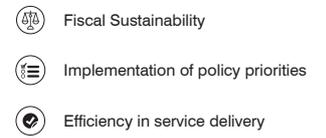


# TANZANIA



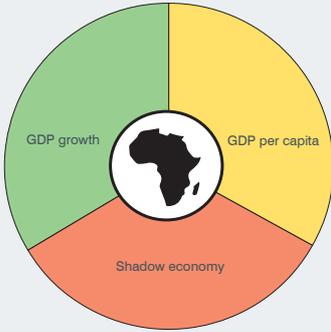
## Enabling environment

## Processes

## Outcomes

## Developmental impact

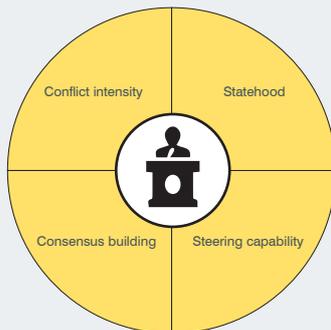
### Economic context



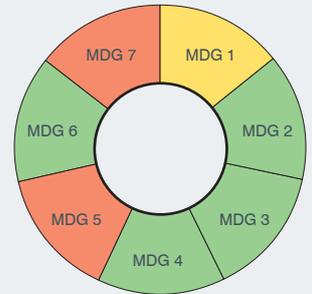
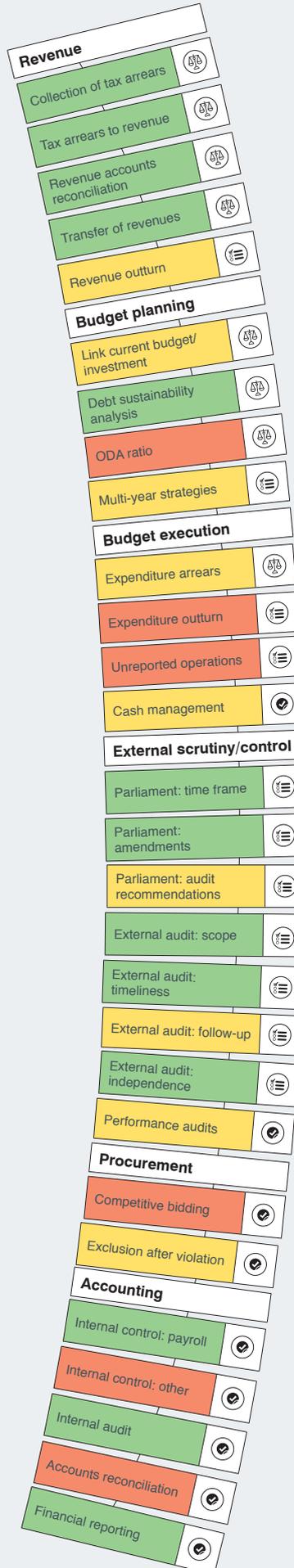
### Anti-corruption



### Political Economy



### Governance



HDI	0.49
Extreme Poverty	14.40%
School enrolment	80.90%
School completion	73.70%
Infant mortality	35.20
Maternal mortality	398.00
Gini Index	37.80
Environment: performance	4.08 (Rank 132/180)
Environment: policy	3.00



# 6 TANZANIA

## EXECUTIVE SUMMARY

Tanzania is a least developed country with a low ranking in terms of human development. Some progress has been made with social welfare and economic development over the last decade. The country has a stable political system on the mainland, which is strongly dominated by the ruling party. A constitutional review process meant to improve the independence of the legislature and judiciary has not yet been concluded. Areas of concern are high levels of corruption and shortcomings in government's transparency. There is also international pressure for a more inclusive design of government policies and a more effective system of checks and balances. At the same time, the international community has been highly appreciative of the current administration's commitment in tackling corruption and curbing unnecessary expenditure

The government ensured sensible and disciplined fiscal policies. Nevertheless, the country is still dependent on aid as domestic revenues remain low. Cash rationing has translated into growing expenditure arrears and lost budget credibility. The practice of entering payment commitments outside the integrated financial management system (IFMIS) indicates a lack of commitment control. Internal controls, the extent of operations outside of the official budget process, the public procurement system, and the number and level of budget reallocations during the execution phase pose further risks to the public financial management (PFM) system.

