figure 6.5).

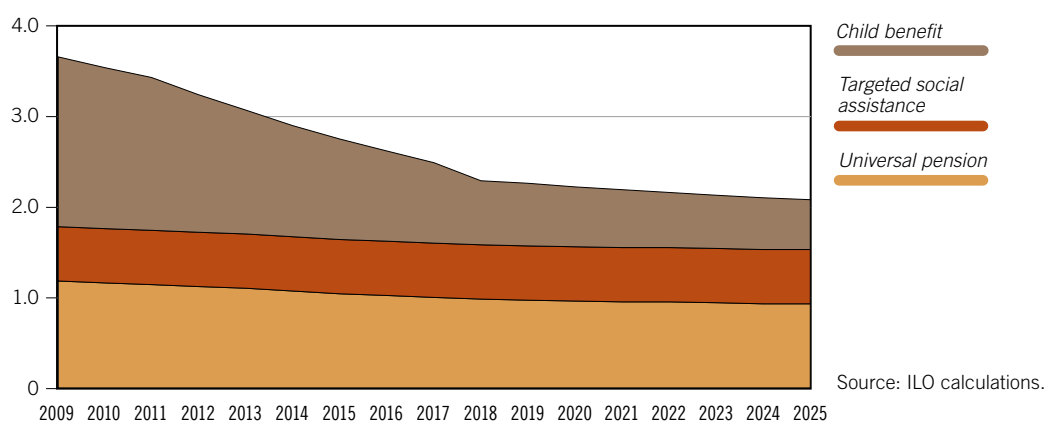
Figure 6.4 Comparison of costs: Targeted social assistance, poorest 10 per cent



Note: Comparison of costs (Nominal TZS and proportion of GDP) - Targeted Social Assistance, Poorest 10 per cent, Equivalent to 30% of GDP per capita (* 10% of total targeted social assistance cost added as an administration cost)

Source: ILO calculations.

Figure 6.5 Illustrative costs: Package of social protection benefits (percentage of GDP)



Source: ILO calculations.

The assumptions made may vary in practice, thus this figure could be higher or lower. It is clear however that the likely costs of such a package of social protection benefits are affordable for a country such as Zanzibar. A reasonable, conservative, approximation of the US dollar cost of this package of benefits, assuming the method of paying the child benefit is the same, is 30 Billion TZS in 2009, which is around \$25 million.

Beyond the purely financial costs of implementing such a package of non-contributory social protection benefits, there are other potential costs to following such a policy approach. For example, identifying the “opportunity costs” of such policy interventions is important. By opportunity costs we mean the “next best alternative (policy option) foregone”. Put another way, what could the money have been spent on as the next best alternative? This could be building roads, or schools or health centres.

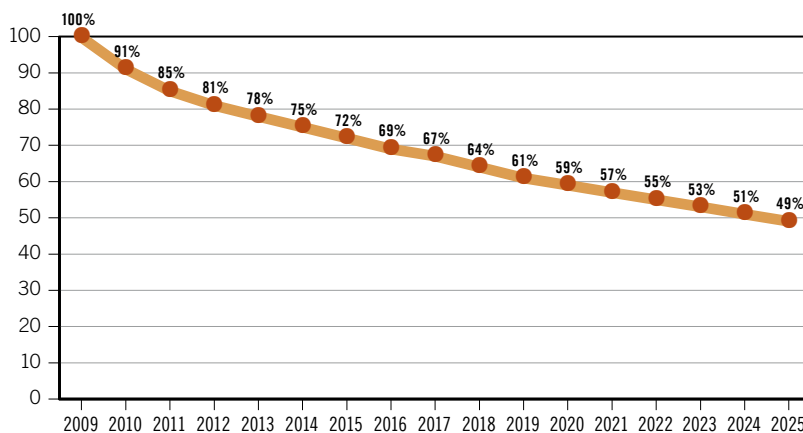
Indexation of benefits

6.3

Whilst the “no indexation” of the benefits would be cheaper than the CPI indexed benefits over time, this cost saving would most likely be achieved with a significant reduction in the overall impact of these policy interventions. Put simply, non-indexed benefits of this kind will have less purchasing power over time as price inflation is expected to rise. Therefore the “benefits” of the policy would diminish over time.

As an illustration, we can look at the change in purchasing power of 15,000 TZS if there is no indexation of the universal pension from 2009 to 2025. This uses the inflation projections from the Social Budget model. Here we can see that in Figure 6.6, by 2025, the value of 15,000 TZS is worth 49 per cent of what 15,000 TZS is worth in 2009. This change will be lower if inflation does not rise as fast as is projected in the Social Budget model or even higher if inflation proves to be higher than projected. The inflation projections may in fact be fairly conservative, as in the long-run inflation is projected to reach 4 per cent year on year in Zanzibar in the Social Budget model, which is significantly lower than the current situation. Hence the value of 15,000 TZS in 2025 might be even less than the 49 per cent presented here.

Figure 6.6 Change in relative value of 15,000 TZS – 2009/2025



Source: ILO calculations.

6.4 The possible benefits of Social Protection in Zanzibar

The evidence presented earlier in this report has shown that Zanzibar is a poor country; with low levels of income, high labour market informality, narrow and limited existing provision of social protection, and around half of the population living below the basic needs poverty line. Thus, there are clear reasons why non-contributory social protection, such as the package of social protection benefits described in section 6.1 is likely to be beneficial in mitigating the problems apparent in Zanzibar.

As a means of justifying such policy interventions, and to ensure that these interventions are well designed, some analysis of the possible benefits and comparison of benefits is important. This can be done in a number of ways, for example by looking at comparable evidence from other countries that have followed a similar path. This process can be illuminating, particularly in the process of developing support through advocacy of social protection. However this approach is likely to be limited, as the unique conditions present within a country cannot be understood by such an analysis.

Another approach, which is specific to the country in question, is to develop “poverty impact analysis” of the non-contributory policy options. This requires *ex ante* analysis of the poverty situation (developed by the OCGS and discussed in Chapter 3), and some *ex post* analysis of the same poverty situation once the social protection benefits are implemented.

Taking the data used to calculate the poverty analysis, simulating the likely impact of the basic package of social protection benefits on the same households and individuals is computed, subject to some simplifying assumptions:

- ☐ The benefit is paid to everyone eligible at the point in time of the survey;
- ☐ The child benefit is paid to every household with a child under 7;
- ☐ The benefit paid is then distributed evenly across each household member (equivalent adult); It is assumed that extra monies from the benefits paid become additional expenditure;

A standard poverty analysis method involves calculating the level of expenditure per equivalent adult. To analyse poverty impacts, one then adds on the benefits described to households who have individuals who qualify – in this case a 15,000 TZS pension to anyone 60 years and over in a household, and 7,500 to a household with a child under 7 – and 16,000 TZS to the poorest households. Then a new level of expenditure per equivalent adult is calculated. The simplifying assumption of spreading the benefit evenly across each member (equivalent adult) in the household allows a consistent approach to calculate the new poverty rates. In essence it also indicates the wider possible impact of the benefit payments. Of course, in reality the recipient of the benefit, may not spread evenly the additional money received but as a modelling exercise this is tricky to appropriately control for. Thus, the methodology used may be limited in some situations, but allows analysis of the maximum effect of the benefit on overall poverty.

Once the benefits have been added, it is assumed that total expenditure rises fully with the amount transferred. Again, this may be limited as saving of income may be a response to receiving the benefit. However, the assumption is that the maximum possible expenditure indicates whether someone is in poverty or not.

Once income has been added to qualifying households, and spread across equivalent adults in the households, a new poverty rate can be calculated.

The poverty impact analysis shows that the combination of the three benefits almost eliminates all food poverty, and could reduce basic needs poverty by around 20 percentage points (Figure 6.7 and Figure 6.8). The payment of the benefits has a

markedly bigger impact on the conditions for households and individuals in rural areas, which is intuitive based upon the OCGS poverty analysis.

After paying the basic package of benefits, less than 5 per cent of the population are still estimated to be food poor, and approximately one-quarter of the population are expected to still live below the basic needs poverty line. However, this analysis may overstate the impact of the package of benefits presented, as factors such as inflation (which has been high in Zanzibar in recent times), may impact upon the existing poverty line if it were recalculated today.

What is crucial, in terms of a future policy debate, is whether the sort of impacts presented here are sufficient? The bulk of those who are food poor may move out of this category, but they are highly likely to still be defined as basic needs poor. Is it enough to move just above the margins of poverty, when there could be an issue such as inflationary pressure which may move someone very easily back into a situation of poverty? As a minimum, there is an improvement in the situation of qualifying individuals and households from social protection intervention, which may lead to wider benefits over time.

Analysis of the poorest 3 per cent (those who were found to still be in food poverty after the payment of the package of benefits), and the richest 25 per cent, highlights differences in household composition, spending power and patterns of expenditure. The poorest households are significantly larger in size than the richest 25 per cent of households. The poorest households have an average of 8 persons in them, which are double that of the poorest 25 per cent, and two more persons than

Figure 6.7 Poverty impact analysis – Food poverty

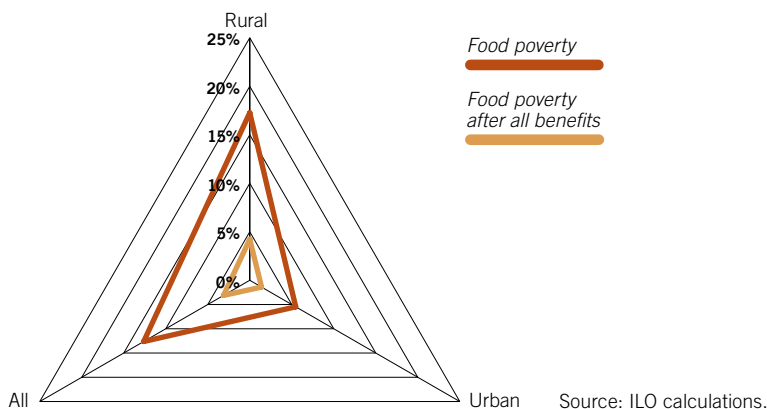
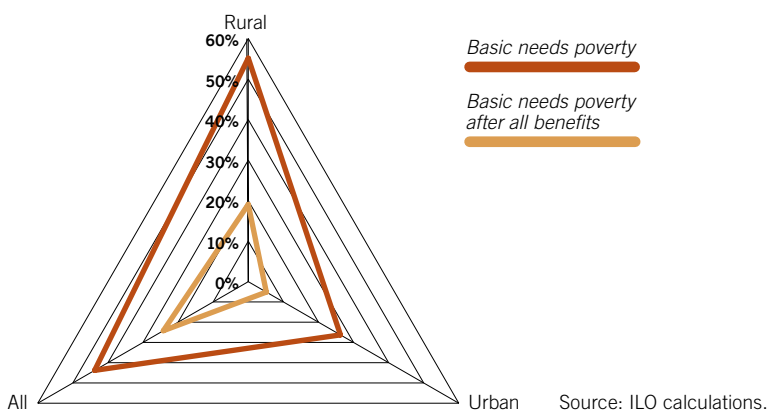


Figure 6.8 Poverty impact analysis – Basic needs poverty



the average household. The poorest households spend just over half the average total expenditure of the richest households, and total expenditure per capita for the poorest is around one-third of the level of the richest 25 per cent (see Table 6.1).

As we would expect the patterns of expenditure vary also across the groups. The richest households spend around half of their total expenditure on “food and non-alcoholic beverages”, compared to 60 per cent of the total expenditures of the poorest households. Each group spends a similar proportion of their total expenditures on “Housing, Water, Fuel and Power”, but the levels of expenditure are higher for the richer households. In general, other spending patterns are similar, in proportion of expenditure terms, with the exception of “Restaurants and Hotels”, which richer households spend more of their money on, as both a proportion of expenditure, and total expenditure as an amount.

Expenditures on “Health” and “Education” are small proportions of total expenditures for all groups, and there does not appear to be a major difference in expenditure levels either.

In general, we observe a correlation from the findings of Chapter 3 that larger households are more likely to be in poverty, and we now observe that this correlates to the most poor in Zanzibar.

Table 6.1 Comparison of households by composition and expenditures

Mean value or expenditure	All households	Poorest 3%	Richest 25%
Household size	6	8	4
Food and non alcoholic beverages	63 432	53 737	77 696
Alcoholic beverages and tobacco	440	384	713
Clothing and footwear	7 885	6 489	10 871
Housing, water, fuel and power	19 160	12 734	26 352
Furniture, household equipment and household maintenance	6 282	5 132	10 127
Health	2 411	1 919	3 117
Transportation	4 572	2 450	8 269
Communication	1 032	269	2 403
Recreation and entertainment	562	453	1 103
Education	1 614	1 480	2 142
Restaurants and hotels	3 398	915	5 836
Miscellaneous goods and services	3 123	2 024	5 008
Total household expenditure for 28 days (TZS)	113 911	87 986	153 637
Total expenditure per capita	23 405	13 957	39 187

Source: ILO calculations.

Review of analysis

6.5

In this chapter, we have defined a package of social protection benefits. We have discussed a method to calculate the cost of a package of non-contributory social protection benefits in Zanzibar. Costs of this package have been presented and analysed, as well as an analysis of the possible benefits of such a package in terms of poverty impacts.

In this section, we shall consolidate the work presented by assessing its relative strengths and weaknesses, before identifying some important “rules of thumb” that should be considered in future social protection policy debates.

First, the costs and benefits of the policies presented are based upon the assumptions and data used, which come from the Zanzibar Social Budget model. Changes in the economic environment, be it a change in level of economic growth, or inflation, will have an impact on the cost. This impact can be quite significant, particularly where there is a degree of volatility, e.g. in the inflation rate. Moreover, differences in the demographic profile can have an impact on the number of beneficiaries eligible for a benefit, and thus costs.

The analysis presented in this chapter has not gone into the level of detail required of a full policy development process, but does present a means of analysing social protection policies effectively. Thus it is crucial, in the likelihood of future policy debate on the direction of social protection policy in Zanzibar, to understand the key drivers of costs and benefits in detail. Outside of aspects unique to a particular beneficiary group, demographics and economic indicators such as GDP and inflation are the key drivers of costs in this context, and may also have an impact on the likely benefits, or value of the benefits possible. Specifically in relation to poverty impacts, changes in price inflation can alter the dynamic of the poverty situation.

Hence, it is worthwhile to apply sensitivity analysis at the policy appraisal stage. To achieve this, it is important to understand the level of risk and uncertainty in the data used to calculate costs and benefits, and to make appropriate judgements on the merit of the appraisal on the basis of this. Furthermore, minimising optimism bias in key parameters is important. If done comprehensively, a sensible set of variables can be derived to generate the likely range of costs and impacts of, a package of social protection benefits with some degree of confidence.

In terms of the costs of the benefits presented here, these costs are limited to the quality of the economic and demographic projections over a long period of time, 2009 to 2025. We would expect the demographic projections to be less volatile, but it is very difficult to predict economic outcomes beyond a very short period of time.

The poverty impact analysis takes the latest poverty lines calculated by the OCGS, but is limited in a number of ways. First, the dynamic of the poverty situation may have changed since the survey period, 2004-2005, to this point in time. Thus, more or less people may be in poverty, using the same poverty line, or in fact it may be appropriate to recalculate poverty lines to reflect changes in the economic environment, notably in relation to the recent high price inflation experienced in Zanzibar. Furthermore, the poverty impact analysis adds benefits assumed to be paid at this point in time, for example 15,000 TZS to anyone aged 60 or over, but in a timing sense, the poverty impact analysis actually shows the impact of adding 15,000 TZS to a expenditures made at the point in time of the survey (sometime in 2004 or 2005). Hence, in general there may be an overstatement of the poverty impact.

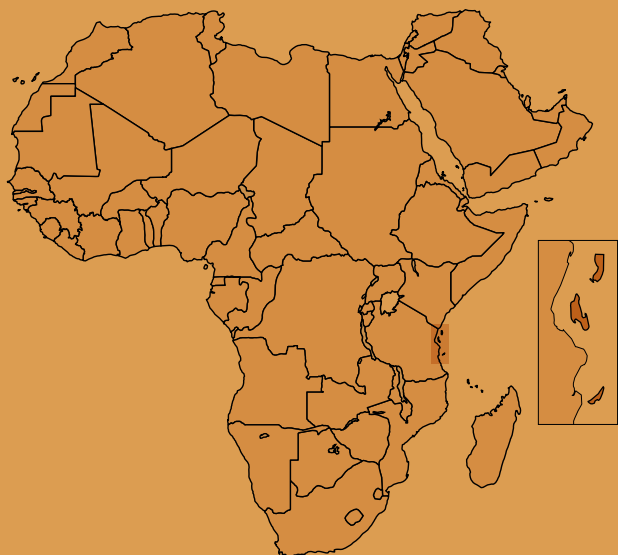
Therefore, there may be some merit, at the point of a future social protection policy debate, to analyse the poverty profile carefully, to judge whether the poverty lines should be altered, or some adjustment is made to the available survey data to make the impacts more reflective of the current point in time.

However, these specific weaknesses should not be overstated. It is virtually impossible to fully control for all the variations apparent in real life within the confines of an economic model. The best that can be achieved is to gather the available data and evidence to control for the risks, uncertainty and optimism bias apparent, and to develop analysis in an iterative fashion as more data and knowledge becomes available.

What is clear is that such a package of social protection benefits should be affordable within a reasonable funding envelope, and should have an impact on poverty incidence and depth in Zanzibar.

6.6 Conclusions

- A package of social protection benefits in Zanzibar is likely to cost less than 2.5 per cent of GDP over the long run, which would allow Zanzibar to begin to introduce a social protection floor.
- The costs and benefits presented in this chapter are heavily driven by the assumptions made, and more careful analysis of risk and uncertainty is required.
- Indexation of social protection benefits is crucial to ensure that the positive impacts of the benefits paid are sustainable over time.
- A package of social protection benefits may be able to eliminate food poverty in Zanzibar, and have a significant impact on reducing basic needs poverty.
- However, it is likely that even with such a package of benefits, there would still be poverty in Zanzibar, as some people may not be eligible for certain benefits, and large households are shown to be more susceptible to severe poverty making it difficult to lift them out of poverty without significant expenditure.
- The nature of the poverty situation may have changed in recent times due to high inflation, thus the findings of the poverty impact analysis may be overstated.
- However, such forms of social protection can have a positive impact on poverty, general quality of life and wider economic activity.



7

This report is the third and final Social Protection Expenditure and Performance Review (SPER) and Social Budget (SB) to be produced in the context of the ILO/DFID partnership on extending social protection and coverage for all as a means to reducing poverty. It has sought to describe the existing situation in Zanzibar for social protection generally and to undertake a number of status quo projections and to offer some preliminary illustrative policy options.

The difference between this report and other published work in this field is that it brings together analysis of the most current demographic picture, the macro economic situation, it examines poverty, looks at the structure of the labour market, it describes existing contributory and non-contributory provisions including education, health and social insurance and puts them into a base line on which social expenditure projections are made. It also puts forward for the first time some possible policy options for income replacement social protection benefits and undertakes some preliminary assessment of the impact they would have on poverty alleviation. This would allow Zanzibar to begin to introduce a social protection floor for income-related benefits.

It has taken longer to produce this report than the project team would have liked and this is due in the main to delays in obtaining data, the lack of data in a number of critical areas and the need to do quality control on ILO's findings. The lack of data in critical policy areas such as health care makes it impossible to reach judgments on whether existing resources are being used efficiently – value for money – and whether they are being used for the intended purpose.

At the end of each chapter there is a short summary of key findings and it is not the intention to repeat these findings here in detail but rather to identify the central findings and reach some conclusions about their interactions.

7.1 What is the picture?

The picture in Zanzibar is mixed. The demographic profile of a country greatly influences the type of social protection policies it needs to put in place in the short, medium and longer term. It is impossible to change such a profile in anything other than the

Conclusions

longer term and even in this case change is problematic. So the profile is an important diagnostic planning tool.

The situation in Zanzibar is very similar to many other African countries. It has a young population: almost half of the population is aged 15 and under and it has a slightly ageing population in the longer term. Life expectancy is increasing but fertility rates are high. This has immediate implications for social protection for children notably regarding education, health care, income support and employment generation.

The MKUZA report focuses on education as a priority but the government is only able to finance recurrent expenditures and there is a need to improve infrastructure, teachers training and class room consumables. A credit line has been opened with the World Bank to finance these activities but national capacity to deliver will be crucial otherwise the education targets will not be met. There is high infant and maternal mortality. The major cause of death is malaria. The need to improve infant and maternal mortality rates is also a MKUZA priority. Targets have been set but the sources of financing are unclear.

Whilst the country has experienced steady economic growth, inflation is high and there is a significant budget deficit. There is high dependency on donor funding for government expenditure: particularly health care. This includes drugs, and the malaria and HIV/AIDS programmes. According to the BoT grants will account for 50 per cent of all budgeted revenue in 2008/9. The SB model shows overall social expenditures will increase from 10.5 per cent of GDP in 2006/7 to 11.5 per cent in 2024/25. It peaks in 2009/10 at almost 16 per cent of GDP. This high dependency on grants could put at risk certain programmes if donors change their priorities and/or national capacity to absorb the funds is limited.

The labour market is predominately informal. If agriculture is included then 88.1 per cent of total employment is in the informal sector (agriculture is the largest sector of employment with 41 per cent of total employment). The proportion of those in formal employment is decreasing. Nearly 67 per cent of older people are employed as are 25 per cent of children under 15 years of age. In both instances employment is mainly as unpaid family workers. Women experience more difficulties in accessing paid employment and on average earn 74 per cent of the earnings of men. There is a high correlation between level of educational achievement and employment status. This

confirms the MKUZA priority for education. Just below half of all employees do not know or do not believe that their employers are paying social insurance contributions. This means there is scope to extend social insurance coverage to those in the formal sector and to look at extension into the informal sector.

Half of the population are living below the basic needs poverty line and the most poor, around thirteen per cent, live below the food poverty line. However, the quality of living conditions- the type of house construction, access to clean drinking water and sanitation as well as electricity is quite good. The situation in rural areas is generally worse on all indicators than in urban areas. Detailed analysis shows that certain districts rate poor on all indicators including access to and educational achievement. This all points to the need for highly targeted interventions.

The most important characteristic of the one social insurance scheme which is administered by ZSSF is that it is a young scheme and as a consequence benefits levels are low. At the same time it needs to be reformed in order to be financially sustainable in the longer term. But, it is not covering all of those in paid employment and thus coverage needs to be extended. This is complicated by the ambiguity surrounding the role to be played by social insurance schemes based on the Mainland in Zanzibar. Importantly there is a need to undertake a fundamental review of maternity and medical benefits. The low level of benefits that will be paid for some time for those in the private sector argues for an integrated policy for the elderly which would include a universal old age pension as well as a social insurance benefit.

The report looks in some detail at education and health care provision given the priority placed on these two types of provision in the MKUZA report and the role they play in the MDGs. There is considerable evidence available on education in terms of policy goals and targets and financial planning. The government has placed improvements in education at the heart of its development plans. There is a clear understanding of the needs and what has to be done to achieve change. The picture for health care is less clear. Policy objectives and targets have been set but mechanisms to achieve change are less clear than for education. The issue for both of these policy areas is not to do with the identification of needs and targets but rather whether the financial support will be available and national capacity to implement.

The ILO undertook a mapping exercise of non-contributory social protection provided by government departments, national and international organizations and faith based organizations in order to try and assess the scope, type and adequacy of such provision. It was found that there were 92 Institutions who provided non-contributory social protection, within 146 programmes. The schemes were mainly operated by Zanzibar based local or national NGOs. Ninety five per cent operated within a legal basis. The main beneficiaries were children receiving benefits in kind for education. The total number of beneficiaries was approximately 100,000, with nearly 60 per cent of the beneficiaries being female. Funding for these programmes was mainly by donors, with 90 per cent of the money being used as budgetary expenditure. There was some variation in the average expenditure by type of Institution, with International Agencies/NGO's spending around seven times as much, on average, as the overall average expenditures. These expenditures amounted to 0.4 per cent of GDP. This result is consistent with a similar exercise carried out by the ILO on the Mainland.

Finally, the ILO undertook a small scale survey of faith based provision – Zakat and related faith obligations - given the role it is given in the MUKUZA report as a mechanism for poverty alleviation. The results are of interest and their financial contribution has been included in the 0.4 per cent of GDP quoted earlier. Zakat is given as a one off payment or benefit in kind for educational needs, health care and immediate

alleviation of need – food. There is scope to extend this type of provision but given the income distribution in Zanzibar there are limitations as to what could be achieved.

It is necessary to make reference to the findings of the Social Budget. In 2006/2007 education and public health expenditure represented 78 per cent of all social protection expenditures with pensions and gratuities paid by the government represented about 12 per cent of such expenditure. Education expenditure will increase as a proportion of GDP over the projection period due to increases in the numbers of children and increased resources. Health expenditure will increase slightly over the projection period. Expenditure on other non-contributory provision is assumed to be constant. Zanzibar relies heavily on donors to finance the provision of social protection.

Finally, the report looks at three illustrative policy options for Zanzibar which would go some way to addressing the income needs of the elderly, the issue of children and poverty and the needs of households in extreme poverty. Further work is needed before a decision could be taken to comprehensively role out such a package including careful poverty impact analysis.

Three policy interventions have been costed. They are a universal old age pension for men and women aged 60 and over, a child benefit and targeted social assistance. The illustrative costings show that such a package of benefits would be likely to cost less than 2.5 per cent of GDP in the long run. It is of fundamental importance that these benefits be indexed to the CPI on their introduction in order to ensure their value is maintained over time. This has been included in the costings in chapter 6. The intention of introducing such a benefit package would be to reduce levels of poverty by moving some people out of food poverty and reduce basic needs poverty.

The project has been able to undertake some initial modelling of the impact of such a package on poverty alleviation by type of benefit. The findings of the poverty impact analysis shows that the combination of the three benefits eliminates almost all food poverty and could reduce basic needs poverty by 20 percentage points. However, it is unlikely that Zanzibar will have the necessary resources or national capacity to move forward on all three fronts quickly. Therefore, it is important to undertake further poverty impact analysis in order to decide where to start and at what speed. It was not possible to do this work for Tanzania Mainland as access to the latest Household Budget Survey was significantly delayed.

In conclusion, the findings of the SPER and SB for Zanzibar are similar to the findings in the other two countries but with some important differences. The population structures are similar, the macro economic environment is slightly different, dependency on donor funding is highest in Zanzibar, the baselines for education, clean water, sanitation and housing are higher, the poverty profile is different and the cost of a minimum package of social protection benefits is similar.

Key Findings

7.2

There are seven key findings

- Data is generally poor including that of ZSSF and this creates financial uncertainties around social policy development.
- The demographic profile shows there is a need to give high priority to developing a social protection framework addressing the needs of the poorest households as well as elderly people.
- Half of the population are living below the basic needs poverty line.

- ☐ Only 0.4 per cent of GDP is spent on non-contributory provision excluding government funded healthcare and education
- ☐ The labour market is highly informal and the degree of informalization is increasing.
- ☐ Coverage by both non-contributory and contributory schemes is low, and benefits inadequate.
- ☐ Zanzibar is highly dependant on donor funding and particularly for health care.

7.3 Way forward

- ☐ There is scope to extend the coverage of contributory and non-contributory schemes.
- ☐ A minimum package of universally acceptable benefits would be affordable over time. In the long term the package would cost approximately 2.6 per cent of GDP. A universal old age pension would cost approximately 1 per cent of GDP in the long term, a child benefit would cost 0.6 per cent in the long term and targeted social assistance would cost 0.5 per cent of GDP in the long term.
- ☐ A pilot site, donor funded, should be set up to examine the impact of introducing such benefits on poverty alleviation and to gain experience in administering such schemes.
- ☐ The results of the work on informality of employment should feed into discussions on the extension of social protection coverage, together with a job creation strategy targeted at youth.
- ☐ The level of female participation in the labour market and their level of earnings should be the subject of a short study.
- ☐ A review of the social insurance scheme need to take place in accordance with the recommendations of the actuarial report with a special study on maternity and medical benefits linked to the health policies set out in the MKUZA report. An agreement needs to be reached with Zanzibar and Tanzania Mainland on the jurisdiction of each of the social insurance schemes.
- ☐ In accordance with the MKUZA report a social protection action plan needs to be drawn covering contributory and non- contributory benefits.