## PFM CORE PROCESSES AND OUTCOMES



### Fiscal sustainability

Process Indicators	Source	Score	Year
Cost of tax administration to revenue	ATO	Around 2.50%	2016
Arrears to net tax revenue	ATO	Close to zero	2016
Arrears recovery of total arrears	ATO	>40.00%	2016
Collection of tax arrears	PEFA	PI 15.10: A	2013
Revenue accounts reconciliation	PEFA	PI 15.30: A	2013
Transfer of revenues	PEFA	PI 15.20: B	2013

GOOD FINANCIAL GOVERNANCE HEAT MAP

Linkage between investment budget	PEFA	PI 12.40: C	2013
Expenditure arrears	PEFA	PI 4: C	2013
Debt sustainability analysis	PEFA	PI 12.20: B	2013
ODA/GNI	World Development Indicators	40.90%	2012
<b>Outcome indicators</b>			
Revenue-to-GDP ratio	CABRI	14.85% 15.46% 15.67% 15.58%	2014 2013 2012 2011
Operating ratio	CABRI	82.41% 79.77% 79.22% 81.36%	2014 2013 2012 2011
Primary balance	IMF	-2.60% (projection) -2.60% (estimate) -2.00% -3.80% -2.90%	2016 2015 2014 2013 2012
Debt to GDP ratio	IMF	+49.80% 40.90% (projection) 40.50% (estimate) 30.20% 30.00% 27.30%	2012-2016 change 2016 2015 2014 2013 2012
PV of external debt to GDP	IMF	19.10% (projection) 18.50% (projection) 14.20%	2016 2015 2014
PV of external debt to revenue	IMF	128.00% (projection) 138.90% (projection) 104.10%	2016 2015 2014
External debt service to revenue ratio (IMF threshold 20%)	IMF	9.50% (projection) 3.80% (projection) 3.10% 3.00%	2016 2015 2014 2013

*Fundamental fiscal indicators are healthy and revenue transfers and account reconciliation run smoothly*

The government has a good reputation of fiscal discipline. The International Monetary Fund (IMF) noted that all fundamental fiscal indicators show little distress. The public deficit is currently 4.2 per cent of GDP, but is expected to fall to 3.2 per cent over the medium term (Economist Intelligence Unit). The primary balance has remained negative over the last five years, pointing to the need to mobilise more domestic resources. At 15 per cent, the tax-to-GDP ratio is low by Sub-Saharan African (SSA) standards. Increasing the ratio and revenue collection is one of government's top priorities - matching the advice of international financial institutions: success stories, where monthly revenue collection by TRA was increased dramatically (in some cases doubling from the previous year) were widely reported by the press. Nevertheless, the government scored well for revenue mobilisation processes in the 2013 public expenditure and financial accountability (PEFA) assessment. According to the African Tax Administrators Forum's (ATAF) African Tax Outlook (ATO) and PEFA, revenue arrears are low and arrears recovery performs well. Payment delays of value-added tax (VAT) refunds is an issue for businesses, but data is not readily available to quantify the problem. Transfers of revenues from collecting entities to the exchequer run smoothly and accounts are reconciled monthly.

*MDAs have entered expenditure commitments outside of the IFMIS and the approved budget*

The level of expenditure arrears has increased, mostly due to construction projects under the Ministry of Works (PEFA 2013). Ministries, departments and agencies (MDAs) have entered expenditure commitments outside of the IFMIS and the approved budget that exceed expenditure ceilings and available cash. Data is available for the stock and age of arrears and this seems to be well monitored.



## Implementation of policy priorities

Process Indicators	Source	Score	Year
Expenditure outturn	PEFA	PI 1: B	2013
Expenditure composition outturn	PEFA	PI 2: D+	2013
Revenue outturn	PEFA	PI 3: C	2013
Multi-year perspective	PEFA	PI 12.10: C PI 12.30: C	2013 2013
Unreported government operations	PEFA	PI 7.10: D	2013
Parliamentary scrutiny: Time frame	PEFA	PI 27.30: A	2013
Budget amendments	PEFA	PI 27.40: B	2013
Audit recommendations	PEFA	PI 28.30: C	2013
External audit Scope	PEFA	B	2013
Timeliness	PEFA	B	2013
Follow-up	PEFA	C	2013
External audit: Independence	GI AFROSAI-E SA	All 7: 3.50 Q 9 + Q10: 3 + 3	2016 2015
<b>Outcome indicators</b>			
Public health expenditure/GDP	World Development Indicators	2.59%	2014
Public health expenditure/total expenditure	World Development Indicators	12.30%	2014
Government education expenditure/GDP	World Development Indicators	3.48%	2014
Government education expenditure/ total expenditure	World Development Indicators	17.30%	2014