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Annex A

Mapping of non-contributory social protection provision in Zanzibar

Report on findings

Introduction to the mapping methodology and data issues

The **SPER and SB** (Social Protection Expenditure and Performance Review and Social Budget) considers both contributory and non-contributory social protection provision. Different methods and tools are used for data collection for these two main components.

Concerning the contributory part, in particular the Zanzibar Social Security Fund (ZSSF), an actuarial evaluation was carried out, which is the basis of the findings in Chapter 4 of this Report.

Information on non-contributory social protection provision has been collected through a separate exercise involving the mapping of government agencies, private institutions, organizations, and groups providing non-contributory social protection/security benefits in Zanzibar:

- ☐ a mapping of programmes provided by these institutions and agencies and of the characteristics of these programmes;
- ☐ a mapping is understood in this context to be an inventory.

This mapping was part of a wider exercise of diagnosis of national needs and opportunities regarding social protection in Zanzibar (SPER) as a baseline for:

- ☐ The development of adequate planning tools.
- ☐ Initiating a national dialogue process and developing a Social Security Action Plan for the extension of social security coverage.
- ☐ Supporting future national implementation.

This study is undertaken by the ILO Social Security Department with national implementing partners. This study partly overlaps with the Zakat and other religious provisions study – **see Annex B**.

The questionnaire and the methodology were developed with the objective of answering the following questions:

- ☐ Who are the actors involved and what are the programmes:
 - How and where do they operate?
- ☐ Expenditure and financing:
 - How much is spent on non-contributory social protection?
 - Total expenditure, benefit expenditure and administration costs.
 - What are the main sources of funding and what are the amounts?
- ☐ Coverage: Who is covered and for what kind of risks?
 - Scope: Who is covered for what contingency: target groups?
 - Extent of current coverage: who are the current beneficiaries (children, men, women) and how many are they?
 - Type of benefits provided, level of benefits and risks covered.

Key methodological elements

A mapping

The objective is an inventory as exhaustive as possible but **not** a sample. Ideally, the mapping should include all government agencies, institutions, organizations, groups providing non-contributory social protection / security benefits in Zanzibar

- ☐ In **practice, to:**
 - Ensure that the main institutions and programmes are covered; and
 - Ensure that diversity is well represented, in terms of type of institutions, type of programme and target groups.
- ☐ **Where:** Covers the two main islands: Unguja and Pemba

Unit of reference

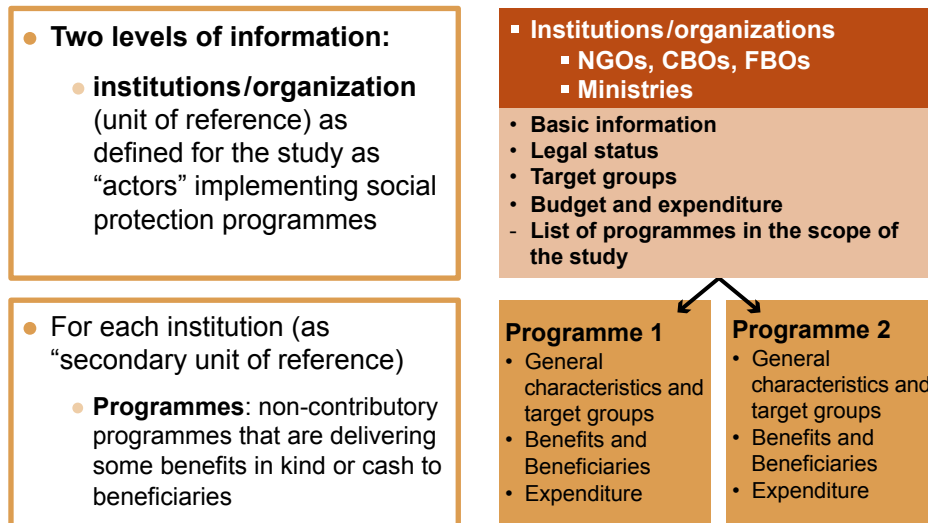
The main unit of reference for the mapping is the institution or agency providing non-contributory social protection benefits. However, data was collected and analysed at two levels:

- ☐ the institutions/agencies; and
- ☐ for each institution/agency, the social protection programmes.

Some issues are common to both levels: budget and expenditure, as well as overall target groups and programme type. In some instances, the information relating to the institution covers social protection and non-social protection programmes.

Methodology:

Unit of reference and levels of information



Scope of the mapping

What is defined as social protection?

Social protection (= social security) covers:

- ☐ All interventions of public or private bodies intended to relieve households and individuals of the burden of social risks or needs.
- ☐ Interventions to replace lost income but also to help where there is a lack of income.
- ☐ Interventions that are mostly in the form of transfers with no reciprocity.

Types of interventions included in the mapping

The information collected through the mapping exercise covers only **non-contributory** social protection provision.

-
- ☐ Informal and formal social protection
 - ☐ Private and public social protection interventions
 - ☐ Transfers in cash: income support, minimum income guarantees
 - ☐ Transfers in kind: social services – such as basic education or health care but also employment services and labour market programmes and including re-imbursements
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- ☐ Social insurance – income replacement
 - ☐ Subsidies
 - ☐ Tax benefits – exemptions for social reasons
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In the case of non-contributory social protection benefit, entitlement to the benefit is not based on the previous payment of contributions but on other criteria.

Non-contributory benefits are usually financed out of general taxation but also by donor funds.

On the contrary, entitlement to contributory benefit is based on contributions from insured persons and/or their employer.

Type of institutions/agencies covered

The mapping covers private and public social protection provisions.

1. Private non-contributory social protection provision

- ☐ Non Governmental organizations
 - National NGOs
 - Local NGOs
 - International NGOs
- ☐ Community based organisations (CBO)
 - Local
 - National
- ☐ Local faith based organisations (FBO) (e.g. Zakat)
- ☐ International agency programmes implemented in Zanzibar

2. Public non-contributory provision of social protection

Government social assistance programmes and projects:

- ☐ Implemented and managed by government agencies: ministries, some specific departments, at the national or local government levels.
- ☐ Examples of programmes: Foradhani Social Welfare Children's Home.

Examples of programmes covered and not covered

As a general principle, it was decided at the data collection point, to include the institutions and programmes where there was uncertainty if they were solely engaged in social protection provisions.

Types of programmes covered and examples

Any programme or project that provides:

- ☐ Social security cash transfers.
- ☐ Social security benefits in kind.
- ☐ Some prevention measures when directly linked with social protection: health and safety in the workplace; HIVAIDS prevention measures and training, etc.

Examples of programmes and type of benefits **included** (non exhaustive list):

- ☐ Social cash transfers: unconditional or conditional programmes.
- ☐ Food security programme.
- ☐ Public social assistance programmes.

- ☐ Universal non-contributory schemes: i.e. non-contributory pension scheme; non-contributory family or child benefits.
- ☐ Health care provision (if non-contributory).
- ☐ Community development initiatives if they include a social protection component.
- ☐ Employment opportunities (eg. Public works) and income generating opportunities to vulnerable groups (poor people, disabled, etc.).
- ☐ Micro-insurance programmes or projects only if they provide certain forms of insurance substituting for social insurance.
- ☐ Loans only if they are subsidized and given only for some social policy purposes (creating employment, assisting disabled etc.).

What is excluded from the mapping

- ☐ Sanitation programmes, building schools or water wells. These programmes are not directed at individuals but provided for the community as a whole and are part of the so-called infrastructure programmes.
- ☐ Media campaigns, even if they relate to social security.
- ☐ Pure advocacy and research programmes.
- ☐ In the context of the mapping, “informal” covers both registered and non-registered institutions but the mapping does not cover inter-household transfers.

Data collection tool and overview of the questionnaire

Data collection tool

A common structured questionnaire

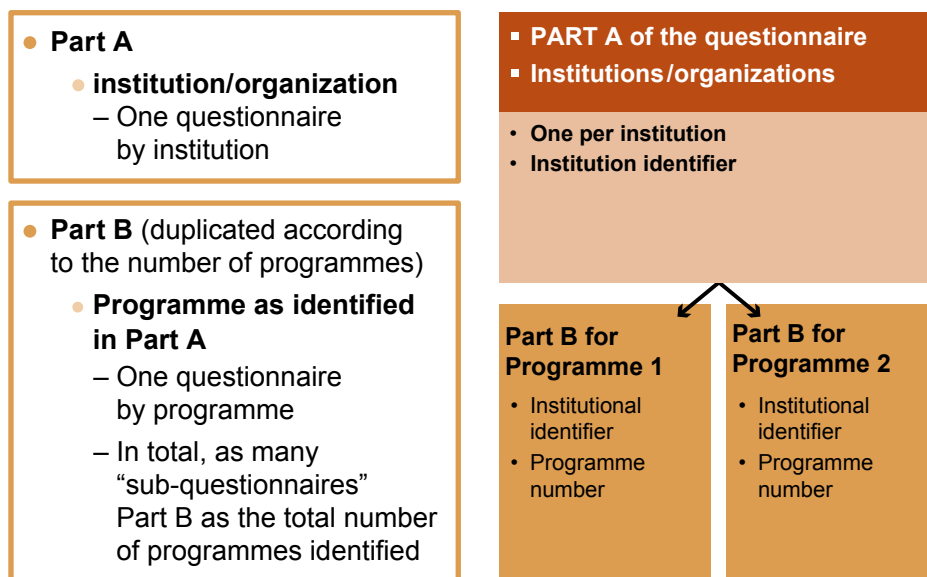
- ☐ mainly composed of close-ended questions
- ☐ face to face interviews with one or several contact(s) that were carefully selected in the institutions/ agencies: private NGOs, CBOs either faith based or not as well as government agencies.

The questionnaire was administered to institutions / agencies that represent the main unit of reference.

The questionnaire was structured in two parts, each of them referring to different levels of information:

- ☐ Part A – institutions (one questionnaire by institution)
- ☐ Part B – Social protection programmes with the number of questionnaires (part B) by institution equals to the number of identified social protection programmes

Questionnaire: Structure of the questionnaire



Overview of the questionnaire

Overview of Part A – Institutions/Agencies

- ☐ Location of the institution
- ☐ Existence and locations of branches
- ☐ Role, legal status and registration
- ☐ Type of institution
- ☐ Source(s) and amount of funding
- ☐ Target groups and programme type
- ☐ Expenditure at the institution / agency level: annual budget and expenditure
- ☐ Available human resources
- ☐ Identification of social protection programmes: list and number of programmes

For each identified programme, a questionnaire Part B was administered.

Overview of Part B – Questionnaire by programme

- ☐ General characteristics
 - Name, description of the programme
 - Legal basis
 - Locations of the programme
 - Time frame
 - Implementing partners
- ☐ Target groups, actual beneficiaries and main domains of intervention
 - Benefits and Beneficiaries

- Type of benefit, frequency and level of benefit
- Number of beneficiaries
- ☐ Programme expenditure
- ☐ Other issues
 - Monitoring system, main problems and constraints

Survey methodology, data issues and implications for analysis

- ☐ Representativeness: the mapping, contrary to a sample survey, has as its main objective to cover as far as possible all institutions under the scope of the study. One of the main consequences of this approach is the representativeness of the results.
- ☐ One institution and 6 programmes have been excluded from the mapping before final analysis (outside of the scope of the mapping).

Levels of analysis

The analysis was carried out at two levels: institution and programme levels. This has two implications in terms of interpretation of results:

- ☐ Two different units of reference: institutions in the first part and programmes in the second.
- ☐ The scope of the programmes covered. While at the institution level, all programmes implemented by the institution were taken into account (social protection programmes as well as possible additional non specifically social programmes); at the programme level only social protection programmes were covered. Information collected at the programme level represented the core of the mapping which allows the bringing together of the information on beneficiaries and expenditure according to the main features of the programme such as target group, domain of intervention, type of benefit provided. The results are presented in section 3.

Altogether responses concerning 92 institutions and 150 programmes were recorded. The average number of programmes under the scope of the mapping operated by an institution was 1.6. After further cleaning of the data file, one institution (and four programmes) have been excluded from the analysis. Their objective and role did not fit with the definition of social protection.

General findings/Institution level

The analysis in this section uses the institution as its reference basis. Most of the information collected concerns the institution as a whole which can include social protection programmes as well as non social protection programmes.

A total of 92 institutions providing social protection benefits through one or several programmes were analysed (53 located in Unguja and 39 in Pemba).

These institutions implement a total of 146 social protection programmes (analysed in section 3.) often in addition to other programmes outside the scope of the mapping.

Most of these institutions had a legal basis and were registered (95 per cent of the institutions covered). This finding is clearly a consequence of using the registry of civil society organization in Zanzibar as the main basis of identification of institutions or organizations.

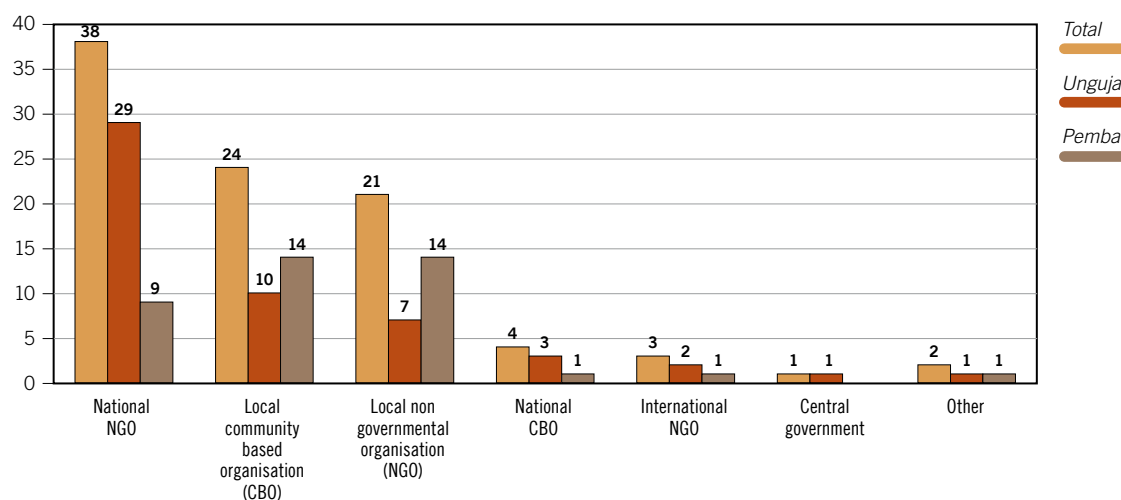
Main characteristics of institutions covered

Types of institutions and main objectives

The majority of these institutions are national NGOs (37) or locally based NGOs (21) or CBOs (24 locally based and 4 identified as national CBOs). Three internationally based NGOs or organizations are also part of the mapping. From the public side of non-contributory social protection provision, the mapping covered the three main programmes under the responsibility of the Ministry of Health and Social Welfare. Figure 1 presents the breakdown by main types of institutions and by location.

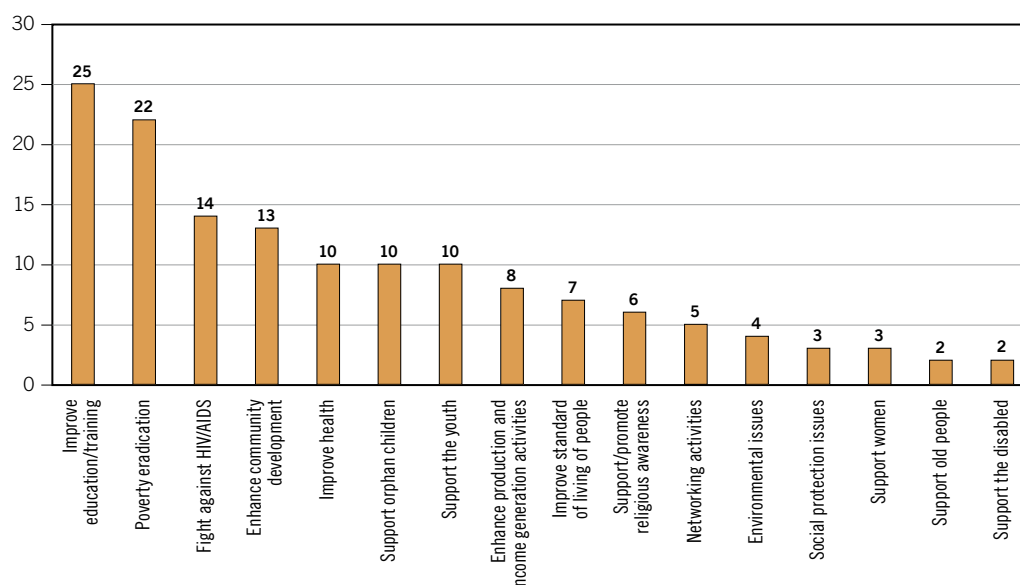
Seventeen of the 92 institutions are defined as faith based institutions or organizations (10 in Unguja and 7 in Pemba). One national NGO/CBO institution out of four is faith based and 2 of the 3 international NGOs/ agencies.

Figure 1. Distribution of institutions by type (absolute numbers)



Source: Non-contributory social protection provision mapping in Zanzibar (2008).

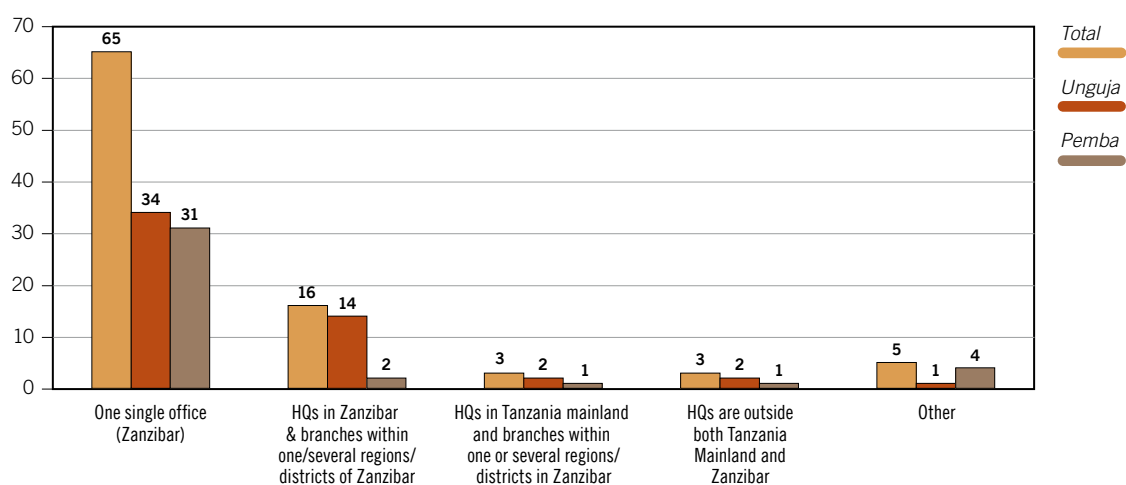
Figure 2 presents the main objectives of the various institutions included in the mapping. Education/ training and poverty reduction or eradication appear to be shared by the highest number of institutions. Only a few institutions have as a main objective to target specific groups of the population (with the exception of children and youth – each being the main objective for 10 institutions).

Figure 2. Main objectives of the institutions covered (multiple responses – absolute numbers)

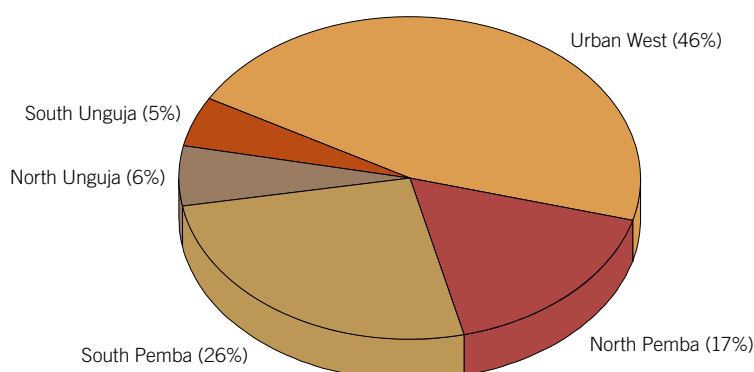
Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Area of coverage

Most of the institutions covered have one single office based in Zanzibar (65 out of 92). Among the 27 institutions with sub-offices, the majority is made up of institutions with headquarters located in Zanzibar (16) and a few on Tanzania mainland (see Figure 3). As shown in Figure 4, from contact information provided by the institutions about their headquarters, the highest concentration of the NGOs was found to be based in Urban West (Zanzibar in Unguja).

Figure 3. Distribution of institutions by branch or sub-office location (absolute numbers)

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Figure 4. Distribution of institutions by headquarters location (absolute numbers)

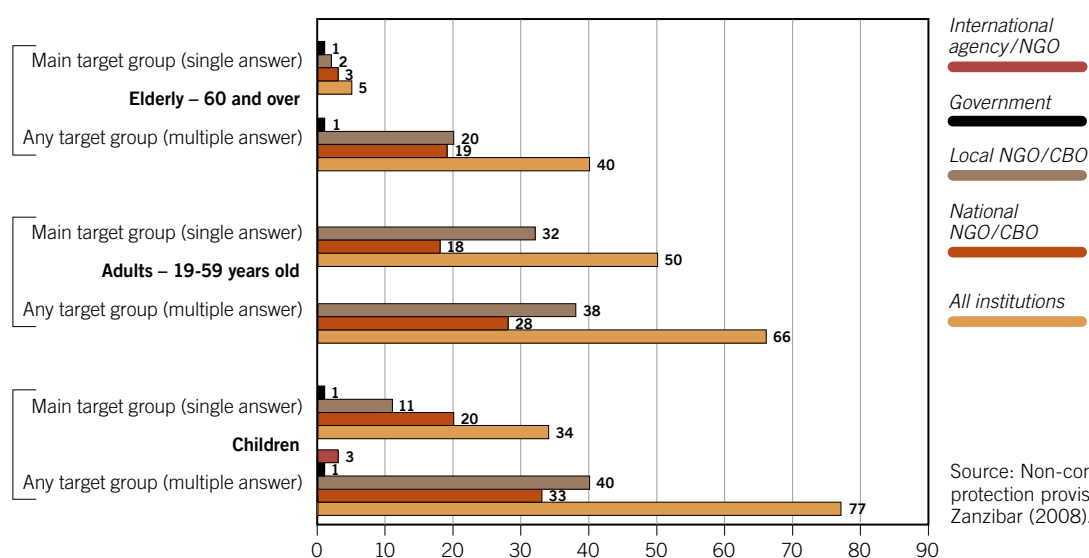
Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Scope of the institution

The institutions studied were selected because they provided, at least through one of their programmes, benefits in-kind or cash benefits considered to be social protection. In this section, figures and tables provide an overview of their domain(s) of intervention and their target groups. These results presented at the institution level for any programme provided by the institution, will be analysed later at the programme level focusing only on social protection programmes.

Target group at the institution level

In the questionnaire, target groups were analysed at both levels: the institution as a whole and for specific social protection programmes. At each level, the objective was to identify all target groups as well as the main one. Target groups were identified on the basis of age as presented on Figure 5 – children, adults and elderly – and on the basis of socio demographic characteristics other than age – disability, HIV/AIDS, unemployment, sex and poverty (Figures 6 and 7).

Figure 5. Distribution of institutions by target groups (age-group) and type of institutions (absolute numbers)

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Figure 6. Distribution of institutions by target groups (other than age) and type of institutions (absolute numbers)

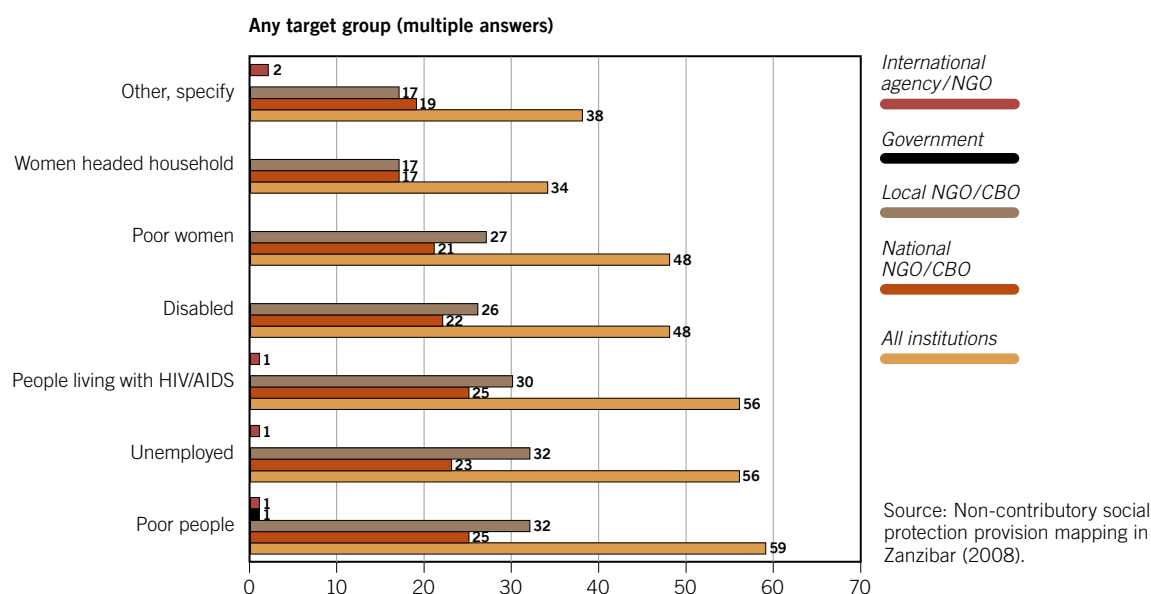
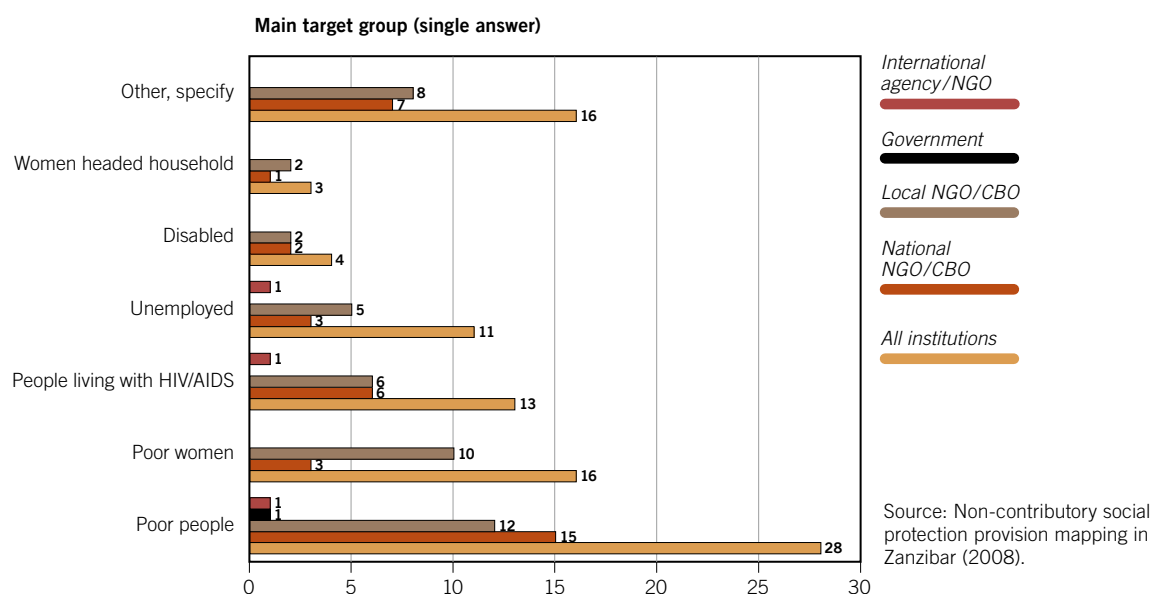


Figure 7. Distribution of institutions by target groups (other than age) and type of institutions (absolute numbers)



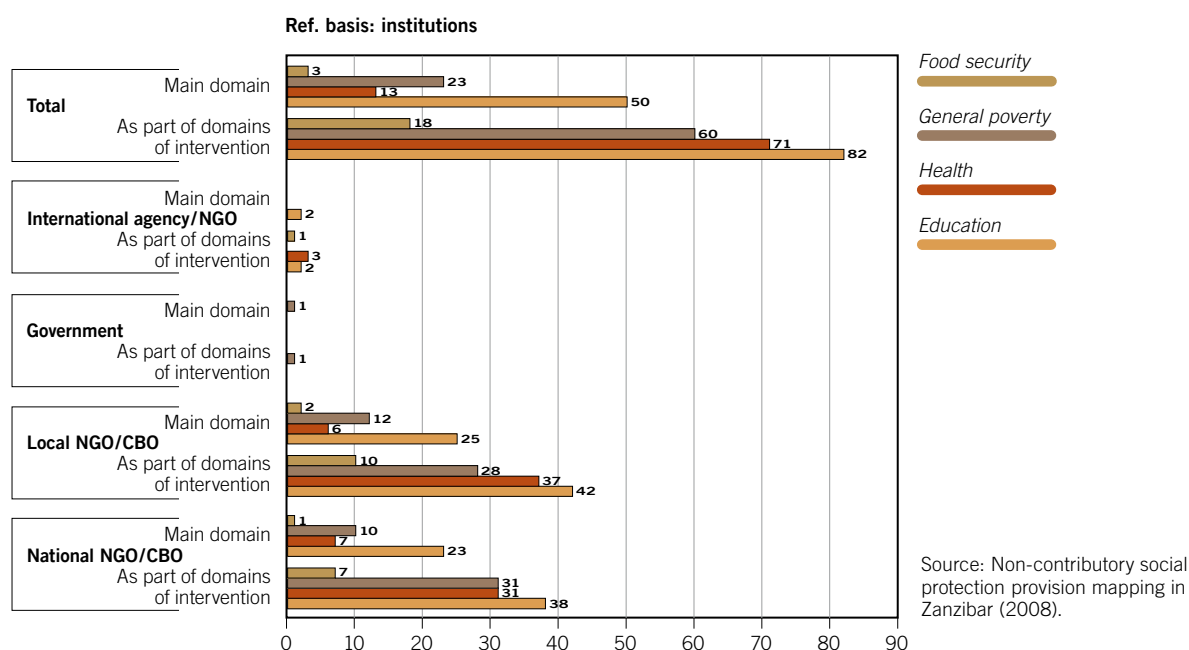
At the institution level, based on age, children were found to be the most widely-targeted group either when considering all the various groups covered by the institution or focusing on the main one (see Figure 5). Children are part of the target groups for 77 of the 92 institutions and the main group for 64 institutions.

When looking only at the main target group, one of the main results is the very few number of institutions covering primarily the elderly (5 only out of 92) including the elderly programme provided by the Ministry of Health and Welfare.

Type(s) of interventions of institutions

As shown in Figure 8, education and health are within the scope of the majority of institutions. Education concerns 82 out of 90 (with information on this question) and health 71 institutions. First is education, as it was mentioned by 50 out of 90 institutions. Second is general poverty with 23 mentions.

Figure 8. Distribution of institutions by type of programme (any and the main one) and by type of institutions (absolute numbers)



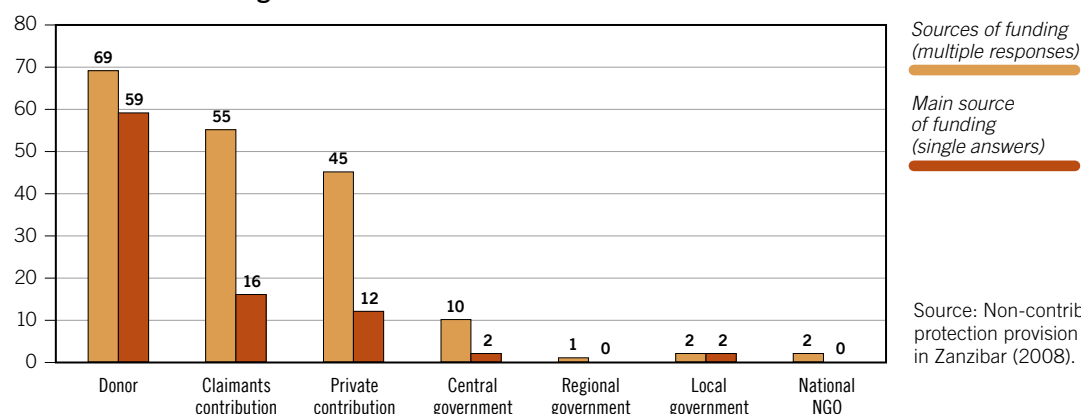
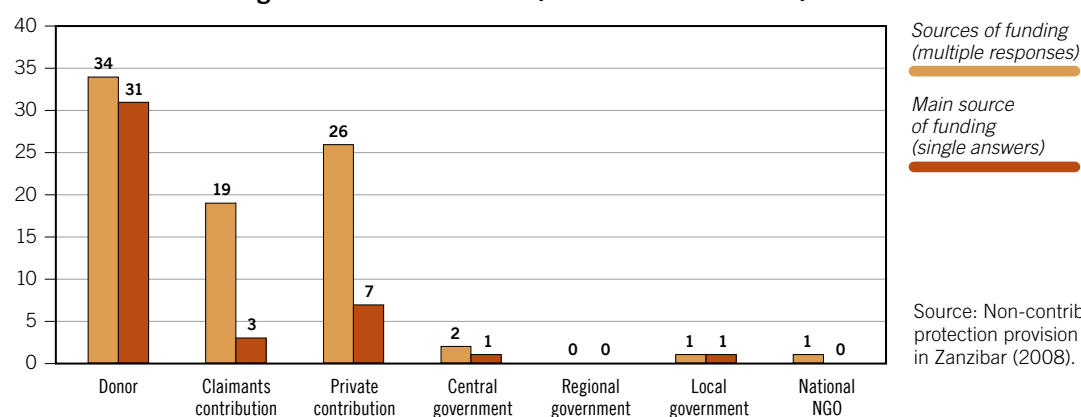
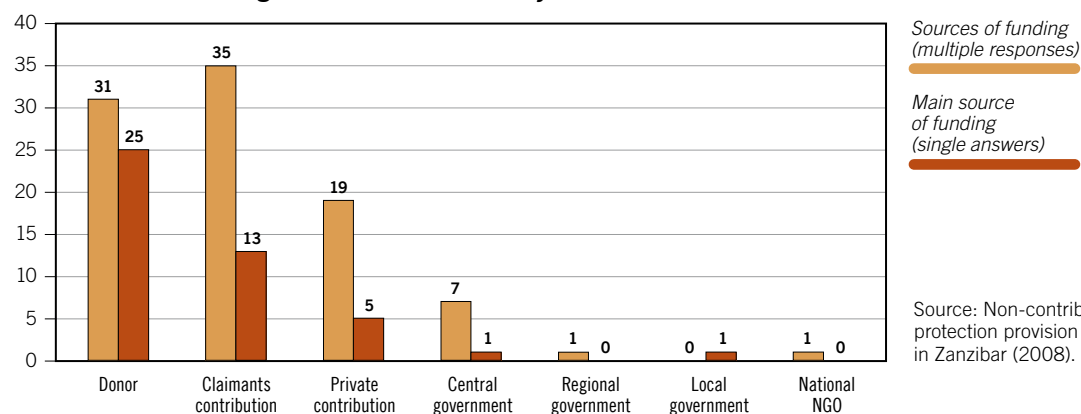
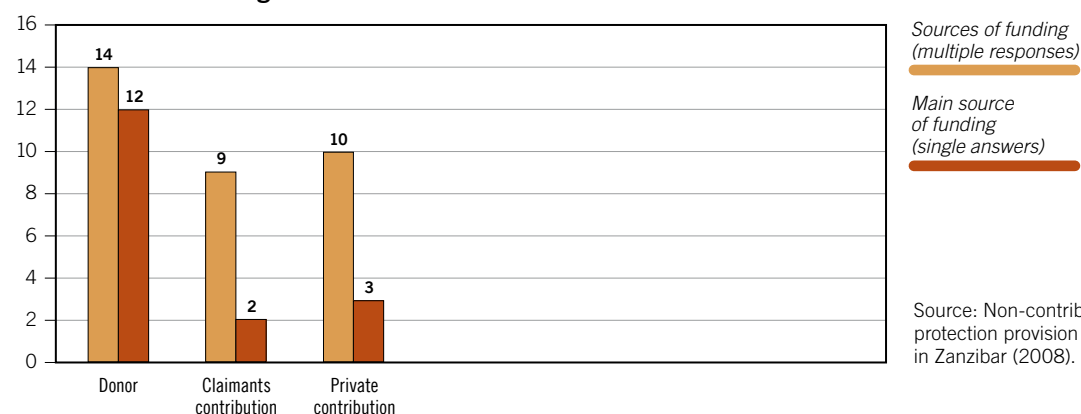
Financing and expenditure

Sources of funding

Among the various existing sources of funding, donor funding appears to contribute to the funding of the majority of institutions (69 institutions out of 92 reporting it as one of the sources of funding and 59 as the main source). Claimant contributions is the next with 55 institutions reporting it as a source of funding but only 16 as the main source. Private contributions are the third source, while government funding (from all levels) is mentioned as the main source of funding by only 4 institutions.

As shown in Figures 9 to 11, claimant contributions play an important role in the financing of local NGOs or CBOs. Whatever the type of institution, donors were the main source of funding, and by far the main one among the few international NGOs and organizations. It is also the main source of funding of faith-based institutions (Figure 12) which can be either national or local.

Figures 8-9 present the distribution of institutions (all and by type of institutions) by sources of funding (absolute numbers).

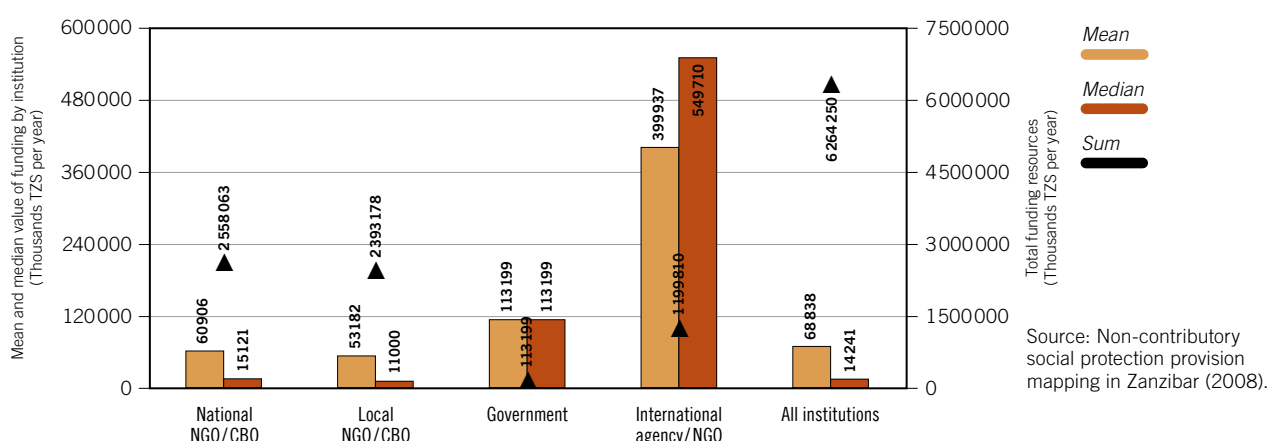
Figure 9. Sources of funding: *All institutions***Figure 10. Sources of funding: *National NGOs /BOS* (Total institutions = 42)****Figure 11. Sources of funding: *Local/Faith/Community-based NGOs*****Figure 12. Sources of funding: *Faith-based institutions***

Amount of funding

Figure 13 presents the mean, median and sum of the amount of funding by type of institutions. In total, funding amounts to 6,265 Millions TZS provided annually to institutions active in the provision of social protection benefits. According to the results from the mapping, around 80 per cent of the total amount of funding resources comes from donors. The next two sources of funding are claimants' participation and central government. This data needs to be considered with caution as donor funds seem to represent almost 90 per cent of funds in national NGOs, around 65 per cent among local NGOs and less than 40 per cent for the financing of government programmes.

Considering the mean or median amount of funding by institution, international agencies/ NGOs receive the largest amount of funding. However, being a minority in number the total amount (sum) is among the lowest (1,200 millions TZS annually). On the other hand, the mean and median annual amount of funding by institution is the lowest among national and local NGOs, being just over 50,000 TZS per institution per year.

Figure 13. Mean and median amount of funding by institution and total amount of funding (in Thousands of TZS annually)

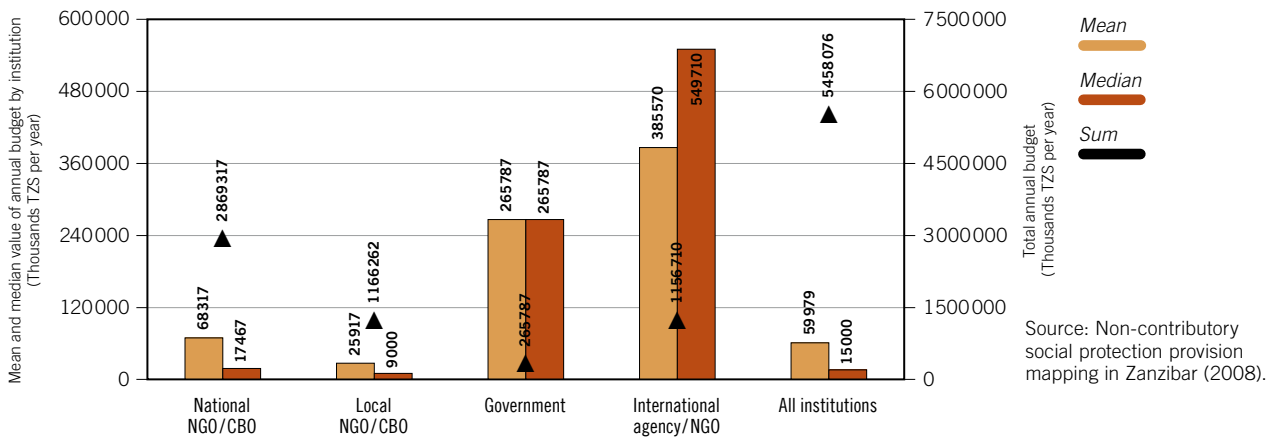


Budget and expenditure at the institution level

The institutions that were interviewed implement a number of programmes, some of which fall within the scope of social protection. The question concerning the budget of the institutions included social protection programmes as well as programmes not directly linked to social protection. Figures 14 and 15 present the annual budget and annual expenditure including all types of programmes in those institutions where at least one programme was providing social protection benefits (in cash or in-kind). As a consequence these values are higher than what could be considered as social protection or expenditure. A specific question was asked during the face-to-face interview with the institution to estimate the proportion of these expenditures allocated to social protection programmes. Figure 16 shows this estimated social protection expenditure once expenditure associated with other types of programmes are deducted.

The total amount of annual budget for all institution is estimated at 5500 millions TZS (representing just below 90 per cent of the total amount of funding, as found from the previous question). More than half of this budget comes from National

Figure 14. Total annual budget at the institution level – social protection and non-social protection programmes – (thousands of TZS per year)



NGOs or CBOs, 20 per cent from Local NGOs or CBOs and another 20 per cent from international agencies/NGOs. The share of the government budget in the total represents less than 5 per cent. The main results regarding the annual budget and expenditure at the institution level are globally consistent with results concerning funding sources.

Total annual expenditure for all institutions covered is estimated at 4000 millions TZS (Figure 15). Just over 55 per cent of this expenditure is represented by expenditure from national NGOs or CBOs and nearly 25 per cent from international agencies. In terms of expenditure, spending on government programmes represents less than three per cent of total spending by all institutions active in the area of social protection.

Focusing on spending related to social protection programmes (Figure 16), it is estimated that 70 per cent of total expenditures are allocated to social protection (a total amount of annual expenditure of 2800 millions TZS).

On average, international agencies/ NGOs spent 7 times more on social protection (by institution) than the average amount spent annually by institution (316270 thousands TZS yearly in international agencies compared to 30770 thousands TZS as the overall mean value. At the other end of the expenditure scale, local NGOs/CBOs spent on average 3 times less than the overall average and 22 times compared to average spending in international agencies.

Figure 15. Total expenditure at the institution level – social protection and non-social protection programmes – (thousands of TZS per year)

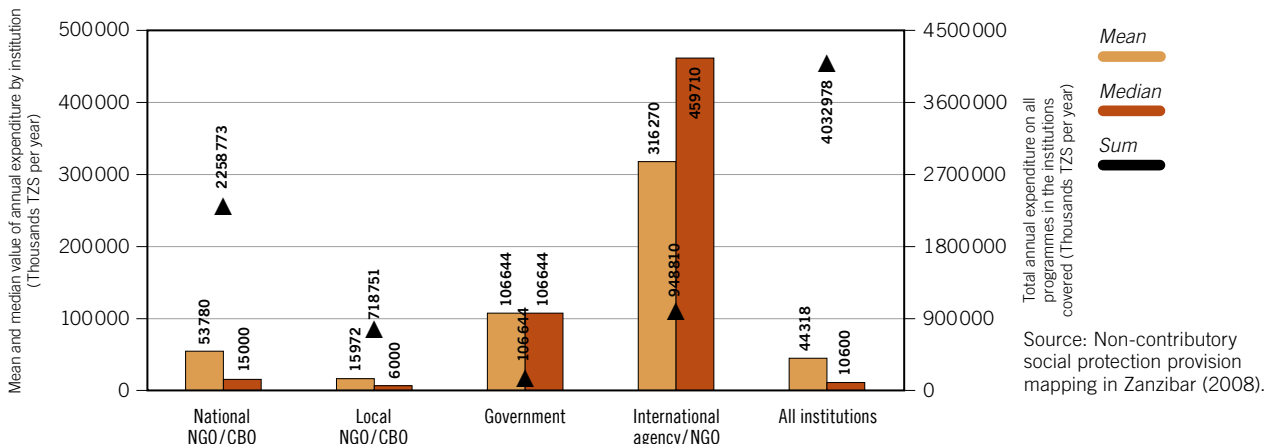
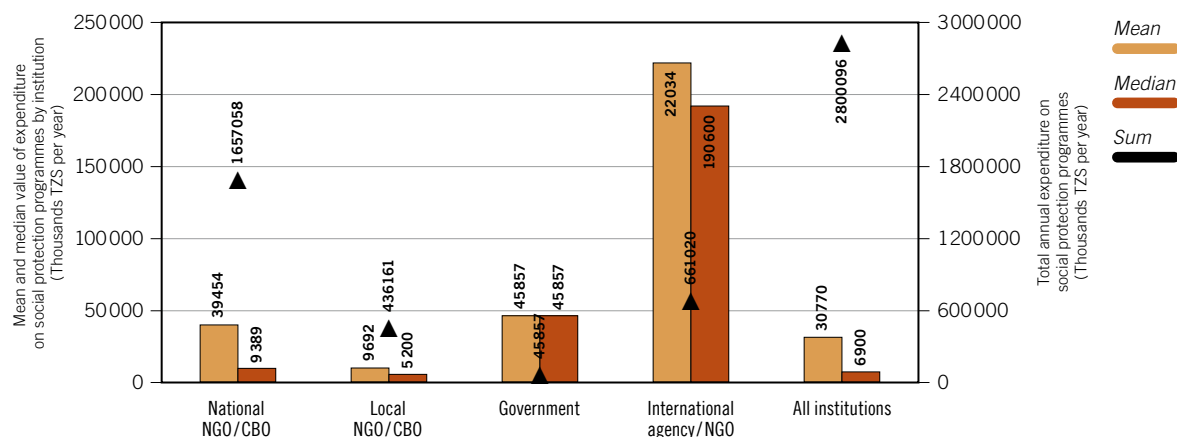


Figure 16. Total expenditure at the institution level on social protection programmes (thousands of TZS per year)



Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Considering total expenditure, before refining these results using information collected at the programme level, it appears that nearly 60 per cent of total expenditure spent on social protection is associated with social protection programmes implemented by National NGOs and CBOs programmes, 23 per cent from international agencies and 15 per cent from local NGOs and CBOs. Less than two per cent comes from expenditure of the identified programmes implemented by the government (excluding education and health care).

At this level, these are estimated. Results on budget and expenditure allocated to social protection will be further analysed in section 3, based on data collected at the programme level.

- Total annual budget for all institutions and all types of programmes covered: almost 5500 billions TZS.
- Total expenditure: 4032 billions TZS annually.
- Estimate of total expenditure allocated to social protection programmes: 2800 billions TZS annually, 70 per cent of total expenditure. Nearly 60 per cent of total spending on social protection programmes is associated with programmes implemented by National NGOs or CBOs.

Findings at the programme level

In the 92 institutions covered, 146 programmes have been identified as social protection programmes. Most of them are implemented on a continuous basis (103 out of 146 – over 70 per cent). The majority are rather recent as 80 per cent of programmes started after 2000 and more than 50 per cent after 2005.

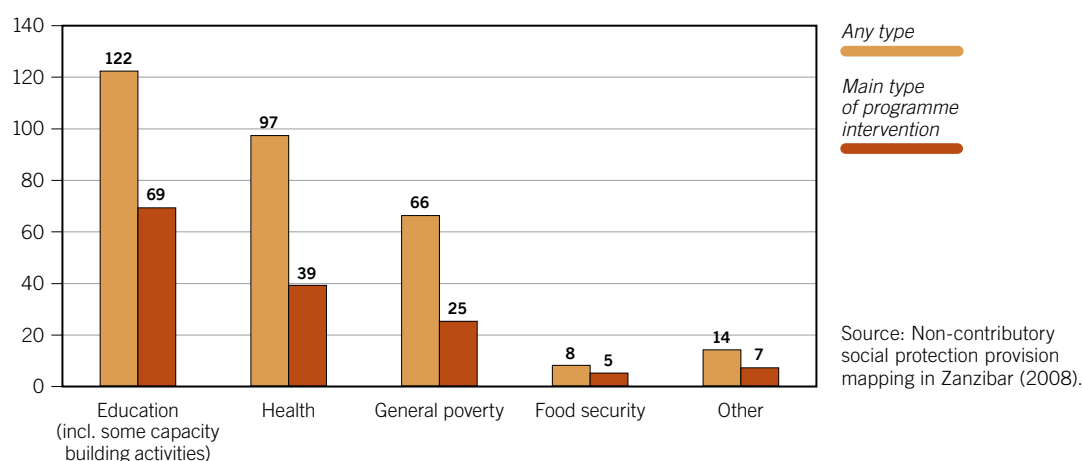
In this section, the basis for calculation is the number of programmes and not the number of institutions. However, in some cases, data are aggregated by institution and are clearly indicated. The main results cover the main characteristics of programmes (scope of programmes in terms of type of activity and kind of benefit provided); scope in terms of coverage (number of beneficiaries); and financial dimension (budget and expenditure mainly).

Domain of intervention and kind of benefits

Type(s) of intervention

The results at the programme level for type of intervention are consistent with findings at the institution level, both in terms of the main objective of the institution (Figure 2) and type of intervention. Education, including capacity building, is the main type of activity for nearly 85 per cent of all social protection programmes covered in the mapping and the main activity for almost one out of two programmes. Fifty-five per cent of all programmes where the main activity is education have children as the main target age group. The remaining 45 per cent of all social protection programmes have adults as the main target age group (Figure 17).

Figure 17. Types of programmes/basis: total number of social protection programmes



General poverty does not appear as strong as a characteristic attached to the targeted population. The results show that both education and health programmes are focusing primarily on poor people. Programmes active primarily in education and health are at the same time focusing on poor people – 40 per cent of the programmes primarily active in education as primary target group or on people living with HIV/AIDS (20 per cent). Less than 8 per cent of programmes providing education are targeting the unemployed as a main target. Among programmes with health as the main intervention, 44 per cent have in parallel poor people as the main target group.

Considering the main type of intervention and the type of institution (see Table 1), 55 per cent of programmes are primarily to do with education and are implemented by national NGOs or CBOs, 43 per cent by locally based institutions and 3 per cent by international NGOs/ organizations. In the area of health, the proportions are rather similar.

Kind of benefit provided

Programmes are compared according to the type of benefits provided – only cash benefits, a mix of cash and non-cash benefits, or only benefits in-kind. A large majority of the programmes, 121 out of 147, are providing exclusively benefits in-kind (mostly related to education and in to lesser extent to food security and health care as shown in

Table 1. Type(s) of programmes by type of institution

	National NGO/CBO	Local NGO/CBO	Government	International agency/NGO	Total	
					Count	%
Domain of intervention (programme/multiple)						
Education	64	53	2	3	122	83.6
Health	45	47	2	3	97	66.4
General poverty	30	32	3	1	66	45.2
Food security	5	2	1		8	5.5
Other	5	8	1		14	9.6
Domain of intervention (programme/single answer)						
Education	37	30		2	69	47.3
Health	20	18		1	39	26.7
General poverty	11	11	2	1	25	17.1
Other, specify	2	6			8	5.5
Total	73	66	3	4	146	100.0

Source: Non-contributory social protection provision mapping in Zanzibar (2008)

Table 2 and Figure 18). Nineteen programmes are providing a mix of cash and in-kind benefits and a minority (only 6 programmes) are delivering cash benefits only.

At the programme level, training is by far the main type of assistance provided (78 out of 140 programmes that provided benefits in kind had training as one of their activities), 56 provided, independently or in combination, some awareness activities in the area of prevention. As a whole, programmes with education and training as their main activities represented 40 per cent of all programmes providing benefit in-kind (64.3 per cent if one includes prevention measures through awareness-raising activities).

Less than 8 per cent of all social protection programmes dealt with food security and a similar proportion provided direct health care services.

- ☐ Education and health care are the main areas of activity.
- ☐ A minority of institutions provides only cash benefits (6 out of 121)

Figure 18. Kind of benefits provided by programmes by type of institutions (basis/total number of social protection programmes)

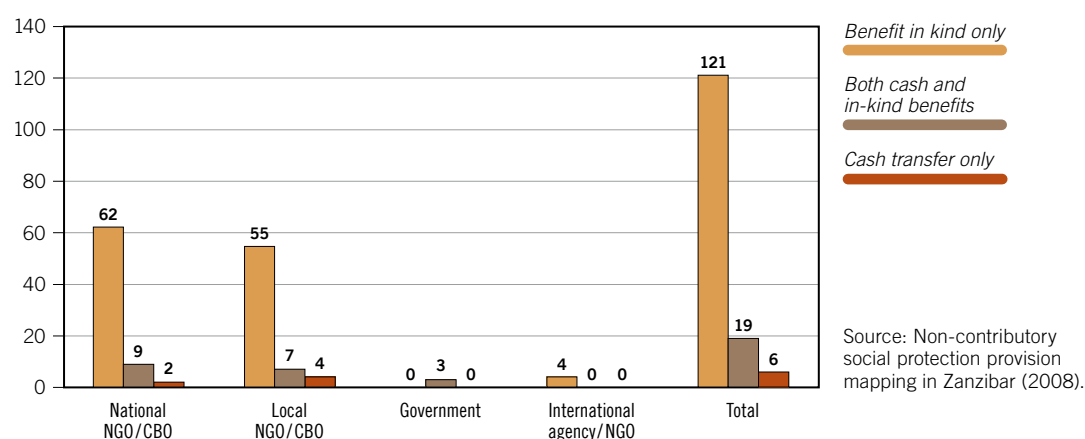


Table 2. If benefit in-kind, what benefits are provided and what is the main one by type of institution

	National NGO/CBO	Local NGO/CBO	Government	International agency/NGO	Total	
					Count	%
If benefit in kind: what are benefits provided (multiple answers)						
Training	45	30	2	1	78	55.7
Prevention measures (awareness)	25	27	2	2	56	40.0
School uniforms and materials	21	14	2	3	40	28.6
Food/ food supplement	14	12	3	2	31	22.1
Direct provision of health care services	12	10	3	2	27	19.3
Durable goods and equipment	8	11	2		21	15.0
Clothing	5	6	3	2	16	11.4
Health care: settlement or refund of bills	4	3	2	2	11	7.9
Settlement or refund of school fees	2	1	2	1	6	4.3
Main benefit in-kind provided by programmes						
Training	25	15		1	41	29.3
Prevention measures	18	16			34	24.3
School uniforms and materials	8	7			15	10.7
Durable goods and equipment	5	7			12	8.6
Food/ food supplement	4	2	3	1	10	7.1
Direct provision of health care services	4	4		2	10	7.1
Clothing	1	1			2	1.4
Other benefit in kind	6	10			16	11.4
Total	71	62	3	4	140	100.0

Source: Non-Contributory social protection provision mapping in Zanzibar (2008)

Coverage

Target groups

As show in Figures 19 and 20 some of the predefined target groups are covered but not as the main target groups. Among those, female-headed households, the disabled and the unemployed are examples of groups that are covered in the main because they were part of another group considered to be vulnerable (in most cases, poor people or poor women).