The budget process lacks short and medium term credibility. While the government performs well in terms of total aggregated expenditure outcomes across all MDAs when compared with the original budget plan, the composition of variations in expenditure within MDA budgets is weak. Reasons for this include over-budgeting for capital expenditure and under-budgeting for recurrent expenditure. The budget execution system also contributes to poor performance. There is cash rationing due to uncertainties about availability, a lack of commitment controls, and no excess liquidity (PEFA 2013).

*There is a high variation between expenditure outcomes and budget plans within MDAs*

The medium-term expenditure framework (MTEF) projections are prepared for a five-year period. Forecasts are shown in aggregate and broken down by economic classification for expenditure. Any differences in budget projections for the same year are not explained. Government also prepares sector strategies for larger sectors, but the costing of these strategies is often unrealistic and sometimes not done at all. Revenue collection fell short of forecasts for two years and exceeded the forecast in one year of the 2009/10 – 2012/13 PEFA review period. It is not currently possible to specify the amount of extra-budgetary expenditures as internally generated funds and their spending are not properly documented. Estimations indicate that the quantum of extra-budgetary expenditure comes to more than 10 per cent of overall public expenditure.

*Budget forecasts tend to be inaccurate and differences in budget projections for the same year are not explained*

Legislative scrutiny is rated solidly in terms of ex-ante controls of the budget, and its involvement during execution. The ex-post control through the supreme audit institution (SAI) and parliament can be improved. The latest PEFA assessment noted that parliament had two and a half months to review and approve the budget proposal, which is more than in 2010. Sector committees were also given three weeks to analyse sector budget estimates. Additionally, rules for in-year budget amendments are generally respected. As the changes in the composition of expenditure show, several reallocations take place throughout the fiscal year.

*Parliament has two and a half months to scrutinise and debate the budget proposal*

With regards to the ex-post control, it normally takes more than twelve months for the Public Accounts Committee (PAC) to review the SAI's audit reports and give recommendations. Follow-up on recommendations is weak. External audits and

## GOOD FINANCIAL GOVERNANCE HEAT MAP

*Audit coverage is good but the PAC takes more than a year to review the SAI's audit reports and follow-up on recommendations is weak*

audits on special assignments fall under the mandate of the National Audit Office (NAO), which generally enjoys autonomy in auditing government accounts at the different levels of government. The SAI and its employees operate independently, but recruitment, remuneration, transfers, and contract termination are all outside the SAI's control. Audit coverage is close to 100 per cent of government accounts according to PEFA 2013, with audits of public sector corporations outsourced due to staff limitations. The NAO conducts performance and financial audits, with a focus on systemic issues. Submission of audit reports is normally in line with the legislation and submitted to the National Assembly nine months after the end of the financial year. This corresponds with the good self-assessment results collected by the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E). The low C+ rating given by PEFA is explained by the lack of government response to external audit reports, with significant issues remaining unsolved.

*Health expenditure is below government's commitment*

Public expenditure on key areas of service delivery seems adequate. Health expenditure, however, lies below the government's 2001 commitment of 15 per cent of the budget, as per the Abuja Declaration<sup>1</sup>.



### Efficiency in service delivery

Process Indicators	Source	Score	Year
Cash management	PEFA	PI 16: C	2011
Procurement: competitive bidding	GI PEFA	All 25: 25% PI 19.20: NA	2016 2013
Procurement: public access to contracts	GI PEFA	All 26: 25% PI: 19.30: NA	2016 2013
Procurement: exclusion from future bids	GI	All 28: 50%	2016
Internal control: payroll	PEFA	PI 18: B	2013
Internal control: non-payroll	PEFA	PI 20: D+	2013
Internal audit	PEFA	PI 21: B	2013
Accounts reconciliation	PEFA	PI 22: D+	2013
Financial reporting	PEFA	PI 25: B+	2013
<b>Outcome indicators</b>			
Hospital beds per 1000 inhabitants	World Development Indicators	0.70 1.10 1.00	2010 2006 1990
Access to sanitation	World Development Indicators	15.60% 11.00% 6.50%	2015 2005 1990
Access to prenatal healthcare	World Development Indicators	87.80% 78.20% 62.20%	2010 2005 1992
Pupil-teacher ratio (primary education)	World Development Indicators	43.40 55.90 34.90	2013 2005 1990
Primary schools with access to electricity	World Bank Education Data Set	14.00% 6.30%	2012 2010