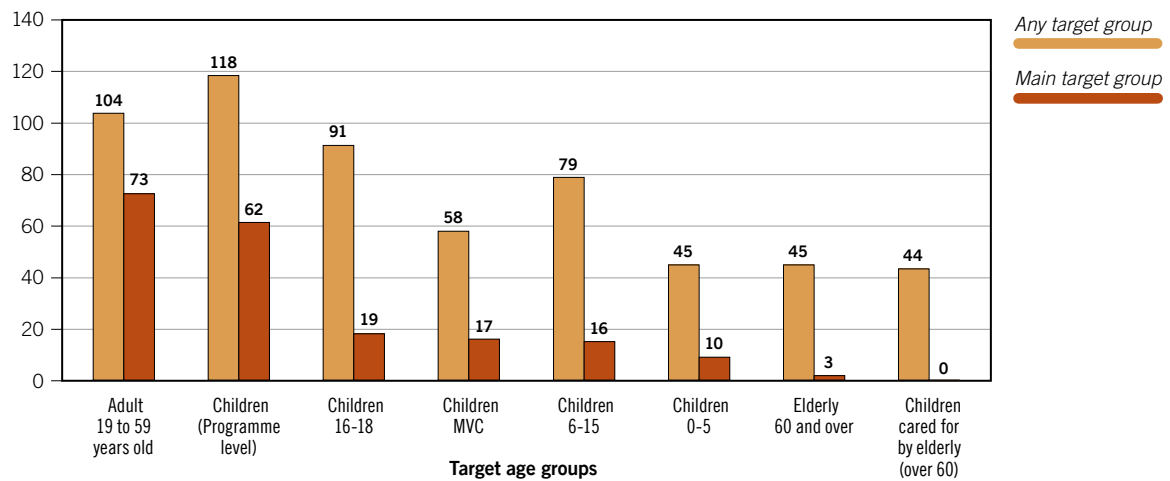
When focusing on social protection programmes and considering the 146 programmes as the basis of reference rather than the institution, the results are consistent with those presented at the institution level. Children are covered by the majority of programmes even if they represent the second “main” target group (for 62 programmes over 146).

When considering programmes where children are one of the target age groups, it was found that, for 55 per cent of the 118 programmes, they are the main target group whereas, for 45 per cent, they are an additional target group in programmes targeting adults as the main target age group.

When considering criteria other than age, children appeared to be one of the target groups in programmes that mainly target poor people (42 per cent) or people living with HIV/AIDS (21 per cent). Figure 19 presents by target age group (not necessary as main target), the distribution by main target group based on criteria other than age.

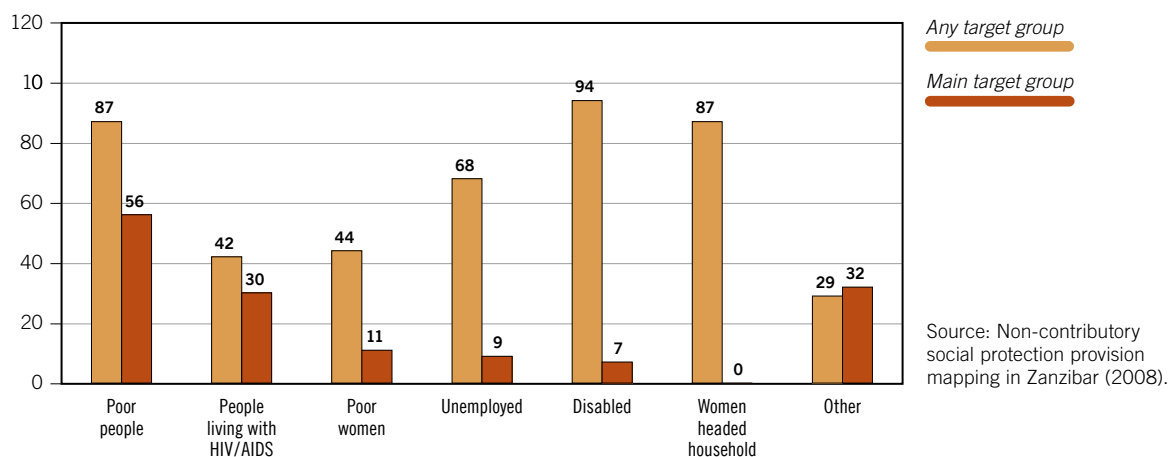
Adults are part of targets for 104 programmes out of 146 and the main target group for 78 programmes. Among the 104 programmes that included adults among

Figure 19. Target groups based on age at the programme level
Ref. basis: total number of social protection programmes



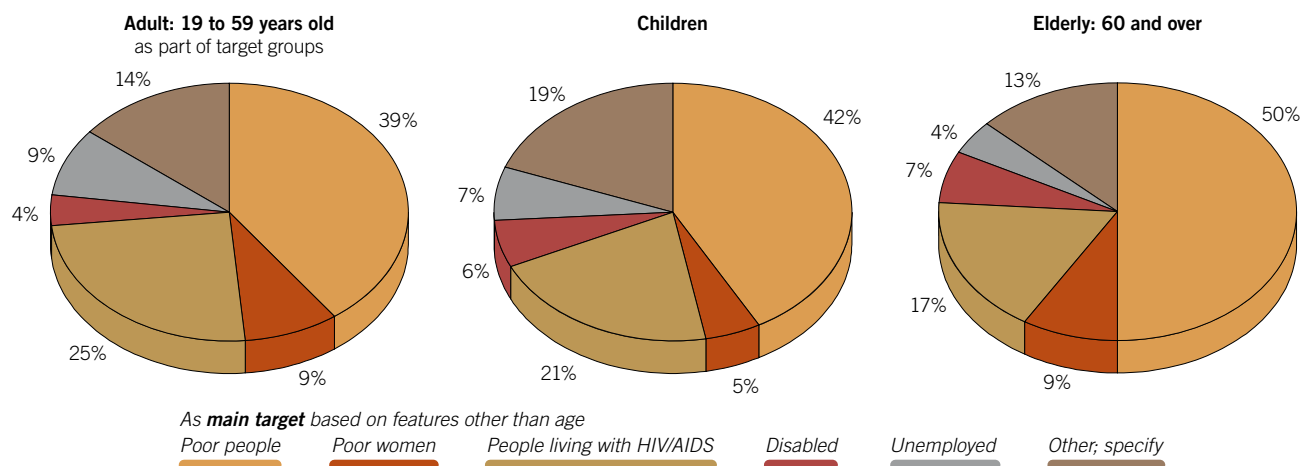
Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Figure 20. Target groups based on features other than age at the programme level
Ref. basis: total number of social protection programmes



Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Figure 21. Main target groups: Crossing target age groups as part of programme's target group with main target group based on features other than age
Basis: total number of social protection programmes

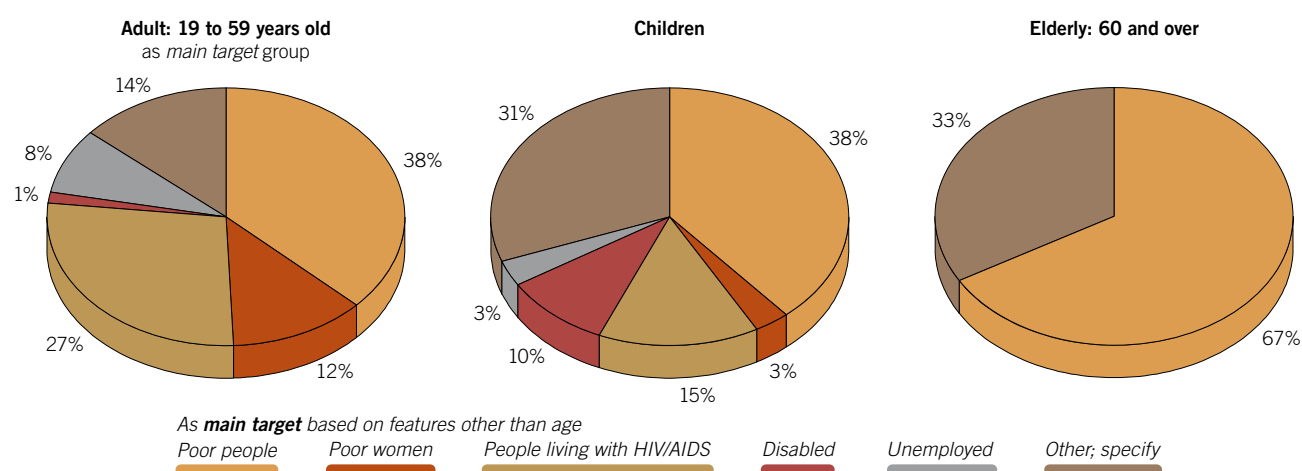


Source: Non-contributory social protection provision mapping in Zanzibar (2008).

their target group, 40 per cent had as main target poor people and 24.8 per cent people living with HIV/AIDS.

One of the main results of the analysis by target group is the limited number of programmes targeting the elderly: 45 as one of the target age groups and only three programmes as main target groups (including one of the three programmes from the Ministry of Health and Social Welfare). The elderly are more generally covered through programmes, notably programmes targeting poor people (50 per cent of the 44 programmes covering the elderly) (see Figures 21, 22 and Tables 3 and 4).

Figure 22. Main target groups: Crossing main target age groups with main target group based on features other than age. Basis: Total number of social protection programmes



Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Table 3. Target groups of programmes according to age (any that applies and the main one) by type of institution

	National NGO/CBO	Local NGO/CBO	Government	International agency/NGO	Total	
					Count	%
Target goup programme based on age (muple)						
Children (Programme level)	59	54	2	4	119	81.5
<i>Children 0-5</i>	23	19	2	2	46	31.5
<i>Children 6-15</i>	35	41	2	2	80	54.8
<i>Children 16-18</i>	42	47	2	1	92	63.0
<i>Children cared for by elderly (over 60)</i>	25	19		1	45	30.8
<i>Children MVC</i>	32	24	2	1	59	40.4
Adult – 19 to 59 years old	50	51		4	105	71.9
Elderly – 60 and over	22	22	1	1	46	31.5
Target – Main age group at the programme level						
Children	4	2		1	7	47.9
<i>Children 0-5</i>	4	6			10	7.5
<i>Children 6-15</i>	4	9	2	1	16	11.0
<i>Children 16-18</i>	9	9		1	19	13.0
<i>MVC</i>	14	3			17	11.6
Adult: 19 to 59 years old	37	33		1	71	50.7
Elderly: 60 and over	1	1	1		3	2.1
Total	73	63	3	4	143	100.0

Source: Non-contributory social protection provision mapping in Zanzibar (2008)

Table 4. Target groups of programmes on personal features other than age (any that applies and the main one) by type of institution

	National NGO/CBO	Local NGO/CBO	Government	International agency/NGO	Total Count	%
Target group programme other than age (multiple)						
Disabled	48	46		1	95	65.1
Unemployed	33	35		1	69	47.3
Poor women	20	25			45	30.8
Women headed	39	44	3	2	88	60.3
Poor people	44	43		1	88	60.3
People living with HIV/AIDS	21	20		2	43	29.5
Other, please specify	16	13		1	30	20.5
Main target group other than age						
Disabled	3	4			6	4.8
Unemployed	6	3			9	6.2
Poor women	5	6			10	7.5
Poor people	23	29	3	2	57	39.3
People living with HIV/AIDS	15	14		1	29	20.5
Other; specify	21	10		1	32	21.9
Total	73	66	3	4	146	100.0

Source: Non-contributory social protection provision mapping in Zanzibar (2008)

Coverage of beneficiaries¹

This section examines beneficiary coverage – also distinguished by sex - both in terms of total numbers covered and on an average basis per institution as well as by main target group and domain at the programme level. The programme remains the main basis of analysis except in Table 5 where the total of beneficiaries are summed up and aggregated at the institution level. There the basis of reference is the number of institutions.

Considering all social protection programmes included in the mapping, the total estimated number of beneficiaries is just over 100,000 with women representing nearly 60 per cent of the total.

¹ Note:

- Two cases have been excluded from the analyses – one programme provided water to communities that was considered as outside of the scope of this study. The total estimated number of beneficiaries for this was 180,000. The second excluded programme was provided by a national NGO (Anti Malarial Society, AMS) where the main objective was to participate in education on malaria and to ensure that issues of environmental conservation and development were well known by all Zanzibaris. This programme of awareness raising had an estimated coverage of 400,000 beneficiaries (that is 35 per cent of the total population in Zanzibar). Its exclusion is based on two reasons, the estimated number is high, and extreme compared to other programmes. This leads to an important distortion in the overall results. The other reason is that purely awareness raising programmes were not supposed to be part of the mapping.
- Beneficiary coverage by type of programme, target groups (defined on the basis of age or on personal feature other than age) refer to the main area and main target group of the programme. The questionnaire was designed in order to capture the different categories of beneficiaries but due to the high rate of non-response, proper analysis could not be carried out.
- *Male and female beneficiaries*: Total numbers of beneficiaries reported are in most cases different from the sum of males and females. In some cases some of the institutions did not distinguish the number of individual beneficiaries by gender.
- The gender ratio in beneficiary coverage defined in terms of the ratio of the number of females to number of males covered, is discussed wherever applicable.
- The majority of figures come from the institutions' registries. If it was not possible to provide a figure, an estimate was accepted.

Number of beneficiaries by type of institution

The total number of beneficiaries covered by the selected social protection programmes is estimated to be nearly 106,500.

Table 5 shows the total number of beneficiaries covered by the different types of institutions. A comparison across the categories shows that National NGOs and CBOs covered the most beneficiaries (more than 70 thousands), followed by local NGOs and CBOs. At least three main observations can be drawn from the analysis of mean and median values:

- National NGOs and CBOs have the highest variations regarding the number of beneficiaries with half of them covering just over two hundred beneficiaries and the mean being clearly influenced by the few covering almost around 10,000 beneficiaries.
- Local CBOs and NGOs are numerous but each is covering a limited number of beneficiaries compared to other institutions (681 on average, half the number of the overall mean number of beneficiaries of 1238).
- There are more women beneficiaries than men. The ratio between the total number of women and men is nearly 1.2.

When considering the Government as an institution, it is covering on average the highest number of beneficiaries. On average, the number of beneficiaries by institution

Table 5. Total number, mean and median values of beneficiaries by sex and type of institutions. Basis number of institutions

Type of Institution/Agency		Total	Men	Women	Ratio Women/Men
National NGO/CBO	Sum	70 256	34 100	42 958	1.3
	Mean	1899	922	1161	1.3
	Median	500	220	280	1.3
	<i>No. of institutions</i>	37	37	37	
Local NGO/CBO	Sum	30 641	15 323	15 386	1.0
	Mean	681	348	350	1.0
	Median	300	150	183	1.2
	<i>No. of institutions</i>	45	44	44	
Government	Sum	1 810	910	900	1.0
	Mean	1810	910	900	1.0
	Median	1810	910	900	1.0
	<i>No. of institutions</i>	1	1	1	
International agency/NGO	Sum	3 777	1 898	1 879	1.0
	Mean	1 259	633	626	1.0
	Median	323	207	166	0.8
	<i>No. of institutions</i>	3	3	3	
Total	Sum	106 484	52 231	61 123	1.2
	Mean	1 238	614	719	1.2
	Median	400	160	227	1.4
	<i>No. of institutions</i>	86	85	85	

* The figure in brackets next to main target groups is the percentage of beneficiaries covered by programmes with this specific group as main target in the total number of beneficiaries.

Source: Non-contributory social protection provision mapping in Zanzibar (2008)

is rather low, including for international NGOs where one could expect a higher coverage. The three institutions concerned are:

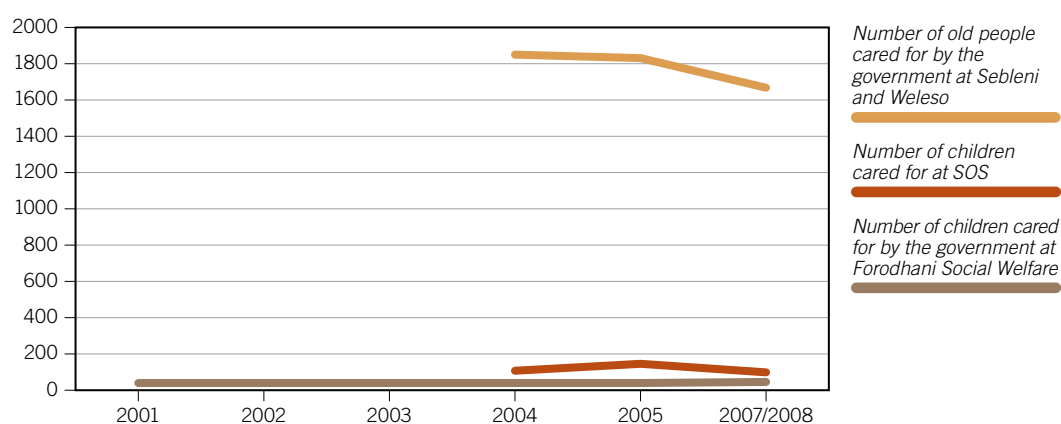
- The Pentecostal Evangelistic Fellowship of Africa which supports two programmes targeting children: one aiming at providing good education cheaply and the other at supporting students from Kisauni ward to be in good health. Both of them are limited in scope and cover a total number of 323 beneficiaries.
- The African Muslim Agency provides an education programme to support orphan children. It covers 282 children (207 boys and 75 young girls).
- The third, AFRICARE-Tanzania, is the only international organization (included in the mapping) covering more than three thousand beneficiaries. The NSSF programme (Tunajali) has as a main objective to identify and care for people living with HIV/AIDS in all regions and districts of Zanzibar. It covers nearly 3200 beneficiaries equally distributed between men and women.

Not surprisingly, the number of beneficiaries by institutions is the lowest for local NGOs and CBOs (681, with 50 per cent of the institutions covering less than 300 beneficiaries).

The Government through the Ministry of Health and Social Welfare is implementing three programmes, two targeting orphans and most vulnerable children:

- Orphanage MVC house – SOS and Orphanage MVC house – Forodhani with the main objective to provide social services and economic support to the MVCs and orphans. At the time of the study the total number of beneficiaries of the SOS programme was just below one hundred (51 boys and 47 girls) and around 45 (19 boys and 26 girls) for the Forodhani one.
- A third programme – the Elderly programme – supports the vulnerable elderly in helping them to meet their daily needs. The total number of elderly covered is 1667 (840 men and 827 women). As shown in Figure 23 some results from previous year are available from the Office of Chief Government Statistician (OCGS) of Zanzibar (Economic Survey). This programme covers Sobleni and Weleso.

Figure 23. Government non-contributory social protection programmes targeting orphan children and the elderly: Number of beneficiaries



Source: Non-contributory social protection provision mapping in Zanzibar (2008) for 2007/2008 values and Office of Chief Government Statistician (OCGS) of Zanzibar for previous years.

Number of beneficiaries by target group of the programme

In Table 6, the basis of reference are programmes and not institutions. The mean and median values are expressed by programme.

Considering the number of beneficiaries by main target age groups of the programme, programmes with children as the main target group cover 62 per cent of the total number of beneficiaries. These programmes are covering more girls than boys (the ratio of their respective total number equals 1.2). Programmes targeting children as the main target group covered on average the highest number of beneficiaries (1035 per programme) with important disparities depending on the type of programme (notably due to the nature of the benefit provided). Half of the 64 programmes targeting primarily children cover on average less than 265 beneficiaries.

Adults aged 19 to 59 represent the second group defined on the basis of age in terms of beneficiaries (37256 beneficiaries are covered by programmes targeting primarily adults).

Table 6. Total number, mean and median values of beneficiaries by sex and main target age group of the programme. Basis number of programmes

Main target group at the programme level		Total	Men	Women	Ratio women/men
Children (62%)*	Sum	66 261	29 935	36 268	1.2
	Mean	1 035	468	567	1.2
	Median	265	120	113	0.9
	No. of programmes	64	64	64	
Children 0-5	Sum	14 651	6 625	8 026	1.2
	Mean	1 332	602	730	1.2
	Median	250	200	100	0.5
	No. of programmes	11	11	11	
Children 6-15	Sum	4 049	1 833	2 108	1.2
	Mean	337	153	176	1.2
	Median	292	133	127	1.0
	No. of programmes	12	12	12	
Children 16-18	Sum	20 831	9 928	11 003	1.1
	Mean	1 225	584	647	1.1
	Median	500	207	350	1.7
	No. of programmes	17	17	17	
MVC	Sum	9 817	4 708	5 059	1.1
	Mean	577	277	298	1.1
	Median	120	51	69	1.4
	No. of programmes	17	17	17	
Adult: 19 to 59 years (35%)*	Sum	37 256	20 606	23 578	1.5
	Mean	532	312	337	1.4
	Median	200	117	124	1.1
	No. of programmes	70	66	70	1.1
Elderly: 60 and over (3%)*	Sum	2 967	1 690	1 277	0.8
	Mean	989	563	426	0.8
	Median	1 000	800	250	0.3
	No. of programmes	3	3	3	
Total	Sum	106 484	52 231	61 123	1.2
	Mean	777	393	446	1.1
	Median	250	120	131	1.1
	No. of programmes	137	133	137	

* The figure in brackets next to main target groups is the percentage of beneficiaries covered by programmes with this specific group as main target in the total number of beneficiaries.

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

One important result highlighted in Table 6 and confirming previous results regarding institutions' and programmes' target groups by age is the low coverage of the elderly. Programmes that target mainly the elderly covered less than 3 per cent of the total number of beneficiaries. Due mainly to the government elderly programmes, the average number of beneficiary by programme appears to be relatively high compared to others.

Table 7 presents similar results comparing the total numbers, mean and average values of beneficiaries according to programme's target group other than age. Programmes with poor people as the main target group covered 56 per cent of the total number of beneficiaries. The next type of programmes covering a significant proportion of beneficiaries (18 per cent) are those targeting people living with HIV/AIDS.

As noticed earlier only a limited number of programmes have as the main target group disabled, unemployed or poor women. These groups are covered generally by programmes which have a different primary target group. The proportions in terms of beneficiaries covered by such programmes are not surprisingly inferior to 5 per cent (0.1 per cent only in the case of disabled). This indicates the low representation of these groups among beneficiaries of non-contributory social protection programmes.

Table 7. Total number, mean and median values of beneficiaries by sex and main target other than age group of the programme. Basis number of programmes

Main target group other than age at the programme level		Total	Men	Women	Ratio women/men
Disabled (0.1%)*	Sum	152	74	78	1.1
	Mean	38	19	20	1.1
	Median	40	20	21	1.1
	No. of programmes	4	4	4	
Unemployed (4%)*	Sum	3 993	1 832	2 162	1.2
	Mean	499	229	270	1.2
	Median	116	48	80	1.7
	No. of programmes	8	8	8	
Poor women (3%)*	Sum	3 153	775	2 378	3.1
	Mean	315	129	238	1.8
	Median	207	104	132	1.3
	No. of programmes	11	7	11	
Poor people (56%)*	Sum	59 450	29 955	36 314	1.2
	Mean	1 101	555	672	1.2
	Median	325	150	221	1.5
	No. of programmes	54	54	54	
People living with HIV/AIDS (19%)*	Sum	20 689	10 365	10 424	1.0
	Mean	690	346	347	1.0
	Median	342	160	164	1.0
	No. of programmes	30	30	30	
Other; specify (18%)*	Sum	19 047	9 230	9 767	1.1
	Mean	614	298	315	1.1
	Median	120	51	60	1.2
	No. of programmes	31	31	31	
Total	Sum	106 484	52 231	61 123	1.2
	Mean	777	393	446	1.1
	Median	250	120	131	1.1
	No. of programmes	147	133	137	

* The figure in brackets next to main target groups is the percentage of beneficiaries covered by programmes with this specific group as main target in the total number of beneficiaries.

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Number of beneficiaries by domain of intervention of the programme

Table 8 presents the total number of beneficiaries covered according to the main type of intervention of the programme and by sex. Globally the total number of beneficiaries is higher in programmes active in education and health (they covered respectively 38 per cent and 39 per cent of total beneficiaries). The average number of beneficiaries by programme is lower among education programmes.

General poverty as the main type of intervention is surprisingly low but it is captured through the characteristics of target groups, as most programmes whatever the type of intervention (education and health) are largely targeting poor people.

Food security programmes as main area of intervention covers only a small proportion of beneficiaries (2 per cent).

Comparing average numbers of beneficiaries per institution across the domains on the other hand reveals that institutions mainly active in the area of healthcare covered the most beneficiaries on average (1120), followed by institutions active in education and general poverty.

Table 8. Total number, mean and median values of beneficiaries by sex and main type of intervention of the programme. Basis number of programmes

Main type of intervention at the programme level		Total	Men	Women	Ratio women/ men
Education (38%)*	Sum	40 860	20 857	26 806	1.3
	Mean	649	331	419	1.3
	Median	160	90	84	0.9
	No. of programmes	63	63	64	
Health (39%)*	Sum	41 452	18 374	23 195	1.3
	Mean	1120	510	627	1.2
	Median	250	117	148	1.3
	No. of programmes	37	36	37	
General poverty (15%)*	Sum	16 226	8 009	8 217	1.0
	Mean	649	364	342	0.9
	Median	250	155	173	1.1
	No. of programmes	25	22	24	
Food security (2%)*	Sum	2 119	962	1 157	1.2
	Mean	424	192	231	1.2
	Median	66	31	35	1.1
	No. of programmes	5	5	5	
Other, specify (5%)*	Sum	5 827	4 029	1 748	0.4
	Mean	832	576	250	0.4
	Median	570	200	200	1.0
	No. of programmes	7	7	7	
Total	Sum	106 484	52 231	61 123	1.2
	Mean	777	393	446	1.1
	Median	250	120	131	1.1
	No. of programmes	137	133	137	

* The figure in brackets next to main target groups is the percentage of beneficiaries covered by programmes with this specific group as main target in the total number of beneficiaries.

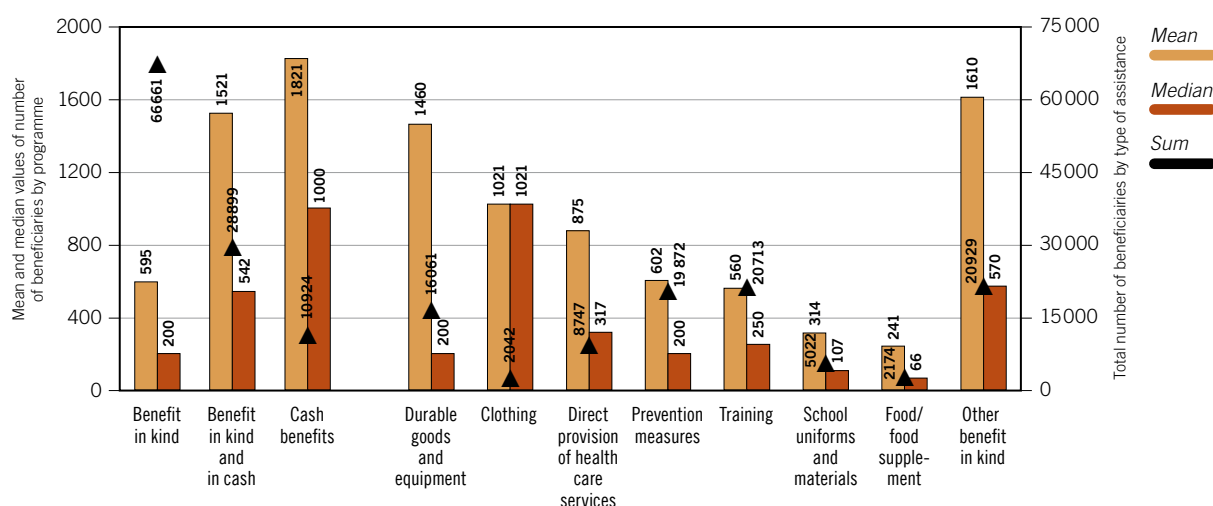
Source: Non-contributory social protection provision mapping in Zanzibar (2008)

Number of beneficiaries by type of assistance

Figure 24 shows the total numbers of beneficiaries (right axis) covered corresponding to different forms of assistance – benefits exclusively in-kind or in-cash or mix-benefits and the detailed type of benefit in-kind – and on the left axis the mean and median values by programme. Figure 25 presents the respective results for total, men and women beneficiaries. Figure 26 presents the distribution of the total number of programmes (internal circle) and the distribution of the beneficiaries covered by these programmes (external circle) by type of benefits provided (cash, in-kind and mixed).

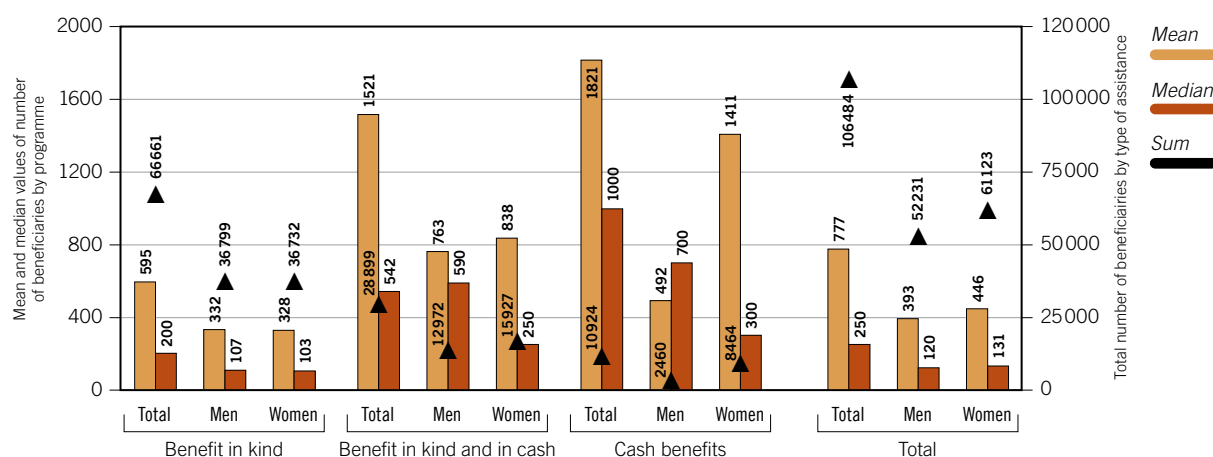
A comparison of aggregate coverage across types of benefits shows that programmes providing benefits in kind (by far the most numerous²) covered the highest number of people with at the same time the lowest mean number of beneficiaries by programme. Programmes providing exclusively cash benefits cover on average a higher

Figure 24. Number of beneficiaries, mean and median values by programme by type of assistance



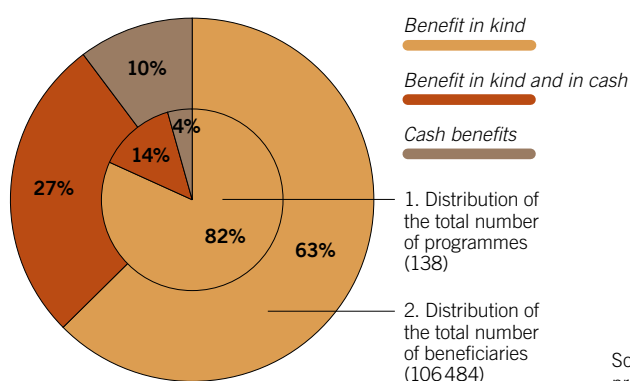
Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Figure 25. Average number of beneficiaries and mean and median values by programme by type of assistance and by sex



Source: Non-contributory social protection provision mapping in Zanzibar (2008).

² See Section 3.1.2

Figure 26. Distributions of programmes and beneficiaries by type of programme

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

number of beneficiaries by programme (1821 by programme compared to 595 among programmes delivering benefits in kind). As presented in Figure 26, programmes providing benefits in kind represent 82 per cent of programmes and 63 per cent of the total number of beneficiaries. The minority of programmes providing cash benefits (4 per cent of all programmes) covers 10 per cent of beneficiaries.

Budget and expenditure of the programmes

This section compares estimates of annual expenditures (total and per beneficiary) at the programme level according to the type of institution and by the various characteristics of the programme.

Expenditure and budget at this level covers only programmes active in the social protection area and are as such lower than the total annual expenditure and budget as presented in part 2 at the institution level.

Social protection programme expenditure and budget data are however analysed at the two levels:

- At the institution level, the sum of expenditure and budget for all social protection programmes is compared to the estimated amount allocated to social protection at the institution (as presented in section “2.3.3 Budget and expenditure at the institution level” Figure 15). At this level, mean and median expenditure (total, benefit or administrative cost) are calculated by institution and results are compared according to different institutions characteristics (type of institution, faith-based organisation)
- At the programme level, the objective is to look at different mean or median levels of expenditure by programme that could be significantly different according to programme features either in terms of target group, domain of intervention, type of assistance, etc. It is also mainly at the programme level that per beneficiary expenditure will be analysed.
- At both institution and programme levels, the comparison of absolute total levels of expenditure and budget will provide indications on the types of institutions, and types of programmes that spend most on social protection in Zanzibar.

Budget and expenditure on social protection by type of institution

As a reminder, Figure 27 recalls the results found at the institution level and compares these results with the aggregation of the various programmes expenditure by institution.

Figure 27. Summary of annual total annual budget and expenditure of institutions and budget and expenditure allocated to social protection programmes

<i>Institutions providing social protection benefits through at least one programme</i> – Annual total budget: 5,458,076 Thousands TZS	
Social protection programmes First estimate at the institution level based on the proportion of expenditure associated to Social Protection Programmes: – Total annual expenditure for all SP programmes: 2 800 096 thousands TZS Aggregation of all expenditure and budget data by social protection programme (in thousands TZS) – Total annual budget 2 671 3287 – Total annual expenditure: 2 380 284 Including: • Benefit expenditure: 2 070 827 • Administration costs: 308 199	In institutions providing social protection programmes outside the scope of social protection Estimated Total annual expenditure on non-SP programmes 1 232 882 thousands TZS

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

- Table 9 shows a summary of results regarding budget and expenditure data by institution (national NGOs/CBOs, local NGOs/CBOs, Government and international NGOs/Organization first; and faith based, non faith-based organizations).
- Table 10 presents a summary of results for expenditure by beneficiary by institutions.
- Figure 28 presents the sum, mean and median values of annual total social protection expenditures per institution for the main types of institutions.
- Figure 29 presents the mean and median values of expenditure per beneficiary at the institution level.

The main results from Table 9 and Figures 28 to 29 can be summarized as follows:

- Due to the high number of national NGOs and CBOs providing social protection the aggregated total expenditure (column “sum” in Table 9) by type of institutions reveals a higher total expenditure from this type of institutions.
- Looking at the mean and median values of annual budget and expenditure by institution allocated to social protection, international NGOs and international organizations are far beyond the other types of institutions. Among international NGOs/ organization, the mean value for the annual budget is 7 times higher than the overall average and 15 times higher compared to local NGOs or CBOs. The corresponding figures for total annual expenditure allocated to social protection are respectively of 8 times and 20 times. These findings are consistent with results presented before at the institution level.

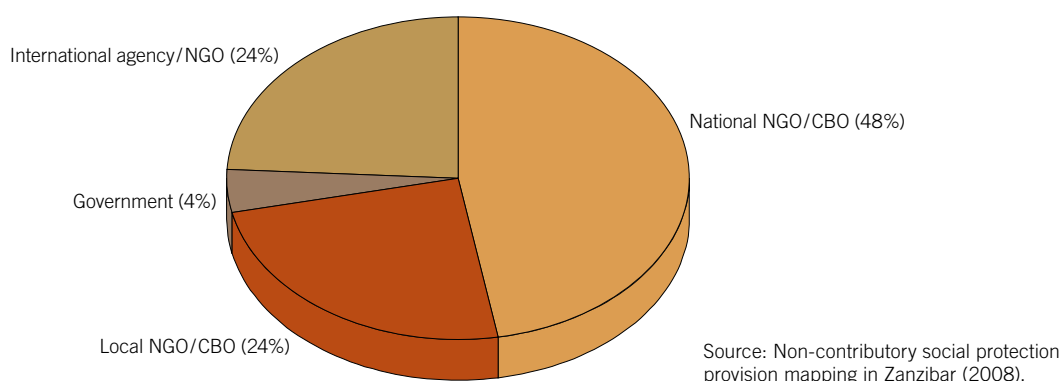
Table 9. Summary of the annual budget and expenditure for social protection by institution by type of expenditure and type of institution (unit TZS and percentage for % administrative costs)/ Reference basis: institution

Type of Institution/Agency		Total annual budget for social protection	Total annual social protection expenditure	Benefit social protection expenditure	Operating costs for social protection programmes	% Operating costs in total expenditure
National NGO/CBO	Sum	1 256 527 430	1 121 651 155	907 013 971	213 727 784	
	Mean	30 647 010	27 357 345	22 122 292	6 106 508	22.5
	Median	7 500 000	7 000 000	4 000 000	2 000 000	21.3
	N	41	41	41	35*	
Local NGO/CBO	Sum	648 289 000	468 163 075	418 020 379	49 744 875	
	Mean	14 406 422	10 403 624	9 289 342	1 381 802	15.8
	Median	5 512 000	5 200 000	4 800 000	410 000	13.5
	N	45	45	45	36*	
Government	Sum	114 288 000	114 288 000	114 288 000	–	–
	Mean	114 288 000	114 288 000	114 288 000	–	–
	Median	114 288 000	114 288 000	114 288 000	–	–
	N	1	1	1		
International agency/NGO	Sum	641 710 000	624 110 000	587 381 000	36 779 000	
	Mean	213 903 333	208 036 667	195 793 667	12 259 667	15.0
	Median	60 000 000	55 000 000	45 000 000	10 000 000	18.2
	N	3	3	3	3	3
Faith based institutions	Sum	1 119 079 225	1 022 271 500	875 066 891	147 255 209	
	Mean	65 828 190	60 133 618	51 474 523	9 817 014	19.8
	Median	7 000 000	6 000 000	5 492 000	1 400 000	22.5
	N	17	17	17	15*	17
Non faith based	Sum	1 553 561 205	1 317 366 730	1 161 061 459	154 997 450	
	Mean	20 714 149	17 564 890	15 480 819	2 540 941	18.1
	Median	7 500 000	6 000 000	4 800 000	1 400 000	14.3
	N	75	75	75	61*	75
Total	Sum	2 660 814 430	2 328 212 230	2 026 703 350	300 251 659	
	Mean	29 564 605	25 869 025	22 518 926	4 057 455	18.6
	Median	7 250 000	6 000 000	5 000 000	1 400 000	15.7
	N	90	90	90	74*	

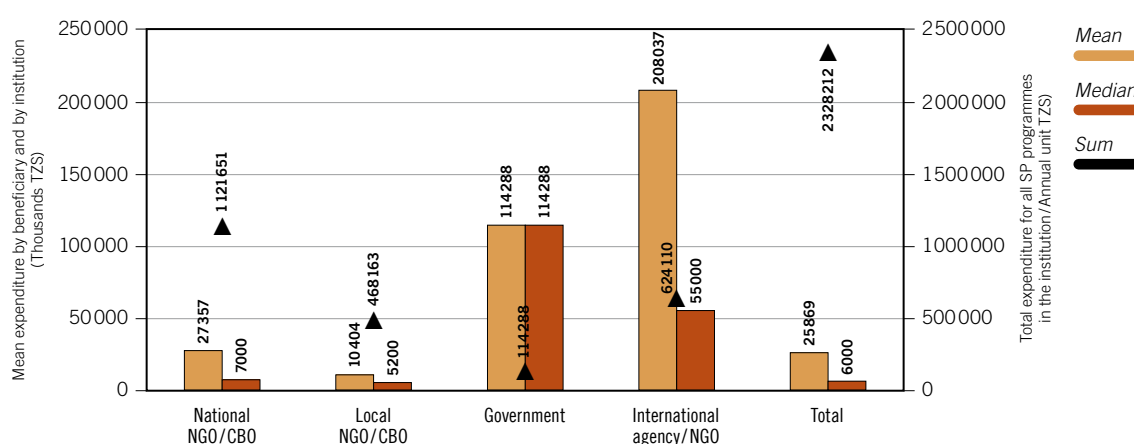
* mean and median calculated on the basis of institutions where information is available

Source: Non-Contributory social protection provision mapping in Zanzibar (2008).

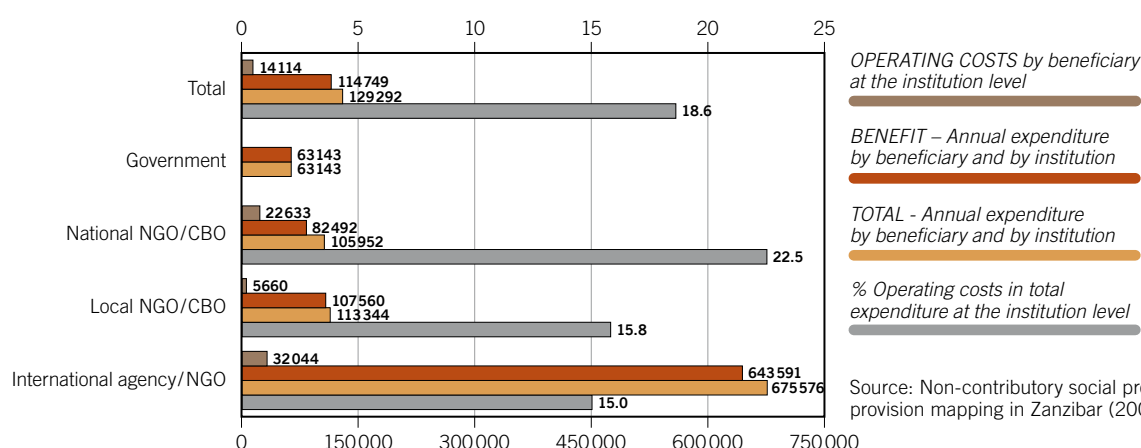
- Comparing faith based to other organizations, mean annual budget and expenditure, results from the mapping reveal that both the mean annual budget and expenditure are more than 3 times higher in faith based compared to other institutions.
- Considering the total annual budget allocated to social protection, 48 per cent correspond to the annual budget of national NGOs or CBOs, 24 per cent respectively from local NGOs and CBOs and 4 per cent from the government budget allocated to the non-contributory social protection programmes for orphan children, most vulnerable children and elderly (see Figure 28).
- Considering the type of expenditure, at the institutional level, administrative costs associated to social protection programmes represent on average 18.6 per cent of total annual social protection expenditure.
- Figure 30 presents mean values of expenditure by beneficiaries by type of expenditure and type of institution. Total expenditure by beneficiary is far higher in international NGOs and organizations, certainly depending on the type of programme provided (see in the next section).

Figure 28. Total budget allocated to social protection by main type of institutions (percentage)

- Comparing means of total annual expenditures (indicated by the bars in the figure and corresponding to the left axis) reveals that International NGOs spent the most on average per institution, while NGOs in the other two categories recorded much lower total expenditures on average per institution.
- Spending by beneficiary is the lowest among the social protection government programmes.

Figure 29. Total, mean and median annual expenditure by institution by type of expenditure and type of institution (Millions TZS). Reference basis: institutions

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Figure 30. Mean social protection expenditures per beneficiary by institution by type of expenditure (total, benefit and operating costs) and by main types of institution. Reference basis: institutions

Budget and expenditure on social protection at the programme level

In this section, the basis of reference for calculation are programmes and not institutions. This analysis is relevant especially when comparing results according to features associated to the programme: type of benefit, target groups, domain of intervention of the programme, nature of the benefit provided. Results still be comparable by type of institution but it does not refer to the aggregated sum for the institution as a whole but to each programme in a given institution or considering a certain type of institution.

At the programme level, as indicated in Table 10, the average expenditure per beneficiary and by programme is 125 thousands TZS per year, with an important difference between the mean and median value, pointing to a wide diversity and a few programmes where expenditure per beneficiary is far higher than the majority.

As expected considering previous result most of the expenditure is spent on programmes providing benefits in kind (73 per cent of total expenditure).

Table 10. Annual budget and annual expenditure allocated to social protection at the programme level by type of programme (sum, mean, median and valid cases). Reference: Number of social protection programmes

Type of Institution/ Agency		Total annual budget for social protection programmes	Total annual expenditure of social protection programmes	% Operating costs in total expenditure at the programme level	Total annual SP expenditure by beneficiary/ programme level	Total annual SP benefit expenditure by beneficiary/ programme level
Cash transfer (2%)*	Sum	38 950 645	38 950 645			
	Mean	6 491 774	6 491 774	36**	5 133	5 132
	Median	3 000 000	3 000 000	36	3 000	3 000
	N	6	6	2	6	6
Benefit in kind (73%)	Sum	2 035 852 332	1 709 049 132			
	Mean	16 825 226	14 124 373	25.2	115 721	115 721
	Median	5 000 000	4 000 000	20.0	19 004	19 003
	N	121	121	98	113	113
Both (25%)	Sum	597 837 453	591 638 453			
	Mean	31 465 129	31 138 866	19.3	211 855	211 854
	Median	10 500 000	10 000 000	20.9	18 633	18 633
	N	19	19	8	19	19
Total	Sum	2 672 640 430	2 339 638 230		17 132 525	17 132 525.46
	Mean	18 305 756	16 024 919	25.0	124 149	124 148.7352
	Median	5 130 000	4 500 000	20.3	18 486	18 485.88932
	N	146	146	108	138	138

* The figure in brackets next to main type of programme is the percentage of total expenditure spent by programmes of this type compared to the total annual expenditure for all programmes. ** Figures in red are based on a too limited number of programmes to be relevant.

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Table 11. Annual budget and annual expenditure allocated to social protection at the programme level by main target group of the programme (sum, mean, median and valid cases). Reference: Number of social protection programmes

By main target by age group		Total annual budget for social protection programmes	Total annual expenditure of social protection programmes	% Operating costs in total expenditure at the programme level	Total annual SP expenditure by beneficiary/ programme level	Total annual SP benefit expenditure by beneficiary/ programme level
Children (76%)*	Sum	1 837 786 378	1 770 768 653			
	Mean	26 254 091	25 296 695	25.2	184 858	163 958
	Median	5 900 000	4 900 000	20.0	28 816	22 500
	N	70	70	48	64	64
Adult: 19 to 59 years old (21%)	Sum	766 538 052	500 553 577			
	Mean	10 500 521	6 856 898	25.2	106 845	92 879
	Median	4 984 000	4 445 000	21.8	17 000	13 333
	N	73	73	59	71	71
Elderly: 60 and over (3%)	Sum	68 316 000	68 316 000			
	Mean	22 772 000	22 772 000	7.1 **	14 941	14 907
	Median	1 400 000	1 400 000	7.1	4 000	4 000
	N	3	3	1	3	3
<i>By main target group OTHER than age</i>						
Disabled (<2%)	Sum	39 288 700	38 465 700			
	Mean	5 612 671	5 495 100	58.2	41 938	33 604
	Median	775 000	500 000	36.7	28 816	28 815
	N	7	7	4	4	4
Unemployed (<2%)	Sum	46 642 500	41 166 500			
	Mean	5 182 500	4 574 056	21.5	74 209	64 255
	Median	3 500 000	3 124 000	22.5	7 500	5 833
	N	9	9	6	8	8
Poor women (4%)	Sum	100 290 745	92 667 745			
	Mean	9 117 340	8 424 340	15.6	301 026	298 054
	Median	7 000 000	6 000 000	16.7	15 000	12 500
	N	11	11	7	11	11
Poor people (35%)	Sum	1 033 965 260	812 744 260			
	Mean	18 139 741	14 258 671	24.1	56 537	49 897
	Median	5 112 000	5 112 000	20.3	20 628	18 691
	N	57	57	36	54	54
People living with HIV/AIDS (19%)	Sum	511 528 500	454 329 575			
	Mean	17 050 950	15 144 319	25.9	50 149	37 528
	Median	5 250 000	3 800 000	23.1	18 003	13 759
	N	30	30	26	30	30
Other; specify (38%)	Sum	940 924 725	900 264 450			
	Mean	29 403 898	28 133 264	23.7	349 405	302 746
	Median	5 900 000	5 020 000	20.0	31 600	21 568
	N	32	32	29	31	31
Total	Sum	2 672 640 430	2 339 638 230			
	Mean	18 305 756	16 024 919	25.0	124 149	124 148
	Median	5 130 000	4 500 000	20.3	18 486	18 485
	N	146	146	108	138	138

* The figure in brackets next to main type of programme is the percentage of total expenditure spent by programmes of this type compared to the total annual expenditure for all programmes. ** Figures in red are based on a too limited number of programmes to be relevant.

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Table 12. Annual budget and annual expenditure allocated to social protection at the programme level by main type of intervention of the programme (sum, mean, median and valid cases). Reference: Number of social protection programmes

By main domain of intervention of the programme		Total annual budget for social protection programmes	Total annual expenditure of social protection programmes	% Operating costs in total expenditure at the programme level	Total annual SP expenditure by beneficiary/ programme level	Total annual SP benefit expenditure by beneficiary/ programme level
Education (45%)*	Sum	1 091 566 807	1 058 297 882			
	Mean	15819809	15337650	28.0	233503	209298
	Median	4300000	3800000	22.5	17000	13333
	N	69	69	55	63	63
Health (24%)*	Sum	673 162 453	568 700 903			
	Mean	17260576	14582074	23.1	52134	39327
	Median	7554000	6000000	20.6	16333	13596
	N	39	39	29	38	38
General poverty (19%)*	Sum	603 191 470	447 519 745			
	Mean	24127659	17900790	21.4	75996	67782
	Median	5000000	4892000	19.1	21028	19624
	N	25	25	16	25	25
Food security (3%)*	Sum	76 219 700	75 219 700			
	Mean	15243940	15043940	11.1**	65211	60211
	Median	1901850	1901850	11.1	28816	28816
	N	5	5	1	5	5
Other, specify (8%)*	Sum	228 500 000	189 900 000			
	Mean	28562500	23737500	20.1	77710	65240
	Median	30000000	27500000	20.0	70175	61404
	N	8	8	7	7	7
Total	Sum	2 672 640 430	2 339 638 230			
	Mean	18305756	16024919	25.0	141027	124149
	Median	5130000	4500000	20.3	19757	18486
	N	146	146	108	138	138

* The figure in brackets next to main type of programme is the percentage of total expenditure spent by programmes of this type compared to the total annual expenditure for all programmes. ** Figures in red are based on a too limited number of programmes to be relevant.

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Table 13. Annual budget and annual expenditure allocated to social protection at the programme level by type of benefits in-kind of the programme (sum, mean, median and valid cases). Reference: Number of social protection programmes

By types of benefit in kind		Total annual budget for social protection programmes	Total annual expenditure of social protection programmes	% Operating costs in total expenditure at the programme level	Total annual SP expenditure by beneficiary/ programme level	Total annual SP benefit expenditure by beneficiary/ programme level
Food/food supplement (6%)*	Sum	143 642 700	142 642 700			
	Mean	15960300	15849189	7.7**	447864	444956
	Median	5500000	4500000	10.0	39422	39422
	N	9	9	3	9	2
School uniforms and materials (29%)*	Sum	684 855 000	675 195 000			
	Mean	42803438	42199688	27.1	171135	154613
	Median	2900000	1500000	22.8	34441	22284
	N	16	16	12	16	16
Durable goods and equipment (2%)*	Sum	45 977 100	45 196 100			
	Mean	3831425	3766342	22.2	46604	43122
	Median	2375000	2300000	11.8	10000	8000
	N	12	12	9	11	11
Clothing (1%)*	Sum	14 112 000	14 112 000			
	Mean	7056000	7056000	20.0	7127	6460
	Median	7056000	7056000	20.0	7127	6460
	N	2	2	1	2	2
Training (18%)*	Sum	581 906 975	414 352 250			
	Mean	14192853	10106152	22.3	244966	212026
	Median	6000000	5500000	20.0	16667	13333
	N	41	41	33	37	37
Prevention measures (16%)*	Sum	460 571 557	369 648 082			
	Mean	13546222	10872002	27.5	66088	47340
	Median	7500000	5692500	24.8	21198	17835
	N	34	34	26	34	34
Direct provision of health care services (9%)*	Sum	232 130 000	209 570 000			
	Mean	23213000	20957000	22.6	36121	28745
	Median	14000000	12000000	25.0	34654	32050
	N	10	10	9	10	10
Other benefit in kind (19%)*	Sum	470 494 453	429 971 453			
	Mean	29405903	26873216	31.3	35520	30315
	Median	14750000	14050000	23.2	21028	18338
	N	16	16	13	13	13
Total		2 633 689 785	2 300 687 585			
	Mean	18812070	16433483	24.8	147193	129559
	Median	5292500	4700000	20.0	23253	18877
	N	140	140	106	132	132

* The figure in brackets next to main type of programme is the percentage of total expenditure spent by programmes of this type compared to the total annual expenditure for all programmes. ** Figures in red are based on a too limited number of programmes to be relevant.

Source: Non-contributory social protection provision mapping in Zanzibar (2008).

Summary of findings

Objective and scope of the mapping:

- The mapping of non-contributory social protection provision is complementary to other methods used to collect and analyse data needed for the social budget.
- The development of a methodology and data collection tools³ was a response to fill the gap of data in this area.
- The mapping covers i) private non-contributory social protection provision (provided mainly through national and local non-governmental organizations (NGOs) or community based organizations (CBOs) and of a few international NGOs or other international organizations; ii) public non-contributory social protection provision with the exception of public education and health, available through national source and part of a separate analysis (see chapter 4).

³ Key elements of the methodology and questionnaire are presented in Annex 2.

Annex 1. List of institutions covered/Basic information

	Region	District	Website
African Muslim Agency	South Pemba	Chake Chake District	–
AFRICARE-Tanzania	Urban West	Urban	http://db.ngorc.ortz/en/csos/19 and www.africare.org
AidNet Zanzibar	Urban West	Urban	http://db.ngorc.ortz/sw/csos/26 and http://www.aidnet.8m.net
Antimalaria Society	Urban West	Urban	http://db.ngorc.ortz/en/csos/40
Bububu Development Organization	Urban West	Urban	http://db.ngorc.ortz/en/csos/53
Buruda Development Foundation	South Unguja	Central	http://db.ngorc.ortz/en/csos/60
Care International in Tanzania (Zanzibar office)	Urban West	West	www.care.org
Chanjani Development Organization	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/101
Chumbuni World Development Social Health Organization	Urban West	Urban	www.chuwadesha.org
Community Development and Environmental Conservation in Zanzibar/CODECOZ	Urban West	West	http://www.conservationafrica.org/detailed.php?id=20
District Organization for AIDS Control and Orphans Rights	North Pemba	Micheweni	http://db.ngorc.ortz/en/csos/132
Fufuni Development Organization	Urban West	West	http://db.ngorc.ortz/en/csos/76
Gando Farmers Association	North Pemba	Wete	http://db.ngorc.ortz/en/csos/174
Integral Assistance to Vulnerable Children/IAVD	Urban West	West	www.iayczanzibar.org
Islamic Social Services Organization	North Pemba	Micheweni	http://db.ngorc.ortz/en/csos/204
Jambo Zanzibar	North Unguja	North 'A' District	www.jambo-zanzibar.de
Jozan Credit and Debit Organization	South Unguja	West	–
Jumuiya ya Elimu na Mazingira/JUEMA	North Unguja	North 'A' District	http://db.ngorc.ortz/en/csos/58
Jumuiya ya Istiqama Tanzania	Urban West	Urban	http://db.ngorc.ortz/sw/csos/210
Jumuiya ya Kilimo cha Mpunga Bonde la Mashamba/JKMS	Urban West	West	http://db.ngorc.ortz/en/csos/92
Jumuiya ya Kudhibiti Maambukizi ya Ukimwi	South Pemba	Mkoani District	–
Jumuiya ya Kuendeleza Elimu Jimbo la Makunduchi/JUKEJIMA	Urban West	West	http://db.ngorc.ortz/en/csos/106
Jumuiya ya Kuendeleza Wakulima, Wafugaji na Wavuvi	Urban West	Urban	http://db.ngorc.ortz/en/csos/120
Jumuiya ya Kupunguza Umasikini na Kuboresha Hali za Wananchi	South Pemba	Chake Chake District	www.kukhawa.com
Jumuiya ya Maendeleo ya Chwale, Usanga, Matele and Tandoni	South Pemba	Mkoani District	http://db.ngorc.ortz/en/csos/225
Jumuiya ya Maendeleo ya Dunga Bweni	Urban West	Urban	–
Jumuiya ya Maendeleo ya Kidimni	South Unguja	Central	–
Jumuiya ya Maendeleo ya Kijiji cha Chimba	North Pemba	Micheweni	http://db.ngorc.ortz/en/csos/11
Jumuiya ya Maendeleo ya Kijiji cha Tumbe	North Pemba	Micheweni	–
Jumuiya ya Maendeleo ya Watu wa Chaani Kubwa	North Unguja	North 'A' District	http://db.ngorc.ortz/en/csos/69
Jumuiya ya Maendeleo ya Watu wa Malindi	Urban West	Urban	–
Jumuiya ya Maimamu Zanzibar/JUMAZA	Urban West	Urban	http://db.ngorc.ortz/en/csos/97
Jumuiya ya Sanaa Elimu ya Ukimwi na Mazingira	South Pemba	Mkoani District	http://db.ngorc.ortz/en/csos/117
Jumuiya ya Uamsho na Mihadhara ya Kiislamu/The Committee for Islamic Propagation	Urban West	Urban	http://db.ngorc.ortz/en/csos/137
Jumuiya ya Walemavu ya Watu wa Konde	North Pemba	Micheweni	–
Jumuiya ya Wananchi wa Kandwi	South Unguja	Central	–

	Region	District	Website
Jumuia ya Wastaafu Zanzibar	Urban West	Urban	http://db.ngorc.ortz/en/csos/15
Kamati ya Maendeleo Mtende	South Unguja	South	http://db.ngorc.ortz/en/csos/86
Kamati ya maendeleo shehia ya kilimani	North Unguja	North 'A' District	http://db.ngorc.ortz/en/csos/49
Kanisa la Pentekoste Zanzibar	Urban West	Urban	http://db.ngorc.ortz/en/csos/100
Koani Poverty Eradication Society	South Pemba	Mkoani District	-
Kojani Youth Mobilization Care Center	North Pemba	Wete	http://db.ngorc.ortz/en/csos/134
Konde Development Organization	North Pemba	Micheweni	http://db.ngorc.ortz/en/csos/141
Makoongwe Development Organization	South Pemba	Mkoani District	http://db.ngorc.ortz/en/csos/148
Mbweni Women Group	Urban West	West	http://db.ngorc.ortz/en/csos/154
Mfuko wa Maendeleo ya Elimu Donge/MMED	North Unguja	North 'B' District	http://db.ngorc.ortz/en/csos/182
Micheweni Social Care Organization	North Pemba	Micheweni	http://db.ngorc.ortz/en/csos/194
Mikunguni youth development organisation	Urban West	Urban	http://db.ngorc.ortz/sw/csos/202
Ministry of Health and Social Welfare	Urban West	Urban	
Mkoani Development Organization	South Pemba	Mkoani District	http://db.ngorc.ortz/en/csos/214
Mkumbuu Organization for Poverty Eradication and Environment Conservatio n	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/6
Mkwajuni Development Society	North Unguja	North 'A' District	http://db.ngorc.ortz/en/csos/12
Mtambwe Development Organization	North Pemba	Wete	http://db.ngorc.ortz/en/csos/18
Muzdalifah Islamic Charitable Organization	Urban West	Urban	General email muzdalifah_200@yahoo.com and CSO directory page: http://db.ngorc.ortz/en/csos/32
Northern Organization for AIDS Control	North Pemba	Wete	http://db.ngorc.ortz/en/csos/59
Ole Development Community	North Pemba	Wete	http://db.ngorc.ortz/en/csos/66
Organization for Development of Young Journalists	Urban West	Urban	http://db.ngorc.ortz/en/csos/73
Organization of Workers' Development	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/80
Pemba Association for Civil Society Organization	South Pemba	Chake Chake District	-
Pemba Campaign For Sustainable Use of Environment	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/111
Pemba Children Club	South Pemba	Chake Chake District	-
Pemba Investment and Youth Development Organization	North Pemba	Wete	www.plydo.org.com
Pemba Youth Advancement	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/159
Pemba Youth Development Organization	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/166
Pemba Youth Voice Organization	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/173
Pentecostal Evangelistic Fellowship of Africa	Urban West	West	http://db.ngorc.ortz/en/csos/179
Save the Community for Education	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/197
Society for the Protection	North Pemba	Wete	-
Tanzania Mozambique Friendship Association	Urban West	Urban	http://db.ngorc.ortz/en/csos/223
The Education and Literacy Improvement Club	Urban West	Urban	http://db.ngorc.ortz/sw/csos/146 and www.edlitezanzibar.org
The Pemba Association for Civil Society Organization	North Pemba	Wete	http://db.ngorc.ortz/en/csos/94
The Pemba Island Relief Organization	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/131

	Region	District	Website
The Poultry Farmers Development Organization	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/185
Tuishi 2004 Jambiani	Urban West	West	http://db.ngorc.ortz/en/csos/124
Umoja wa maaskari wastaafu	Urban West	Urban	http://db.ngorc.ortz/sw/csos/16
Umoja wa Wawakilishi wa Kupambana na Ukimwi Zanzibar	Urban West	Urban	www.uwakuza.org
Walio Katika Mapambano na AIDS Tanzania (WAMATA)	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/142
Youth Development Society	North Pemba	Wete	http://db.ngorc.ortz/en/csos/149
Youth for Development Association	Urban West	Urban	http://db.ngorc.ortz/en/csos/149
Zanzibar Action Project	Urban West	West	www.zanzibaraction.co.uk
Zanzibar AIDS Association and Support of Orphan	Urban West	West	http://db.ngorc.ortz/en/csos/162
Zanzibar Association for Children Advancement	Urban West	West	http://db.ngorc.ortz/en/csos/169
Zanzibar Association for People with Disabled Development	Urban West	Urban	-
Zanzibar Association of Information Against Drugs Abuse and Alcohol / ZAIADA	Urban West	West	http://db.ngorc.ortz/en/csos/195
Zanzibar Islamic Centre	Urban West	Urban	http://db.ngorc.ortz/en/csos/68
Zanzibar Orphan Trusteeship	Urban West	Urban	http://db.ngorc.ortz/en/csos/68
Zanzibar Women Cooperation / Unguja	Urban West	West	-
Zanzibar youth forum	Urban West	Urban	http://db.ngorc.ortz/en/csos/123
Zanzibar Youth Promotion Centre	Urban West	Urban	http://db.ngorc.ortz/sw/csos/26 and www.zyftz.org
Zanzibar Youth Vision Center	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/157
Ziwani Development Organization	South Pemba	Chake Chake District	http://db.ngorc.ortz/en/csos/164
			http://db.ngorc.ortz/en/csos/178

Annex 2. List of institutions covered and main objective

Type of Institution/ Agency	Name of institution/Agency	Role, main objective, main target(s), description	Objective of the institution /recorded in groups			
			Objective of the institution	Objective of the institution	Objective of the institution	Objective of the institution
National NGO / CBO	AidNet Zanzibar	Strengthen community for project development in relation to deliver training	Enhance community development	Improve education/training	–	–
	Antimalaria Society	To educate and fight against malaria	Improve health	Improve education/training	–	–
	Bububu Development Organization	Poverty eradication and cleaning the environment	Poverty eradication	Environmental issues	–	–
	Care International in Tanzania (Zanzibar office)	Poverty eradication	Poverty eradication	–	–	–
	Community Development and Environmental Conservation in Zanzibar / CODECOZ	Environmental protection	Environmental issues	–	–	–
	Fufuni Development Organization	Bring development in two shehias of Pemba	Enhance community development	–	–	–
	Gando Farmers Association	Improve production for farmers in Gando	Enhance production and income generation activities	–	–	–
	Integral Assistance to Vulnerable Children/ IAVD	Promote the welfare of the most vulnerable children and women's exchange program	–	–	–	–
	Jozan Credit and Debit Organization	Poverty eradication and income raise	Poverty eradication	Enhance production and income generation activities	–	–
	Jumuiya ya Istiqama Tanzania	Social protection	Social protection issues	–	–	–
	Jumuiya ya Kuendeleza Wakulima, Wafugaji na Wavuvi	Provide training to fishermen, farmers and livestock on HIV/AIDS based in volunteering and counselling	Fight against HIV/AIDS	Improve education/training	–	–
	Jumuiya ya Kupunguza Umasikini na Kuboresha Hali za Wananchi	Reduce poverty in the community	Poverty eradication	–	–	–
	Jumuiya ya Maimamu Zanzibar / JUMAZA	Unite Muslim in social and development	Support/ promote religious awareness	Networking activities	–	–
	Jumuiya ya Uamsho na Mihadhara ya Kiislamu/ The Committee for Islamic Propagation	Promote Islamic culture in Social, Political, Education and Health	Support/ promote religious awareness	Improve education/training	Improve health	–
	Jumuiya ya Wastaafu Zanzibar	Improve the life of retired people	Improve standard of living of people	Support old people	–	–
	Kamati ya maendeleo shehia ya kilimani	To improve community livelihood	Improve standard of living of people	–	–	–
	Kanisa la Pentekoste Zanzibar	Training society about christianity religious	Support/ promote religious awareness	–	–	–

Type of Institution/ Agency	Name of institution/Agency	Role, main objective, main target(s), description	Objective of the institution /recoded in groups		
			Objective of the institution	Objective of the institution	Objective of the institution
National NGO / CBO	Mikunguni youth development organisation	To promote male and female youth in social and economic development activities	Enhance production and income generation activities	Support the youth	–
	Organization for Development of Young Journalists	Support young journalist to go further in economics and social	Enhance community development	–	–
	Pemba Campaign For Sustainable Use of Environment	Improve the life of the people	Improve standard of living of people	–	–
	Pemba Children Club	Supervision of Children Welfare	Support orphan children	–	–
	Pemba Youth Development Organization	Bring development to youth in Pemba through social, economic and health	Enhance community development	Support the youth	Enhance production and income generation activities
	Pemba Youth Voice Organization	HIV/AIDS awareness for youth, prevention of different diseases	Fight against HIV/AIDS	Improve health	–
	Save the Community for Education	Educate community of Pemba	Improve education/training	–	–
	Tanzania Mozambique Friendship Association	Strengthening relationship between Tanzania and Mozambique through provide different training for youth	Support the youth	Improve education/training	–
	The Education and Literacy Improvement Club	To improve education to the youth who have HIV/AIDS	Support the youth	Improve education/training	Fight against HIV/AIDS
	The Pemba Island Relief Organization	Improve standard of living of Pemba people	Improve standard of living of people	–	–
	Tuishi 2004 Jambiani	Poverty reduction in Jambiani society	Poverty eradication	–	–
	Urmoja wa maaskari wastaafu	To find benefit for future for the retired soldiers	Social protection issues	–	–
	Urmoja wa Wawakilishi wa Kupambana na Ukimwi Zanzibar	Promote community in prevention on HIV/AIDS	Fight against HIV/AIDS	–	–
	Walio Katika Mapambano na AIDS Tanzania (WAMATA)	Prevention of HIV/AIDS and Support people living with HIV/AIDS	Fight against HIV/AIDS	–	–
	Youth for Development Association	Enable rural population to understand the problem of living around them	Enhance community development	–	–
	Zanzibar Action Project	Poverty eradication in Jambiani community	Poverty eradication	–	–
	Zanzibar Association for Children Advancement	Awareness to the community for the children rights, awareness to children/youth on drugs and HIV/AIDS prevention	Support orphan children	Support the youth	Fight against HIV/AIDS
	Zanzibar Association for People with Disabled Development	Fight for brain disabled rights as well as give them education	Support disabled	Improve education/training	–

Type of Institution/ Agency	Name of institution/Agency	Role, main objective, main target(s), description	Objective of the institution /recorded in groups		
			Objective of the institution	Objective of the institution	Objective of the institution
National NGO / CBO	Zanzibar Association of Information Against Drugs Abuse and Alcohol/ ZAIADA	Reduce drug abuse affection from youth	Improve health	Support the youth	–
	Zanzibar Islamic Centre	Support Islamic Community in Zanzibar	Support/ promote religious awareness	–	–
		Promote muslim to get good education, health and social affairs	Support/ promote religious awareness	Improve education/ training	Improve health
	Zanzibar Orphan Trusteeship	Support orphan children in Zanzibar	Support orphan children	–	–
	Zanzibar Women Cooperation/ Pemba	Support poor village women	Support women	–	–
	Zanzibar Women Cooperation/ Unguja	Promote women in economic and health so as to save their children in education	Support women	Support orphan children	Improve education/ training
	Zanzibar youth forum	To connect youth each other for devel- opment aspect in economy, social and political	Networking activities	–	–
Local NGO/CBO	Buruda Development Foundation	Support development in pwani mchangani shehia	Enhance community development	–	–
	Charjani Development Organization	Help the members of Chaani locality in integrating their human effort and talents to fight against poverty by creating mean- ingful social and economic ventures for their living.	Enhance community development	–	–
	District Organization for AIDS Control and Orphans Rights	Support youth in the prevention of HIV/ AIDS transmission	Fight against HIV/AIDS	Support the youth	–
	Islamic Social Services Organization	Connect muslims so as to support orphans children	Support orphan children	Support/ promote religious awareness	Networking activities
	Jambo Zanzibar	Remove poverty	Poverty eradication	–	–
	Jumuiya ya Elimu na Mazingira/ JUEMA	Promote community on the important of education to their children and how to save the environment	Improve education/ training	Environmental issues	–
	Jumuiya ya Kilimo cha Mpunga Bonde la Mashamba / JKMS	Improve rice production as well as poverty eradication in mchangani shamba shehia	Enhance production and income genera- tion activities	Poverty eradication	–
	Jumuiya ya Kudhibiti Maambukizi ya Ukimwi	Fight against HIV/AIDS prevention	Fight against HIV/AIDS	–	–
	Jumuiya ya Kuendeleza Elimu Jimbo la Makunduchi/ JUKEJIMA	Improve education in Makunduchi constituent	Improve education/ training	–	–
	Jumuiya ya Maendeleo ya Chwale, Usanga, Matele and Tandoni	Reduce poverty in the community	Poverty eradication	–	–

Type of Institution/ Agency	Name of institution/Agency	Role, main objective, main target(s), description	Objective of the institution /recorded in groups		
			Objective of the institution	Objective of the institution	Objective of the institution
Local NGO/CBO	Jumuiya ya Maendeleo ya Dunga Bweni	To bring development in Dunga community	Enhance community development	–	–
	Jumuiya ya Maendeleo ya Kijiji cha Chimba	Poverty eradication	Poverty eradication	–	–
	Jumuiya ya Maendeleo ya Kijiji cha Tumbwe	Unite Tumbwe people so as to bring development	Enhance community development	–	–
	Jumuiya ya Maendeleo ya Watu wa Chaani Kubwa	Support development in the village, community of chaani is the target group	Enhance community development	–	–
	Jumuiya ya Maendeleo ya Watu wa Malindi	Improve economic of the people in malindi	Enhance production and income generation activities	–	–
	Jumuiya ya Maendeleo ya Kidimni	Improve livelihood in Kidimni community	Improve standard of living of people	–	–
	Jumuiya ya Sanaa Elimu ya Ukimwi na Mazingira	Poverty eradication in panza island	Poverty eradication	–	–
	Jumuiya ya Walemavu ya Watu wa Konde	Support disabled people in poverty eradication	Poverty eradication	Support disabled	–
	Jumuiya ya Wananchi wa Kandwi	Support Kandwi community	Enhance community development	–	–
	Kamati ya Maendeleo Mtende	Poverty eradication	Poverty eradication	–	–
	Koani Poverty Eradication Society	Fight against poverty and reduce HIV/AIDS infection among the people	Poverty eradication	Fight against HIV/AIDS	–
	Kojani Youth Mobilization Care Center	Educate people on HIV/AIDS transmission, drugs abuse and the important of how to save the environment	Fight against HIV/AIDS	Improve education/training	–
	Konde Development Organization	Poverty eradication in Tumbwe people	Poverty eradication	–	–
	Makoongwe Development Organization	Poverty eradication by establish health and education program	Poverty eradication	Improve education/training	Improve health
	Mbweni Women Group	Unite women and make cooperation each other	Support women	Networking activities	–
	Mfuko wa Maendeleo ya Elimu Donge/MMED	Improve income generation through education	Enhance production and income generation activities	Improve education/training	–
	Micheweni Social Care Organization	Educate people on HIV/AIDS prevention	Fight against HIV/AIDS	Improve education/training	–
	Mkoani Development Organization	Fight against poverty	Poverty eradication	–	–
	Mkumbuu Organization for Poverty Eradication and Environment Conservation	Support people for poverty eradication	Poverty eradication	–	–
	Mkwajuni Development Society	Awareness on HIV/AIDS for Mkwajuni community, Poverty eradication	Poverty eradication	Fight against HIV/AIDS	–

Type of Institution/ Agency	Name of institution/Agency	Role, main objective, main target(s), description	Objective of the institution /recorded in groups			
			Objective of the institution	Objective of the institution	Objective of the institution	Objective of the institution
Local NGO/CBO	Mtambwe Development Organization	Reduce poverty	Poverty eradication	–	–	–
	Muzdalifah Islamic Charitable Organization	Social Protection	Social protection issues	–	–	–
	Northern Organization for AIDS Control	HIV/AIDS prevention	Fight against HIV/AIDS	–	–	–
	Ole Development Community	Bring sustainable development to the people of ole in helath, education and en- vironment sector	Enhance community development	Improve education/ training	Improve health	Environmental issues
	Organization of Workers' Development	Support workers through education	Improve education/ training	–	–	–
	Pemba Association for Civil Society Organization	Networking of Non governmental organ- ization in Pemba	Networking activities	–	–	–
	Pemba Investment and Youth Development Organization	HIV/AIDS awareness for youth, prevention of different diseases	Fight against HIV/AIDS	Improve health	–	–
	Pemba Youth Advancement	Provide peer education and family health to youth	Improve education/ training	Improve health	Support the youth	–
	The Pemba Association for Civil Society Organization	Support orphan children	Support orphan children	–	–	–
	The Poutry Farmers Development Organization	Improve production to farmers	Enhance production and income genera- tion activities	–	–	–
	Youth Development Society	Provide Malaria prevention education to youth	Improve education/ training	Improve health	Support the youth	–
	Zanzibar AIDS Association and Support of Orphan	Support orphan to give education	Support orphan children	Improve education/ training	–	–
	Zanzibar Youth Promotion Centre	Support training to youth on understand their rights	Improve education/ training	–	–	–
Government	Zanzibar Youth Vision Center	Educate youth on how to prevent HIV/AIDS	Improve education/ training	Support the youth	–	–
	Ziwani Development Organization	Fight against poverty, support people to enhance development	Poverty eradication	Enhance community development	–	–
	Ministry of Health and Social Welfare	To provide social services for the need poor children and the elderly	Poverty eradication	Support orphan children	Support old people	–
International agency/NGO	AFRICARE-Tanzania	To help development and improve African life, in Zanzibar to support OVC	Support orphan children	Improve standard of living of people	–	–
	African Muslim Agency	Support orphans children	Support orphan children	–	–	–
	Pentecostal Evangelistic Fellowship of Africa	Improve education in Zanzibar	Improve education/ training	–	–	–

Annex 3. Institutions and programmes

Type of Institution/Agency	Name of institution/Agency	Main location	Programme name 1	Programme name 2	Programme name 3	Programme name 4	Programme name 5
National NGO/CBO	AidNet Zanzibar	Unguja	Social transformation empowerment programme	Youth focus programme	–	–	–
	Antimalaria Society	Unguja	Health education in society programme	–	–	–	–
	Bububu Development Organization	Unguja	Training programme	–	–	–	–
	Care International in Tanzania (Zanzibar office)	Unguja	Education programme	Environment programme	–	–	–
	Community Development and Environmental Conservation in Zanzibar/ CODECOZ	Unguja	Education programme	–	–	–	–
	Fufuni Development Organization	Unguja	Support education programme	Support social health services programme	–	–	–
	Gando Farmers Association	Pemba	Oil production programme	Fruit tree planting programme	Livestock programme	Beekkeeping programme	–
	Integral Assistance to Vulnerable Children/ IAVD	Unguja	Support most vulnerable children (MVC) and elder programme	Support most vulnerable children (MVC) for health treatment programme	–	–	–
	Jozan Credit and Debit Organization	Unguja	Education on poverty eradication programme	Promote to reduce HIV/AIDS infection programme	–	–	–
	Jumuiya ya Istiqama Tanzania	Unguja	Primary school programme	Hospital programme	–	–	–
	Jumuiya ya Kuendeleza Wakulima, Wafugaji na Wavuvi	Unguja	HIV/AIDS programme	–	–	–	–
	Jumuiya ya Kupunguza Umasikini na Kuboresha Hali za Wananchi	Pemba	Education for women on HIV/AIDS infection programme	Child Labour programme	Malaria prevention programme	–	–
	Jumuiya ya Maimamu Zanzibar/ JUMAZA	Unguja	Training programme	–	–	–	–
	Jumuiya ya Uamsho na Mihadhara ya Kiislamu/ The Committee for Islamic Propagation	Unguja	Orphan children programme	–	–	–	–
	Jumuiya ya Wastaafu Zanzibar	Unguja	Training to retired people programme	–	–	–	–

Type of Institution/Agency	Name of institution/Agency	Main location	Programme name 1	Programme name 2	Programme name 3	Programme name 4	Programme name 5
National NGO/CBO	Kamati ya maendeleo shehia ya kilimani	Unguja	Water programme	Nursary school programme	HIV/AIDS programme	–	–
	Kanisa la Pentekoste Zanzibar	Unguja	Orphan children programme	Youth focus programme	HIV/AIDS programme	–	–
	Mikunguni youth development organisation	Unguja	HIV/AIDS programme	Drugs users education	–	–	–
	Organization for Development of Young Journalists	Unguja	Training for community through media programme	–	–	–	–
	Pemba Campaign For Sustainable Use of Environment	Pemba	Health programme	Environment programme	–	–	–
	Pemba Children Club	Pemba	Most Vulnerable Children programme (MVC)	–	–	–	–
	Pemba Youth Development Organization	Pemba	We care programme	–	–	–	–
	Pemba Youth Voice Organization	Pemba	Health programme	Education programme	–	–	–
	Save the Community for Education	Pemba	Education on environment conservation programme	Child Labour programme	–	–	–
	Tanzania Mozambique Friendship Association	Unguja	Training programme	–	–	–	–
	The Education and Literacy Improvement Club	Unguja	Voluntary Teaching programme	Capacity building programme	Provision of education facilities programme	–	–
	The Pemba Island Relief Organization	Pemba	Withdrawal, prevention and Rehabilitation of children from fishing in and sea weed farming programme	System strengthening and consolidation of network of care and support for most vulnerable children programme	Public Management of Gender based Violence cases programme	Reduction of risk and vulnerability among rural youth group in Pemba	Increase demand and access to HIV services among drug users
	Tuishi 2004 Jambiani	Unguja	Construction of latrines programme	Fight against malaria programme	Loans for women to fight against poverty programme	Diarheah disease training programme	–
	Umoja wa maaaskari wastaafu	Unguja	HIV/AIDS programme	–	–	–	–
	Umoja wa Wawakilishi wa Kupambana na Ukimwi Zanzibar	Unguja	Prevention education programme	–	–	–	–
	Walio Katika Mapambano na AIDS Tanzania (WAMATA)	Pemba	We care programme	Voluntaring Counseling and Testing programme	Tanesa programme	–	–

Type of Institution/Agency	Name of institution/Agency	Main location	Programme name 1	Programme name 2	Programme name 3	Programme name 4	Programme name 5
National NGO/CBO	Youth for Development Association	Unguja	Promote training to youth on avoid HIV/AIDS infection	–	–	–	–
	Zanzibar Action Project	Unguja	Support women tailors programme	Support education for children and youth in Jambiani shehia programme	Support medication in Jambiani health centres	Water programme	Support disabled in Jambiani programme
	Zanzibar Association for Children Advancement	Unguja	Promotion of HIV/AIDS prevention and stigma reduction among youth programme	–	–	–	–
	Zanzibar Association for People with Disabled Development	Unguja	Inclusive education programme	–	–	–	–
	Zanzibar Association of Information Against Drugs Abuse and Alcohol/ ZAIADA	Unguja	Fight against drugs abuse and alcohol use programme	–	–	–	–
	Zanzibar Islamic Centre	Unguja	Education programme	–	–	–	–
		Unguja	Support children and disabled programme	–	–	–	–
	Zanzibar Orphan Trusteeship	Unguja	Education programme for orphan children	–	–	–	–
	Zanzibar Women Cooperation/Unguja	Unguja	Support on Most Vulnerable Children programme (MVC)	Establishment on women small groups programme	–	–	–
	Zanzibar youth forum	Unguja	HIV/AIDS programme	Sustainable programme for HIV/AIDS affected	Capacity building in youth development programme	–	–
Local NGO/CBO	Muzdalifah Islamic Charitable Organization	Unguja	Training for quran to children programme	–	–	–	–
	Jumuiya ya Maendeleo ya Kidimni	Unguja	Education programme	–	–	–	–
	Jumuiya ya Elimu na Mazingira/JUEMA	Unguja	Promote all drop out pupils to go back to school	–	–	–	–
	Buruda Development Foundation	Unguja	Education programme	Environmenta programme	Energy programme	–	–
	Jumuiya ya Maendeleo ya Dunga Bweni	Unguja	Nursary school education programme	Water programme	None	–	–
	Jumuiya ya Wananchi wa Kandwi	Unguja	Improve education in central primary school programme	Mivinje farm programme	Construction of morden market programme	–	–
	Mfuko wa Maendeleo ya Elimu Donge/MMED	Unguja	Improve primary and secondary education programme	–	–	–	–

Type of Institution/Agency	Name of institution/Agency	Main location	Programme name 1	Programme name 2	Programme name 3	Programme name 4	Programme name 5
Local NGO/CBO	Jumuiya ya Kilimo cha Mpunga Bonde la Mashamba/JKMS	Unguja	Rice production programme	–	–	–	–
	Jumuiya ya Kuendeleza Elimu Jimbo la Makunduchi/JUKEJIMA	Unguja	Improve education in Makunduchi constituent	–	–	–	–
	Jambo Zanzibar	Unguja	Social project in education, european food production and health care programme	–	–	–	–
	Jumuiya ya Maendeleo ya Watu wa Chaani Kubwa	Unguja	Training to youth on poverty eradication programme	Health services programme	–	–	–
	Zanzibar Youth Promotion Centre	Unguja	Training programme	–	–	–	–
	Kamati ya Maendeleo Mtende	Unguja	Improve fishing education to youth programme	–	–	–	–
	Jumuiya ya Maendeleo ya Watu wa Malindi	Unguja	Education programme	–	–	–	–
	Mweni Women Group	Unguja	Education programme	–	–	–	–
	Zanzibar AIDS Association and Support of Orphan	Unguja	Peer education	Support programme	Income generating programme	Home based programme	Debate competition in school programme
	Mkwajuni Development Society	Unguja	HIV/AIDS education programme	–	–	–	–
	The Poutry Farmers Development Organization	Pemba	Farmers education programme	Health programme	–	–	–
	Organization of Workers' Development	Pemba	Workers education programme	–	–	–	–
	Pemba Youth Advancement	Pemba	Health education programme	–	–	–	–
	Pemba Association for Civil Society Organization	Pemba	Education programme	–	–	–	–
	Ole Development Community	Pemba	Ole improvement education programme	Health education programme	–	–	–
	The Pemba Association for Civil Society Organization	Pemba	Education programme for orphan	–	–	–	–
	Kojani Youth Mobilization Care Center	Pemba	Education programme	–	–	–	–
	Pemba Investment and Youth Development Organization	Pemba	Reduction of HIV/AIDS infection programme	–	–	–	–

Type of Institution/Agency	Name of institution/Agency	Main location	Programme name 1	Programme name 2	Programme name 3	Programme name 4	Programme name 5
Local NGO/CBO	Jumuiya ya Maendeleo ya Kijiji cha Tumbi	Pemba	Health programme	Education programme	–	–	–
	Konde Development Organization	Pemba	Education programme	Health programme	–	–	–
	District Organization for AIDS Control and Orphans Rights	Pemba	Health programme	–	–	–	–
	Jumuiya ya Walelavu ya Watu wa Konde	Pemba	Education programme	–	–	–	–
	Islamic Social Services Organization	Pemba	Education programme	Orphan children programme	–	–	–
	Youth Development Society	Pemba	Health programme	–	–	–	–
	Jumuiya ya Maendeleo ya Kijiji cha Chimba	Pemba	Health programme	–	–	–	–
	Makoongwe Development Organization	Pemba	Poverty eradication programme	–	–	–	–
	Mkumbuu Organization for Poverty Eradication and Environment Conservation	Pemba	Poverty eradication programme	Prevention of HIV/AIDS for youth programme	–	–	–
	Ziwani Development Organization	Pemba	Poverty eradication programme	–	–	–	–
	Northern Organization for AIDS Control	Pemba	Education programme on HIV/AIDS and Malaria	–	–	–	–
	Jumuiya ya Maendeleo ya Chwale, Usanga, Matele and Tandoni	Pemba	Education programme	Poverty eradication programme	–	–	–
	Mkoani Development Organization	Pemba	Poverty eradication programme	–	–	–	–
	Koani Poverty Eradication Society	Pemba	Education programme	Health programme	Poverty eradication programme	–	–
	Zanzibar Youth Vision Center	Pemba	Youth education programme	–	–	–	–
	Jumuiya ya Kudhibiti Maambukizi ya Ukimwi	Pemba	Health programme	–	–	–	–
	Jumuiya ya Sanaa Elimu ya Ukimwi na Mazingira	Pemba	Fight against HIV/AIDS infection programme	Trees planting of mikoko programme	–	–	–
	Mtambwe Development Organization	Pemba	Water project in four villages programme	Education programme	–	–	–

Type of Institution/Agency	Name of institution/Agency	Main location	Programme name 1	Programme name 2	Programme name 3	Programme name 4	Programme name 5
Local NGO/CBO	Micheweni Social Care Organization	Pemba	Health education programme	–	–	–	–
	Chanjani Development Organization	Pemba	Construction of Primary School programme	Construction of water tank programme	–	–	–
Government	Ministry of Health and Social Welfare	Unguja	Elderly support programmeme	Orphanage MVC house- SOS	Orphanage MVC house- Forodhani	–	–
International agency / NGO	Pentecostal Evangelistic Fellowship of Africa	Unguja	Improve education programme in Zanzibar	–	–	–	–
	African Muslim Agency	Pemba	Orphan children programme	–	–	–	–
	AFRICARE-Tanzania	Unguja	NSSF programme	–	–	–	–

Annex 3. Questionnaire

Mapping of social security provisions by NGOs, government agencies and other civil society organizations in Zanzibar

Questionnaire

▪ *Introduction text support for interviewers*

“My name is

The Social Security Department of the International Labour Office with national shareholders are presently conducting a mapping of social protection provision in Zanzibar. This mapping exercise is in fact

- an inventory of government agencies, institutions, organizations and groups providing non contributory social protection | security benefits in Zanzibar; and
- an inventory of programmes provided by these institutions and agencies and their characteristics

This study is part of a wider exercise of diagnosis of national needs and opportunities regarding social protection in Zanzibar (SPER) as a baseline for:

- The development of adequate planning tools
- Initiating a national dialogue process and developing a Social Security Action Plan for the extension of social security coverage
- Supporting the future national implementation

To do this inventory we try to contact all the institutions or agencies that are providing social protection benefits in Zanzibar and this is the reason why you have been contacted and received a letter from the PS of the Ministry of labour.

I would like to ask you some questions.

The results of this mapping exercise will be use for research purposes and responses will not be presented in an aggregated form only (by main type of institution mainly).

Questionnaire Institution – Part A Information about the institution

General information on Institution/Agency			Institutional Role & Specific Focus	
Q1 - Name			Q5 - Role: Main objective, main target(s), description	
Address	Label	Code		
Q2a - Region*		_ _ _		
Q2b - District*		_ _		
Q2c - Wardi				
Q2d - Shelia		_ _ _ _		
Q2e - Telephone				
Q2e - Fax				
Q2f - Website				
Contact(s)				
Q3a - Name				
Q3b - Position*		_ _		
Q3c Telephone				
Q3d - Email				

Q4a. Please, is there an unique institution/ agency office or one institution/ agency and several offices?		
One single office (in Zanzibar)	1	
Headquarters in Zanzibar and branches within 1 or several region/ district	2	
Headquarters in Tanzania Mainland/ branches within one or several region/ district of Zanzibar	3	
Headquarters outside Tanzania and branches within one or several region/ district of Zanzibar	4	
Other	5	
Other, please specify		

Q4b. If several branches or sub-offices, please indicate sub-office locations (Multiple answers)		
Region(s)	Yes	No
District(s)	1	2
Ward(s)	1	2
Shelia(s)	1	2

Q4c. If several offices, how many sub-locations?		
	How many	_ _ _

Q5a. Is there a legal basis for the institution?		
Yes, a law/ decree	1	
No legal basis	2	
Do not know	777	

Q6. Is this institution/ organisation registered?		
(single answer)		
Yes, registered	1	
In process of registration	2	
No	3	

Q7. Type of institution/ Agency (single answer)		
Local Non Governmental Organisation (NGO)	1	
National NGO	2	
International NGO	3	
Local Community Based Organisation (CBO)	4	
National CBO	5	
Local Government Agency	6	
Regional Government Agency	7	
Central Government	8	
International agency	9	
Other	10	
Other, please specify		

Q8. Is it a faith based organization? (single answer)		
Yes	1	
No	2	

Q9a. Source of Funding, and amount (Multiple choices)		
	Yes	No
Donor	1	2
National	1	2
Private contribution	1	2
Claimants contribution	1	2
Central Government	1	2
Regional Government	1	2
Local Government	1	2
Other, please specify		

Q9b. Please indicate the total amount of funding (preferably in national currency. Should be equal to the sum of the amounts by source indicated in Q9a)		
Total amount of funding		
Please, indicate the currency, the unit and time unit for amount of funding in Q9a		
Currency*		
Unit*		
Time unit * (if not annual)		

Q9c. What is the main source of Funding (Single answer)		
Donor	1	
National	2	
Private contribution	3	
Claimants contribution	4	
Central Government	5	
Regional Government	6	
Local Government	7	
Other, specify		

Target or focus group / domain(s)		
Q10a. Target groups by main age groups (multiple choices)	Multiple choices	Yes
Children	1	2
Children 0-5	1	2
Children 6-15	1	2
Children 16-18	1	2
Children cared for by elderly (over 60)	1	2
Most Vulnerable Children (MVC)	1	2
Aged 19 to 59	1	2
Elderly: aged 60 and over	1	2

Q10b. Target groups by main age groups, select the main one		
Children	Single answer	1
Children 0-5	2	
Children 6-15	3	
Children 16-18	4	
Children cared for by elderly (over 60)	5	
Most Vulnerable Children (MVC)	6	
Aged 19 to 59	7	
Elderly: aged 60 and over	8	

Quest Number

||_|_|

At the institution level – considering all programmes

Reporting period		
For any question and in particular for quantitative questions on expenditure, number of cases or number of beneficiaries, the reporting period is the last budget year , or if not available and different for the budget the previous calendar year, please specify		
Last budget year	<input type="checkbox"/>	Previous calendar year <input type="checkbox"/> Other, specify:

Target of focus group / domain(s) cont.	Annual budget and annual expenditure Considering <u>all</u> programmes
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Q11a. Please indicate the target groups of the institution/ agency (multiple choices)	Multiple choices	
	Yes	No
Disabled	1	2
Unemployed	1	2
Poor women	1	2
Women headed household	1	2
Poor people	1	2
People living with HIV/AIDS	1	2
Other; specify	1	2

Q11b. Among the target groups indicated in Q11a, please indicate the <u>main</u> one (Single answer)	Single answer
Disabled	1
Unemployed	2
Poor women	3
Women headed household	4
Poor people	5
People living with HIV/AIDS	6
Other, specify	

Q12a. What are the domains of intervention of the institution/ agency? (Multiple choices)	Multiple choices	
	Yes	No
Education	1	2
Health	1	2
General poverty	1	2
Food security	1	2
Other, specify		

Q12b. Among the domain(s) of intervention mentioned in Q12a, please indicate the <u>main</u> one (Single answer)	Single answer
Education	1
Health	2
General poverty	3
Food security	4
Other, specify	

Q13. Total annual budget in national currency Corresponds to last budget year. Preferably indicate annual budget in thousands of Tshs.		
Total annual budget		
Currency*		
Unit*		
Time unit * (if not annual)		

Q14. Please, indicate the Total Annual expenditure spent on all programmes provided by the organisation Preferably during the last budget year. Indicate annual expenditure in thousands of Tshs.		
Total annual expenditure		
Currency*		
Unit*		
Time unit * (if not annual)		

Available human resources

Q15a. Please indicate if the institution works with any regular employee or voluntary worker and indicate the number Reference period to be indicated	Yes	How many
Paid employees working for the organisation	<input type="checkbox"/>	
Volunteers working for the organisation	<input type="checkbox"/>	

Q15b. Please indicate if some of them are working on a regular basis, and, if yes, how many	Yes	How many
Paid employees on <u>a regular basis</u>	<input type="checkbox"/>	
Volunteers working for the organisation <u>on a regular basis</u>	<input type="checkbox"/>	

Q16. Please indicate the name and the type of social protection programmes that are implemented and managed by the institution/ agency

(list of programmes)

Quest. Pg. Nber*	Programme Name Names indicated here should be repeated on the corresponding questionnaire programme (part B of the questionnaire)	Benefit type (single answer)	
1		What is the nature of the benefit?	
		Cash benefit	1
		Benefit in kind	2
		Both	3
2		Cash benefit	1
		Benefit in kind	2
		Both	3
3		Cash benefit	1
		Benefit in kind	2
		Both	3
4		Cash benefit	1
		Benefit in kind	2
		Both	3
5		Cash benefit	1
		Benefit in kind	2
		Both	3
6		Cash benefit	1
		Benefit in kind	2
		Both	3
7		Cash benefit	1
		Benefit in kind	2
		Both	3

* Number to be indicated on the top of the programme questionnaire next to institution number

Q17. Percentage of total expenditure going to Social security programmes / non social security programmes (sum = 100 %)

For social security programmes (<i>the one selected in the list in Q16</i>)	<input type="text"/>	%
For other programmes	<input type="text"/>	%

Additional information: annual reports, surveys, etc

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Comments

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Domains of intervention			Main domain of intervention	
P8a. Domain(s) of intervention (Multiple choices)	Yes	No	P8b. Please indicate the <u>main</u> domain of intervention (Single answer)	
Education	1	2	Education	1
Health	1	2	Health	2
General poverty	1	2	General poverty	3
Food security	1	2	Food security	4
Other	1	2	Other	5
Specify _____			Specify _____	

Benefits				Level and frequency of receipt of benefit		
P 9. Nature of the benefit (Single answer)				Single		
Cash transfer				1		
Benefit in kind				2		
Both				3		
P10a. If benefit in <u>kind</u>, what kind of benefits is provided by the programme? (Multiple responses and amount)						
Benefits in kind	Yes	No	P10b. What is the average amount per beneficiary			
Food / food supplements	1	2				
School uniforms and materials	1	2				
Durable goods & equipment	1	2				
Clothing	1	2				
Training	1	2				
Prevention (awareness)	1	2				
Direct provision of health care services	1	2				
Health care: settlement or refund of bills*	1	2				
Settlement or refund (full or partial) of school fees*	1	2				
Settlement or refund of costs of funerals*	1	2				
Rent (house)*	1	2				
Other, specify:	1	2				
P10c. If benefit in kind, what <u>main</u> benefit is provided by the programme? (Single answer)						
Food / food supplements	1					
School uniforms and materials	2					
Durable goods & equipment	3					
Clothing	4					
Training	5					
Prevention (awareness)	6					
Direct provision of health care services	7					
Health care: settlement or refund of bills*	8					
Settlement or refund (full or partial) of school fees*	9					
Settlement or refund of costs of funerals*	10					
Rent (house)*	11					
Other, specify:						
If <u>cash transfer</u>, what is the level of transfer						
P11. Amount						
Currency						
Unit:						
Time unit:						
Level of benefit:	Individual	1				
should corresponds to the answer in P5	Household	2				
	Community	3				
P12. Main method(s) to set the amount? (Multiple answer)						
	Yes	No				
Determined by available resources	1	2				
Decided by the community through meeting at the village level	1	2				
Determined in relation to poverty line	1	2				
Depends on the composition of the household	1	2				
Depends on the size of the household	1	2				
Other method, please specify	1	2				
If benefit in <u>kind</u> or in <u>cash</u>, what is the frequency of payment or provision of the benefit?						
P13. Frequency of payment / provision of benefit (Single answer)						
One off payment / one off provision	1					
Weekly	2					
Monthly	3					
Every two months	4					
Quarterly	5					
Twice a year	6					
Yearly	7					
Depends on available resources	8					
Other, specify:	9					

Conditions and method of identification of beneficiaries					
P14a. Is the benefit conditional or means tested? (Single answer)					
Yes	1	→ Go to next question P14b			
No	2	→ Go to Question P15			
P14b. If conditional, what is or the conditions? (Multiple answers)					
	Yes	No		Yes	No
Targeted to a specific group (as in P6, P7)	1	2	Means tested	1	2
Geographical targeting	1	2	Behavioural (e.g. visit to health centre)	1	2
Other, specify:					
P15. What is or are the methods of identification of beneficiaries? (Multiple answers)					
	Yes	No			
Self-identification	1	2			
Home visit	1	2			
Baseline survey	1	2			
Selection by professional (health, teachers)	1	2			
Selection by local authorities	1	2			
Selection by community	1	2			
Other, specify					

Beneficiaries					Expenditure				
P16. How do beneficiaries know about the programme? <i>(Multiple answers)</i>					P20. Please, indicate the <u>Total Annual budget</u> (last budget year) for that specific programme. Preferably annual budget will be expressed in thousands of Tshs.				
	Yes	No		Yes	No	Total annual budget			
Public announcement	1	2	Newspaper	1	2	Currency*			
Home visit	1	2	Social workers	1	2	Unit*			
Advertising on the radio/ TV	1	2	Other, specify	1	2	Time unit * (if not annual)			
Other, specify: _____									
P17. Total number of <u>beneficiaries</u> and if not, total number of cases <i>Reference period (last budget year – same as in question Q13 and Q14, otherwise indicate)</i>					P21. Please, indicate the Total Annual expenditure spent on the programme. Preferably annual expenditure will be expressed in thousands of Tshs.				
	Cases		Beneficiaries		Benefit expenditure	Operating cost: Administration and salary	Total annual expenditure		
	Total		Total	Men	Women	Amount			
For all target groups						Label		Code	
<i>If several target groups and if available:</i>					Currency*				
Children (total, boys & girls)						Unit *			
Working age						Time unit* (if not annual)			
Elderly						Please use predefined codes - see at the end of the questionnaire			
Disabled									
Unemployed									
Poor women									
Women headed household									
Poor people									
People living with HIV/AIDS									
Other, specify									

If not available, please, give estimates P18. Estimate the total number of beneficiaries (unit)					Additional suggestions				
Estimate number of beneficiaries for all target groups	Total		Male	Female	P22a. Is there a monitoring information system for the programme? (Single answer)				
					Yes 1 No 2				
Indicate if numbers correspond to:	Individuals	1	Households	2	P22b. Is the system...				
Should corresponds to what is indicated in P5	Community	3			Operational 1 2 Regularly updated 1 2 Computerised 1 2				
P19. Please, could you estimate the number of beneficiaries from this particular programme who also benefit from any of the programmes listed in Q16.					P23a. Is there an evaluation information system or procedure for the programme?				
Estimate number of beneficiaries for all target groups	Total		Male	Female	Yes 1 No 2				
					P23b. Is this evaluation ...				
					Internal regular 1 2 Internal once 1 2 External 1 2				
Main problems and constraints of the programme									
P24a. What are the problems/ constraints you are facing at the programme level (Multiple choices)					P24b. Among the problems/ constraints mentioned in P24a, please indicate the <u>main one</u> (Single answer)				
	Yes	No							
Weak delivery capacity: lack of financial resources	1	2				Weak delivery capacity: lack of financial resources 1			
Weak delivery capacity: lack of human resources	1	2				Weak delivery capacity: lack of human resources 2			
Limited effective coverage	1	2				Limited effective coverage 3			
Problem in identifying beneficiaries	1	2				Problem in identifying beneficiaries 4			
Problems in selecting/ prioritizing beneficiaries	1	2				Problems in selecting/ prioritizing beneficiaries 5			
Weak management information system	1	2				Weak management information system 6			
Other: Specify	1	2				Other: Specify			

Codes

To be adapted according to coding used by the CGSO

Region		
Code	Label	Used in questions
1	Urban West	<ul style="list-style-type: none"> Q2a Q4b P2
2	North Unguja	
3	South Unguja	
4	North Pemba	
5	South Pemba	
10	Unguja	
11	Pemba	
12	Zanzibar	
13	Tanzania	

District		
Code	Label	Used in questions
11	Urban District	<ul style="list-style-type: none"> Q2b Q4b P2
12	West District	
21	North 'A' District	
22	North 'B' District	
31	South District	
32	Central District	
41	Wete District	
42	Micheweni District	
51	Chake Chake District	
52	Mkoani District	

Contact(s) function		
Code	Label	Used in questions
1	Executive director / director	<ul style="list-style-type: none"> Q3b
2	Chair	
3	Programme/ project officer	
4	Finance and administrative officer	
5	Executive secretary	
6	Research officer	
7	Any other?	

Currency		
Code	Label	Used in questions
1	Tanzanian shilling	<ul style="list-style-type: none"> Q9a
2	US dollars	<ul style="list-style-type: none"> Q13
3	Euros	<ul style="list-style-type: none"> Q14
4	Pounds	<ul style="list-style-type: none"> P10a
5	To be completed	<ul style="list-style-type: none"> P11 P20 P21

Time unit		
Code	Label	Used in questions
1	Daily	<ul style="list-style-type: none"> Q9a Q13 Q14 P10a P11 P20 P21
2	Weekly	
3	Monthly	
4	Every two months	
5	Quarterly	
6	Two times a year	
7	Yearly	
8	Depends on available resources	

Unit		
Code	Label	Used in questions
1	Unit	<ul style="list-style-type: none"> Q9a
2	Thousands	<ul style="list-style-type: none"> Q13
3	Millions	<ul style="list-style-type: none"> Q14
4	Billions	<ul style="list-style-type: none"> P10a
5	Percentage	<ul style="list-style-type: none"> P11 P20 P21

Annex B

Situational analysis on Zakat and other religious provision in Zanzibar

Introduction

It is important in countries with a very large informal economy to be able to quantify the significance or not of non-governmental non-contributory social protection provision. In Zanzibar, there is the specific issue of the role being played by Zakat, Waqf and Sadaqat when more than 95 per cent of the inhabitants are Muslim. Zakat or “alms for the poor” is the Islamic principle of giving a percentage of one’s income to charity. It is often compared to the system of tithing and alms. Waqf is the withholding of property in order to use the revenue it generates for philanthropic purposes and Sadaqat is a voluntary charitable act. A detailed description of these provisions is to be found at Appendix 1.

The government has recognized the role Zakat and these other religious provisions can play in the realization of its second generation national development plan: MKUZA which is a step on the path to the Zanzibar Vision 2020 which envisages that, by the year 2020, Zanzibar will have eradicated abject poverty and developed a strong, diversified economy.

Given a role has been identified for Zakat, Waqf and Sadaqat in the social and economic development of Zanzibar it was decided to commission a study in two parts. The first part looked at the legal and institutional framework and the main actors in Zanzibar. A previous study in 1998 had identified public concerns around the administration of Zakat and Waqf due to a perceived lack of transparency, and good governance. In 1998 the interviewees felt the existing Waqf Commission needed to be reformed: a clearer role, clearer objectives and broader diversity in its management board. The second part of the study looked specifically at Zakat and tried to reach some estimation of the existing contribution and possible future contribution to poverty alleviation.

The ILO commissioned Dr Mohammed H Khalfan and Salmin S Khatib to undertake the study. The consultants acknowledged the enthusiastic contributions made by the institutions and individuals who were contacted during the study. The major time constraint meant that the research could only concentrate on urban areas. But the results are useful in portraying the real situation. This annex sets out the methodology used, the results and recommendations from their studies, which were approved by the project National Tripartite Steering Committee. The ILO is very grateful to all of those individuals who participated in the study.

Part 1

Methodology

It was decided given the nature of the task that the most appropriate approach would be to combine a literature search with focus groups and open-ended questions to a selected group of individuals in order to arrive at a general assessment of the situation.

Area. The study was conducted in both Unguja and Pemba islands in October 2008. In Unguja, the commercial Urban-West Region was selected as it had the most Zakat institutions. In Pemba the survey was conducted in Chake.

Data collection instruments. The study used Focus Group Discussion (FGD) and in-depth qualitative interviews using open-ended questions. In a few cases the telephone was also used.

Sample population. A total of sixty individuals were interviewed. Six were from higher learning institutions, eighteen were religious leaders, nine were heads of businesses and international NGOs, twenty eight were beneficiaries, two were officers of the Wakf Commission and Trust and one was a Director from the Government Ministry responsible for women, youth and children. In terms of a gender breakdown twenty-nine were women and thirty-one were men.

Limitations coverage. Due to time and cost limitations the study could not cover all five regions of Zanzibar. While the sample selection was done based on existing knowledge of the potential interviewees, information from other areas would have added value to the findings. Time: Twenty days were available for the study. Ten days were spent in Unguja and five in Pemba. The remaining five days were devoted to report writing and revisiting some institutions or individuals for more information. In some cases telephone calls were the easiest form of communication.

Data. More than eighty five per cent of the individuals and institutions visited had some information on Zakat disbursements. While some considered such information as confidential, others were ready to provide the information but needed at least two weeks to compile it from different record-books.

The Legal Basis

In January 2007, the House of Representatives passed a comprehensive bill setting out the legal and administrative basis for Waqf and Zakat in Zanzibar. This Bill had had a long period of gestation: some twenty years. It is not intended to set out here every requirement but to highlight the main ones. The Bill re-established the Commission of Waqf and Trust Property. It gave powers to the Commission to administer Waqf property, trust property and the estate of deceased Muslims; to coordinate and regulate pilgrimages from Zanzibar for individuals, firms or associations which provide services to pilgrims; to regulate and provide Zakat and other charitable gifts and Sadaqat.

In particular it required the establishment of a Governing Board of the Commission and specified its membership - Chairperson and Executive Secretary appointed by the President, and four to six other members appointed by the respective Minister. It allowed for the introduction of regulations for renting and leasing of

Waqf property. It empowered the Commission to enter into agreement with any person or organization to manage any Waqf property for a period not exceeding ten years. It placed an obligation on the Commission to communicate with the general public. Institutional Framework of Zakat and Waqf Administration¹

Institutional Framework of Zakat and Waqf Administration²

There are a number of organizations currently administering Waqf and Zakat. They are:

The Wakf Al-Mazrui Charitable Society

Basically the society financially supports orphans. It also provides technical education mainly to children from poor families. It has done this for the last eight years. It receives funds from the United Arab Emirates (UAE) – Abu Dhabi with the Mazrui Clan members. It spends about 170 million TZS annually. No precise expenditure figures were available and no evaluation has been done locally.

The society uses its madrassa in urban and rural areas to identify orphans. Normally, these madrassas prepare a list of orphans who should receive financial support. This list is then authenticated and approved using the deceased fathers' death certificate. Orphans are then registered. Poor families and those having many orphans are given priority in the selection process. Quarterly, each orphan is given 85,000 (TZS) as charity. The orphans may go on their own or with their guardians to collect the money from the Society's office.

Muzdalifa Islamic Charitable Organization (MICO)

The organization deals with humanitarian relief, education, financially supports orphans, helps madrassa teachers and provides sponsorship to Muslims. It has been engaged in these activities for some six years. The organization is funded by the Turkish Humanitarian Relief Foundation (IHH). It spends about 1,330,000 TZS, every year mainly during Ramadan. 400,000 TZS was spent on widows and the rest on orphans.

It supports sixty five orphans and forty widows financially. However, these people are given charity rather than Zakat. In most cases orphans go to the organization's office to collect funds for themselves while widows are paid at their residences. This study however, did not find a clear evaluation system of beneficiaries.

Fiysabilillah Tabligh Markaz Zanzibar (FTMZ)

The organization is concerned with Islamic propagation (Da'wa), education, and support for orphans and poor families. It has been providing financial support (charity) for about fourteen years. The organization's role is to identify those who are eligible and the distribution of money is done by charity providers. There are about sixteen people who are financially supported every year mainly during Ramadan. It is estimated that between 250,000 TZS and 300,000 TZS are given every year to support orphans and poor families.

¹ Paper by Ziddy (2007), *Experience and Challenges of The Administration of Waqf Institution in Zanzibar*, presented at the International Conference on Developing Waqf Institutions for Sustainable Community Development and Poverty Eradication on August 17-19, 2007 Cape Town, South Africa.

² Paper by Ziddy (2007), *Experience and Challenges of The Administration of Waqf Institution in Zanzibar*, presented at the International Conference on Developing Waqf Institutions for Sustainable Community Development and Poverty Eradication on August 17-19, 2007 Cape Town, South Africa.

The Africa Muslims Agency- Zanzibar (AMA)

The Agency cares for orphans and builds mosques, madrassa, hospitals and schools. It also funds hand-pump wells for clean and safe water. It has been engaged in these activities for about sixteen years. These activities are funded by the AMA headquarters in Kuwait. The Zakat funds are collected from Kuwait, Saudi Arabia and the United Arab Emirates (UAE).

The Africa Muslims Agency-Zanzibar cares for both residential and non-residential orphans. Residents are cared for at orphanages in Unguja and Pemba. Non-residents are cared for at home. There are a total of three hundred and fifty registered orphans being cared for by the Agency. One hundred are cared for as residents and two hundred and fifty are cared for in their homes. Each orphan is given 30,000 TZS monthly. This means that the Agency spends about 126 million TZS. a year.

The AMA headquarters looks for a donor for each orphan on receipt of an application from its organization in Zanzibar. After completion of this process, files are opened for all registered orphans and are kept both in Zanzibar and at the Headquarters. Every two months funds are sent to Zanzibar, which are collected by parents/guardians. However, they are given direction on how the money is to be used. In particular, some of it is to be deposited at a bank for the child's future. In addition all orphans are provided with clothes and money mainly during Eid-Fitri. For those living at home there are supervisors who monitor the families that care for them.

Red Cross Society

The society has been engaged, for the past fifteen years, in supporting people in a number of ways: during disasters, blood donation programmes, preparing hand-pump wells for clean and safe water, building toilets and providing health education. The society is funded by International Committee for the Red Cross, German Red Cross and Central for Disease Control and Prevention (CDC). Other than this qualitative information, no data were available.

Recommendations

The recommendations are set out by each group and then general themes are drawn together.

The associations' recommended:

- ☐ A special body should be established for the collection and distribution of Zakat. It should be a non-governmental body with members who are honest, trustworthy and neutral in politics.
- ☐ The commission should be transparent.
- ☐ The population should be informed about the concept of Zakat, its importance and objectives.

Business Companies

Imara Consultants

Imara has for the past sixteen years been engaged in consultancy on accounting, auditing and taxation. It is a partnership owned by three partners who have equal shares. The partners have consulted Islamic Scholars on how to pay Zakat. Each

partner distributes his Zakat to at least two people, making a total of six people who receive Zakat. This means the partners pay Zakat according to Islamic Sharia. The partners did not see the importance of evaluating the impact of their actions or the need to follow-up beneficiaries.

Yaks

This company has been engaged, for the past sixteen years, in the importing and selling of merchandise. The company gives Zakat every year according to Islamic Sharia. The company members identify qualified people and pay them at their homes. The company did not disclose the amount and number of beneficiaries. In addition they said that there was no need to undertake an evaluation because the amounts were small and intended to help the needy to buy food for two to three days.

Karibu Store (Suma)

This company has for the past sixteen years been engaged in the importing and selling of goods. The company gives Zakat every year according to Islamic Sharia. The company members identify qualified people. Historically, they distributed Zakat to rural poor families at their homes. However, currently the families come to the office to collect the money. It is estimated that about 2,500 people receive Zakat every year. The company disburses about 25 million TZS annually.

This group recommended:

- ☐ Individuals should be allowed to distribute their Zakat.
- ☐ The leadership of The Wakf Commission and Trust should be reviewed in order for there to be public confidence in the Commission. It would then be possible for the Commission to collect and distribute Zakat.
- ☐ The population should be informed about Zakat, its importance and objectives. Continuous awareness campaign should be undertaken.
- ☐ Taxes should be reduced to allow people pay Zakat. Alternatively, receipts for Zakat payments should be used to exempt such payments from taxation.
- ☐ A special non-governmental body should be established for the collection and distribution of Zakat.

Individuals

Three Sheikhs were interviewed and seven Sheikhs and two university lecturers participated in focus groups discussions. They all said that they were not aware of associations in Zanzibar that distributed Zakat. None of them had received Zakat from an organization or an individual.

They recommended:

- ☐ The Waqf Commission and Trust should establish a committee for collection and distribution of Zakat. This committee should keep a list of those who should contribute and those who should be beneficiaries. Records should be up to date.
- ☐ The population should be informed about Zakat, its importance and objectives.

- ☐ A non-governmental body should be established for the collection and distribution of Zakat. Members should possess integrity.
- ☐ Individuals who are eligible to receive Zakat should be given adequate funds in order to reduce their level of poverty and make them self-sufficient.

Waqf³ Commission Officials

The officials said regular visits were made to properties to make sure the property was being used according to the directives of Waqf Giver. The unit keeps records of those beneficiaries who have come to the office to collect their benefits. There are difficulties in collecting income from the Waqf Properties as people fail to pay their rent on time and this causes delays in paying the beneficiaries on time.

The officials' recommended:

- ☐ The Waqf Giver should clearly mention in the Waqf Document a percentage to be used for administration costs.
- ☐ Those who live in the Waqf Houses should pay their rent on time.

Recommendations and Challenges

It is clear from the interviews and focus group discussions that there is a broad consensus from all of the different groups on the issues surrounding Zakat and Waqf. The issues are broadly similar to those identified in 1998. There are two key issues. The first is the need for greater transparency in the administration of the Waqf Commission including appointments to the Commission and record keeping. The second is the need to inform the general public about their rights and duties.

Greater transparency would help to overcome the lack of confidence many Zanzibarians would appear to have in the individuals responsible in the institutions and as a result they either distribute the property themselves, or they do not mention all of the properties owned by the deceased or they undervalue the property.

In addition the groups raised some specific recommendations. There was a call for a stake-holders forum, capacity building for Waqf staff so that they could take on the responsibility of informing the public, and the government to reduce taxes in line with their Zakat payments so that people would be more prepared to pay Zakat.

³ Ziddy, Issa "The Role Of *Waqf* In The Advancing Of Cultural And Educational Institutions In Zanzibar"

Part Two

The second part of the study focused solely on Zakat and attempted to answer the following questions:-

- ☐ how much Zakat is collected from internal and external sources
- ☐ who are the beneficiaries
- ☐ what are the average payments
- ☐ what are the payments made for

Moreover, the study attempted to provide possible links between Zakat and the Poverty Reduction Policies in Zanzibar.

Methodology

A survey was carried out in the Urban – West region of Unguja Island (due to time constraints). The majority of the regional economic activities and take place in this area. The region is the centre point to Zanzibar main economy. Data was only available for a three-year time frame. A mixture of focus groups and interviews were used to capture the data.

The survey sample included:

- ☐ Seven leaders of Faith Based Organizations (FBO's),
- ☐ Ten people who had paid Zakat,
- ☐ Twenty beneficiaries,

The analysis focused on:

- ☐ The associations engaged in Zakat collection and distribution,
- ☐ Individuals who paid Zakat and average annual payments.
- ☐ Categories of recipients, and
- ☐ Strategies for increasing Zakat payments.

Findings

Table 1 shows associations engaged in the collection and distribution of Zakat. It shows a total of 7 NGOs were identified as being involved in collecting and distributing Zakat. The leaders of the organizations explained they were only engaged in the distribution of Zakat.

Table 2 shows the amount of Zakat distributed by FBO's from 2006 – 2008. There was little variation between 2006 and 2008 and the highest amount was in 2008. It was not possible to discover the reason for this significant variation. In 2008 ISTIQAMA collected the highest amount of Zakat, 24,094,000 TZS, which was almost double that of the second organization – Anoor Charitable Agency for the Needy which collected 12,250,000 TZS.

A total of 51,540,000 TZS was collected and distributed over the three years of which 32,600,000 TZS, i.e., 63.2% of the total was collected internally in Zanzibar

while 18,940,000 TZS (36.7%) was from external sources the majority of whom were believed to be part of the Zanzibar Diaspora.

Table 3 shows individuals paid a total of 55,306,000 TZS over the three-year period giving an average each year of 18,000,000 TZS. There was a wide variation in the amounts each respondent contributed. When you add together the totals in Table 2 and 3 you arrive at a total of 106,846,000 TZS being collected and distributed over the three-year period. This gives an average each year of approximately 35.6 TZS million being distributed to some of the needy in Zanzibar.

Table 1. Associations engaged in Zakat collection and distribution

Association	Type	Year of establishment
Umoja wa Kiislam wa Elimu Uchumi na Maendeleo (UKUEM)	Faith based organisations	2006
Ansar – Sunna	Faith based organisations	2007
Jumuiya ya Mihadhara ya Kiislam (JUMIKI)	Faith based organisations	2003
Anour Islamic Centre	Faith based organisations	1996
Jumuiya ya Maimamu Zanzibar (JUMAZA)	Faith based organisations	2005
ISTIQAMA – Unguja Branch	Faith based organisations	1997
Anoor Charitable agency for the needy	Faith based organisations	2007

Source: Field Survey March 2009.

Table 2. Amount of Zakat distributed by FBOs from 2006–2008 (TZS)

Association	2006	2007	2008	Total	Source
UKUEM	6 550 000	1 144 000	452 000	8 146 000	Within Zanzibar
JUMAZA	300 000	500 000	250 000	1 050 000	Within Zanzibar
JUMIKI	2 000 000	2 000 000	2 000 000	6 000 000	Within Zanzibar
Ansar Sunna	–	5 000 000	4 000 000	9 000 000	Within Zanzibar
Anour Islamic Centre	2 000 000	2 000 000	2 000 000	6 000 000	Within Zanzibar
ISTQAMA	10 428 000	7 370 000	6 296 000	24 094 000	Within Zanzibar
Anoor Charitable agency for the needy	–	–	12 250 000	12 250 000	Outside Zanzibar
Total	19 278 000	11 014 000	21 248 000	51 540 000	

Source: Field Survey March 2009.

Table 3. Amount of Zakat paid by individuals

Zakat provider	Zakat paid (TZS)
Survey Respondent 1	700 000
Survey Respondent 2	700 000
Survey Respondent 3	700 000
Survey Respondent 4	2 000 000
Survey Respondent 5	1 500 000
Survey Respondent 6	1 000 000
Survey Respondent 7	1 000 000
Survey Respondent 8	2 706 000
Survey Respondent 9	20 000 000
Survey Respondent 10	25 000 000
Total	55 306 000

Source: Field Survey, March 2009.

Uses of Zakat

The Focus Group Discussion with FBO leaders indicated that Zakat was paid for:

- ☐ Supporting the poor and elderly for their basic needs such as food, clothes and health care
- ☐ Supporting orphans for their basic needs such as food, school uniforms and textbooks.
- ☐ Providing financial sponsorship to orphans and other young people from poor families to go onto higher education.
- ☐ Supporting Islamic pre-school teachers.
- ☐ Providing financial support to service providers in mosques.
- ☐ Providing capital mainly to widows so that they can engage in petty – trade.
- ☐ Supporting those who return to Islam and need help to cope with a new life style and to be economically independent.
- ☐ Supporting Madrassa teachers so that they meet their basic needs.
- ☐ Supporting elderly people to become engaged in economic activities.

List of Recipients

The interviews with Zakat givers and discussion with FBOs leaders showed that several groups of people benefited from Zakat payments – the elderly, the poor, orphans, students from poor families, teachers in Islamic pre-schools and madrassa, service providers in mosques, widows and converts.

Table 4 shows the FBO's figures for recipients of Zakat for the period 2006, 2007 and 2008: It shows the FBO's distributed Zakat to 2,865 people over the three-year period. It also shows 85.7% of the recipients were male and 14.2% were female. But it was distributed directly to widows and female students.

Table 4. Number of recipients in the year 2006–2008

Faith based organisations	Number of recipients	Number of male	Proportion of male	Number of female	Proportion of female
UKUEM	20	10	50%	10	50%
JUMAZA	9	–	–	9	100%
ISTIQAMA	2393	2229	93%	164	7%
JUMIKI	6	3	50%	3	50%
Ansar Sunna	85	54	64%	31	36%
Anoor Charitable agency for the needy	352	160	45%	192	55%
Total	2865	2456	86%	409	14%

Source: Field Survey, March 2009.

Suggestions for Increasing Zakat Payments

The respondents of three groups expressed concern over the level of Zakat received and distributed. They believed this was due to a general lack of knowledge and awareness in the population about Zakat, a lack of religious commitment, a lack of a uniform system, inadequate supervision and monitoring and generally poor governance. In addition the numbers of individuals liable to pay Zakat is small whereas this does not apply to the giving of Sadaqat, which is an equally important safety net for social welfare. Sadaqat is strongly encouraged to Muslims. In order to improve the current situation by increasing both Zakat and Sadaqat payments the respondents suggested:

- ☐ Establishment a National Zakat Committee made up of individuals who would have the confidence of the population.
- ☐ Raise awareness among the population of the obligation and importance of Zakat and Sadaqat payments.
- ☐ Conduct in depth research on how to improve compliance.

The role of Zakat, Waqf and Sadaqat in the Zanzibar poverty reduction process

Zanzibar is facing enormous challenges in sustaining economic growth, controlling inflation, and meeting its targets for poverty alleviation including access to health care, education, clean water and sanitation. This study has confirmed that there is both a civil and religious jurisdiction for using Zakat, Waqf and Sadaqat for social and economic development and that there are existing institutions engaged in these activities. It has shown that it is very difficult to capture all of the information needed to be able to reach firm conclusions about impact. However, it gives a useful impression of the type of needs being met, the number of contributors and beneficiaries, the amount of money available and level of payments. Unfortunately the amounts collected and the numbers of beneficiaries are very small when compared the total population in poverty and the numbers living on less than two dollars a day.

Therefore, if these types of provisions are to play their acknowledged complementary role to state, donor and other NGO support to the countries poverty reduction strategy (MKUZA) consideration needs to be given to some of the concerns expressed by the studies respondents. That is, improved awareness, increased levels of payments/collection and better institutional governance. That would mean additional help could be given to stimulate employment (loans), to improve skills including vocational training and thus reduce unemployment, to the provision of healthcare and education and financial support to the poorest.

In conclusion the Government has recognized of the role that Zakat in particular can play in achieving the MKUZA targets. It sees the Waqf Commission, which comes under the Ministry of Good Governance and Constitutional Affairs as the administrative institution. The missing link is a conducive framework and technical capacity to implement Zakat collection and achieve an equitable distribution. A major task in Zanzibar is to build confidence in the system. There is a need for a detailed study to try and capture the numbers of all contributors, beneficiaries, and consequent levels of available resources and payment levels.

Appendix 1. A description of and the application of Zakat, Waqf and Sadaqat

1.1 Zakat

In Shariah, Zakat is a term used to designate the amount of wealth taken from a specific property when it reaches a specific amount at a specific time and to be spent on specific categories of individuals in specific ways. It is an obligation on Muslims who fulfill the established criteria. (Quran 9:103).

In general, however, it is not expected that Zakat will become a permanent means of support for an individual or a family. Mashhour (1998) has argued the poor are entitled to receive Zakat until they reach a certain level of self-sufficiency.

Kinds of Wealth on which Zakat should be paid

Zakat is assessed not only on durable items such as money (notes and coins), stocks and shares including securities and bonds and precious metals but also on other categories of physical wealth including merchandise, crops and livestock. Special rules have been developed over the years for the assessment of these forms of wealth (nisab).

Beneficiaries of Zakat

Zakat may be paid for a limited period of time to individuals who are in physical, financial, spiritual and moral need. It applies to those who are poor and unfortunate, those who collect Zakat, those who are in need of moral or religious support, those who are in slavery, those who are engaged in a religious or a noble cause, those who are in debt, and those who are wayfarers/itinerants and need support.

People who are ineligible to receive Zakat

It is not intended that the rich, those who are related to the prophet, those who can work unless they cannot find work or the level of remuneration is too low for self-sufficiency or they are blood relatives of the recipient should receive Zakat.

1.2 Waqf

Waqf is the withholding of one's money or property either in the form of a house or a commercial shop in order to use the revenue generated from it to support those in need such as students, orphans, widows, etc. The person who owns the property may lay down conditions for the use of the revenue generated from it –medical care. The action of withholding the property creates a charitable institution.

Types of Waqf

There are three main kinds of Waqf. Khairy Waqf or charitable Waqf, which is for achieving different philanthropic goals. Ahli Waqf or family Waqf that is for the

benefit of the members of a family such as a wife, children, and other relatives. Mosh-tarak Waqf, or joint Waqf, which is a mixture of the other two.

1.3 Sadaqat

Generally, Sadaqat is a very wide term that covers all types of charity. Its scope is so vast that it can be the giving of a glass of water to a thirsty person, to the uttering of a kindly word. The main difference between Zakat and Sadaqat is that, the former is a compulsory action while the latter is a voluntary one

1.4 Differences between Waqf and Sadaqat

There are significant differences between Waqf and the Sadaqat. Sadaqat can be owned, sent, or granted while Waqf has to be kept in perpetuity without any intervention in its ownership. Sadaqat can take a variety of forms -food or clothes; whereas Waqf is confined to properties that have revenues and that can be sustained and withheld.

Appendix 2. Visited organizations and business companies

Title	Year of establishment
The Wakf Al-Mazrui Charitable	2000
Muzdalifa Islamic Charitable Organization (MICO)	2001
Fiysabilillah Tabligh Markaz Zanzibar (FTMZ)	1994
The Africa Muslims Agency- Zanzibar (AMA)	1992
Red Cross Society	1993
Imara Consultants	1992
Yaks	1992
Karibu Store (Suma)	1983
UKUEM Branch	Unknown
SoS Children's Village	1991

Annex C

Definition of indicators

Percentage of covered employees to the employed population

The ratio of the number of active members during a year divided by the total employed population in Tanzania mainland.

Ratio of total expenses to total earnings

The ratio of all expenses, including benefits, administrative and other costs, divided by the total earnings. This ratio represents the necessary contribution rate required to pay all expenses during a year. This ratio is commonly referred to the Pay-as-you-go rate (PAYG).

Reserve ratio

The ratio of the amount of assets at the end of the year to the last year total expenses. Good financing of a social security system required that a certain level of reserve ratio be maintained over time as a safeguard against adverse deviation. Maintaining a reserve ratio also permit diversification in the financing of social security system through investment income.

Investment return on assets

This is the average return earned by all assets hold during a year. The assets during a year include all assets held in the investment portfolio as well as non-productive assets (cash for example).

Real investment return on assets

The difference between Investment return on assets and the inflation rate. Taking into account the inflation rate permits to better appreciate the investment performance of a scheme.

Administrative expenses in % of contribution income

The proportion of administrative expenses to the contributions income. Administrative expenses do not include depreciation. This permits to compare how it costs to administer a scheme.

Annex D

Description of the pension projection model

This social budget projection makes use of the comprehensive methodology developed at the Financial, Actuarial and Statistical Services of the ILO for reviewing the long-term actuarial and financial status of national pension funds. The projection was undertaken by modifying the generic version of the ILO modeling tools in order to fit the situation of each fund. These modeling tools include a population model, an economic model, a labor force model, a wage model, a long-term benefits model and a short-term benefits model.

Modeling the demographic and economic developments

The use of the ILO actuarial projection model required the development of demographic and economic assumptions related to the general population, the economic growth, the labor market and the increase and distribution of wages. Other economic assumptions relate to the future rate of return on investments, the indexation of benefits and the adjustment of parameters like the maximum insurable earnings and the future level of flat-rate benefits.

The selection of projection assumptions took into account the recent experience of Zanzibar and the pension funds to the extent that this information was available. The assumptions were selected to reflect long-term trends rather than giving undue weight to recent experience. The detailed description of the demographic and economic assumptions is presented in the Chapter 1 and the Annex B.

Active population

The projection of the labor force, i.e. the number of persons available for work, is obtained by applying assumed labor force participation rates to the projected number of persons in the general population. An unemployment rate is assumed for the future and aggregate employment is calculated as the difference between labor force and

unemployment. The model assumes movement of participants between the groups of active and inactive insured persons.

In the model, the active population is projected starting with most current data on active participants, and applying appropriate mortality, disability and retirement rates. The assumption concerning mortality rates was derived using the 2006 World Population Prospects of UN.

Economic growth and inflation

Inflation rates are exogenous inputs to the economic model. Real rates of economic growth, labor productivity increases and derived using the ILO economic projection model.

Salaries

Based on an allocation of total GDP to capital income and to labor income, a starting average wage is normally calculated by dividing the wage share of GDP by the total number of employed persons. In the medium term, real wage development is checked against labor productivity growth. In specific labor market situations, wages might grow at a pace faster or slower than productivity. The real wage increase is assumed to gradually converge to real labor productivity. It is expected that wages will adjust to efficiency levels over time. Wage growth is also influenced by an assumed gradual annual increase of the total labor income share of GDP over the projection period which is concomitant with the assumed GDP growth.

Wage distribution assumptions are also needed to simulate the possible impact of the social protection system on the distribution of income, for example through minimum and maximum pension provisions. Assumptions on the differentiation of wages by age and sex are established, as well as assumptions on the dispersion of wages between income groups. Average earnings which are used in the computation of benefits are also projected.

Modeling the financial development of the social Insurance fund

The projection addresses all income and expenditure items of the long-term (pension) benefits. Projections for pensions are done for each sex separately.

Purpose of pension projections

The purpose of the pension model is twofold. First, it is used to assess the financial viability of the Long-term benefits branch. This refers to the measure of the long-term balance between income and expenditures of the fund. In case of imbalance, a revision of the contribution rate or the benefit structure is recommended. Second, the model may be used to examine the financial impact of different reform options, thus assisting policy makers in the design of benefit and financing provisions. More specifically, the pension model is used to develop long-term projections of expenditures and insurable earnings under the fund, for the purpose of:

- assessing the options for building up a contingency or a technical reserve;
- proposing schedules of contribution rates consistent with the funding objective;
- testing how the system reacts to changing economic and demographic conditions.

Pension data and assumptions

Pension projections require the demographic and macro-economic framework already described and, in addition, a set of assumptions specific to the social insurance fund.

The database as at the valuation date includes the insured population by active and inactive status, the distribution of insurable wages among contributors, the distribution of past credited service and pensions in payment. Data are disaggregated by age and sex.

Fund-specific assumptions such as disability incidence rates and the distribution of retirement by age are determined with reference to scheme fund provisions and the scheme's historical experience. The data and assumptions specific to each pension fund are presented in detail in Annex B.

Pension projection approach

Pension projections are made following a year-by-year cohort methodology. The existing population is aged and gradually replaced by successive cohorts of participants on an annual basis according to the demographic and coverage assumptions. The projection of insurable earnings and benefit expenditures are then performed according to the economic assumptions and the scheme's provisions.

Pensions are long-term benefits. Hence the financial obligations that a society accepts when adopting financing provisions and benefit provisions for them are also of a long-term nature: participation in a pension scheme extends over the whole adult life, either as contributor or beneficiary, i.e. up to 70 years for someone entering the scheme at the age of 16, retiring at the age of 65 and dying some 20 or so years later. During their working years, contributors gradually build entitlement to pensions that will be paid even after their death, to their survivors.

The objective of pension projections is not to forecast the exact progression of a scheme's income and expenditures, but to verify its financial viability. This entails evaluating the scheme with regard to the relative balance between future income and expenditures.

Annex E

Description of principal assumptions used for the ZSSF and results of the projection

Principal assumptions:

- ☐ Compared to other scheme, first year of projection is year 2005/2006 and approximations have been done for the year 2006/2007.
- ☐ Initial covered population: see Table ZSSF.1.
- ☐ Initial distribution of average monthly earnings: see Table ZSSF.2.
- ☐ Initial distribution of average length of service: see Table ZSSF.3.
- ☐ Insured population growth: the same as the growth of employed population of Zanzibar.
- ☐ Mortality rates: based on the actuarial valuation of ZSSF. Life expectancy is better than general population.
- ☐ Invalidity rates: based on assumptions done in an African country and adjusted to fit the past experience of the scheme.
- ☐ Retirement age: 60.
- ☐ Return on the fund invested in the long term: inflation + 3.5 per cent.
- ☐ Expenses: 1.7% of salary for each year of the projection.
- ☐ Initial population of pensioners: see Table ZSSF.4
- ☐ Results of the projection are shown in Table ZSSF.5.1, Table ZSSF.5.2 and Table ZSSF.5.3.

Table 1. ZSSF. Covered population as at 30 June 2006, by age and sex

Age	Males	Females	Total
20-24	20	8	28
25-29	965	880	1845
30-34	3 140	2822	5962
35-39	2858	2424	5282
40-44	3642	2452	6094
45-49	4079	2 121	6200
50-54	2999	1 171	4 170
55-59	2446	749	3 195
60-64	1412	111	1 523
Total	21 561	12 738	34 299

Source: ZSSF, ILO calculations.

Table 2. ZSSF. Distribution of monthly earnings by age and sex, 2006, in TZS

Age	Males	Females
15-19	60909	52964
20-24	67 000	58 261
25-29	68 263	59 659
30-34	70 369	61 990
35-39	72 475	64 320
40-44	74 581	66 650
45-49	76 686	68 981
50-54	78 792	71 311
55-59	80 898	73 642

Source: ZSSF, ILO calculations.

Table 3. ZSSF. Average past contribution years for active insured persons, as at 30 June 2006

Age	Males	Females
20-24	1.52	1.79
25-29	3.27	3.20
30-34	5.22	5.77
35-39	6.52	6.78
40-44	7.00	7.27
45-49	7.28	7.36
50-54	7.60	7.68
55-59	7.58	7.62

Source: ZSSF, ILO calculations.

Table 4. ZSSF. Pensioners as of 30th June 2006

Age group	Disability				Retirement			
	Males		Females		Males		Females	
	Number	Monthly pension	Number	Monthly pension	Number	Monthly pension	Number	Monthly pension
30-34	–	–	–	–	1	12 321	–	–
35-39	1	5 466	–	–	1	18 462	–	–
40-44	2	54 487	1	3 767	–	–	–	–
45-49	5	45 159	3	21 855	16	121 919	2	11 879
50-54	5	69 216	5	50 854	50	459 539	29	193 943
55-59	1	12 052	3	16 193	240	2 447 030	266	1 842 882
60-64	1	11 193	–	–	949	8 449 432	9	58 569
Total	15	197 573	12	92 669	1 257	11 508 703	306	2 107 273

Source: ZSSF.

Table 5. ZSSF. Projected number of insured persons and beneficiaries (pension and cash benefits)

Years		Numbers of active members and beneficiaries				Demographic ratio		
		Actives	Old age	Invalids	Deaths	Old.	Inv.	Dea.
1	2006/2007	40 971	2 691	33	114	6.57%	0.08%	0.28%
2	2007/2008	42 557	3 730	39	228	8.77%	0.09%	0.53%
3	2008/2009	44 194	4 698	46	224	10.63%	0.10%	0.51%
4	2009/2010	45 882	5 622	52	219	12.25%	0.11%	0.48%
5	2010/2011	47 617	6 495	58	214	13.64%	0.12%	0.45%
6	2011/2012	49 402	7 326	64	214	14.83%	0.13%	0.43%
7	2012/2013	51 238	8 147	71	216	15.90%	0.14%	0.42%
8	2013/2014	53 137	9 006	77	218	16.95%	0.14%	0.41%
9	2014/2015	55 137	9 895	83	220	17.95%	0.15%	0.40%
10	2015/2016	57 272	10 827	90	221	18.91%	0.16%	0.39%
11	2016/2017	59 550	11 831	96	222	19.87%	0.16%	0.37%
12	2017/2018	61 983	12 874	102	221	20.77%	0.17%	0.36%
13	2018/2019	64 567	13 892	109	220	21.52%	0.17%	0.34%
14	2019/2020	67 256	14 826	116	220	22.04%	0.17%	0.33%
15	2020/2021	69 982	15 712	123	222	22.45%	0.18%	0.32%
16	2021/2022	72 846	16 583	130	225	22.77%	0.18%	0.31%
17	2022/2023	75 932	17 413	138	228	22.93%	0.18%	0.30%
18	2023/2024	79 177	18 092	146	233	22.85%	0.18%	0.29%
19	2024/2025	82 570	18 656	154	241	22.59%	0.19%	0.29%

Source: ZSSF, ILO calculations.

Table 6. ZSSF. Financial results (000 000' TZS)

Years	Income			Expenses		Surplus (deficit)	Reserve (end year)	PAYG	Reserve ratio
	Contributions	Investment earnings	Other income	Benefits	Administrative expenses				
2006/2007	4 241	3 717	0	1 994	601	5 364	30 986	7.3%	11.9
2007/2008	5 155	3 115	0	2 667	730	4 873	35 859	7.9%	10.6
2008/2009	6 311	3 406	0	3 468	894	5 356	41 215	8.3%	9.4
2009/2010	7 343	5 085	0	4 400	1 040	6 988	48 203	8.9%	8.9
2010/2011	8 313	5 328	0	5 467	1 178	6 997	55 200	9.6%	8.3
2011/2012	9 234	4 895	0	6 739	1 308	6 081	61 281	10.5%	7.6
2012/2013	10 159	4 748	0	8 405	1 439	5 062	66 343	11.6%	6.7
2013/2014	11 177	5 091	0	10 570	1 583	4 115	70 458	13.0%	5.8
2014/2015	12 302	5 371	0	12 623	1 743	3 308	73 766	14.0%	5.1
2015/2016	13 556	5 564	0	15 463	1 920	1 737	75 503	15.4%	4.3
2016/2017	14 952	5 628	0	18 692	2 118	-230	75 273	16.7%	3.6
2017/2018	16 509	5 547	0	21 949	2 339	-2 232	73 042	17.7%	3.0
2018/2019	18 243	5 338	0	24 698	2 584	-3 701	69 340	17.9%	2.5
2019/2020	20 158	5 028	0	27 358	2 856	-5 028	64 312	18.0%	2.1
2020/2021	22 250	4 568	0	31 455	3 152	-7 789	56 523	18.7%	1.6
2021/2022	24 569	3 909	0	35 480	3 481	-10 483	46 040	19.0%	1.2
2022/2023	27 167	3 053	0	39 542	3 849	-13 171	32 870	19.2%	0.8
2023/2024	30 050	2 129	0	40 247	4 257	-12 325	20 545	17.8%	0.5
2024/2025	33 243	1 115	0	45 371	4 709	-15 722	4 822	18.1%	0.1

Source: ZSSF, ILO calculations.

Table 7. ZSSF. Breakdown of benefits paid (000 000' TZS)

Years	Pension		Cash benefits			Total
	Old age	Invalids	Old age	Invalids	Survivors/ Death	
2006/2007	340	5	1 503	8	139	1 994
2007/2008	573	6	1 732	10	347	2 667
2008/2009	879	8	2 143	12	425	3 468
2009/2010	1 217	11	2 637	15	520	4 400
2010/2011	1 597	13	3 204	19	634	5 467
2011/2012	2 030	16	3 900	24	770	6 739
2012/2013	2 550	19	4 891	28	918	8 405
2013/2014	3 212	22	6 234	33	1 069	10 570
2014/2015	3 995	27	7 354	37	1 210	12 623
2015/2016	4 961	31	9 080	42	1 349	15 463
2016/2017	6 133	37	10 995	46	1 481	18 692
2017/2018	7 496	42	12 752	50	1 608	21 949
2018/2019	8 988	49	13 870	55	1 735	24 698
2019/2020	10 587	56	14 774	63	1 877	27 358
2020/2021	12 413	65	16 865	72	2 041	31 455
2021/2022	14 437	74	18 674	81	2 214	35 480
2022/2023	16 644	85	20 319	92	2 402	39 542
2023/2024	18 707	97	18 728	104	2 611	40 247
2024/2025	21 028	111	21 207	116	2 909	45 371

Source: ZSSF, ILO calculations.