<sup>1</sup> In 2001, the heads of state of the African Union agreed to set a target of 15% of the budget to be spent on the health sector



Average number of pupils per mathematics textbook in primary education	World Bank Education Data Set	2.70	2013
		2.00	2012
		2.10	2010
Average number of pupils per reading textbook in primary education	World Bank Education Data Set	2.57	2013
		1.96	2012
		2.04	2010

Government struggles with procurement, internal non-payroll controls, and account reconciliation. Financial reporting, internal auditing, and payroll controls are well-established processes. Cash flow forecasts of MDAs are improving but still do not take full account of procurement plans. The usefulness of forecasts is also restricted as the Ministry of Finance’s cash rationing regime is not in line with MDA cash flow forecasts and there are regular cash reallocations decided outside of the control of MDAs.

*Improvements to procurement, internal non-payroll controls, account reconciliation, and cash management are required*

Competitive bidding for major procurements is compulsory by law and tenders are normally published in public newspapers and on government entity websites. The scope of the proposed contract is generally specified and legal violations reported on a regular basis. In some cases, regulations are breached and single source procurements are legitimised as emergency procurements. Evaluation criteria remain opaque and there are allegations that certain companies are provided with insider knowledge to influence the outcome of tenders. It is difficult for the public to gain access to detailed procurement information and there is only rudimentary information about existing, closed, and awarded tenders. There is no information available about the value of the tender, nor is there anything published about the execution of a tender or audit results. The only exception are audits reports from the NAO, which by law must be made public. Firms that violate regulations are normally banned from public tenders for a certain period, but there have been cases where exclusion was not enforced because of poor information flows and monitoring between different layers of government.

*Procurement processes lack transparency and there are allegations of interference*

Apart from the lack of an effective commitments control system, the level of reported non-compliance remains high. Transactions are routinely made outside the control system and not documented adequately. Detected issues cover accounting practices and standards, cash management and banking, supporting documentation, procurement and payroll, and access to all records. Factors that hinder compliance include a lack of adequate record keeping and capacity and financial constraints. The combined reports of the NAO, the internal audit function, and the public procurement regulatory authority (PPRA) have revealed the extent of non-compliance with laws and regulations (PEFA 2013).

*Internal control issues cover several areas and there is widespread non-compliance with laws and regulations*

Even though there has been an improvement in primary school enrolments, the absorption quota of secondary and tertiary education institutions is weak. As the Bertelsmann Transformation Index (BTI) points out, gross enrolment in secondary school is only 35 per cent and 3.9 per cent in tertiary institutions. The demand for a well-educated workforce is likely to increase given the speed of economic development and transformation. Poor performance is also seen in government’s administration and inability to provide more people with access to sanitation, clean drinking water, and the benefits of economic growth.

*Service delivery outcomes are weak and economic growth is non-inclusive*

## ENABLING ENVIRONMENT



### Economic context

Indicator	Source	Score	Year
GDP per capita (USD PPP)	World Development Indicators	2,67	2015
		2,55	2014
		2,42	2013
		2,29	2012
		2,21	2011

Indicator	Source	Score	Year
GDP growth	World Development Indicators	6.90% 7.00% 7.00% 7.30% 5.10% 7.90%	2011-2015 average 2015 2014 2013 2012 2011
Shadow economy to GDP	Research Prof. Schneider	36.00%	2000-2015 average
Land locked	No		
Driving sectors	Agriculture: 30.50%; Industry: 25.90%; Services: 43.60% (2015)		

*Obstacles to growth include red tape, corruption, low productivity, and an unqualified workforce*

Tanzania's economy is characterised by solid growth rates and a steady increase in per capita GDP in recent years. The government managed to develop a favourable environment for economic growth by keeping inflation low and through sensible fiscal policy. The mining, transportation, communication, construction, and agriculture sectors have driven economic expansion. The agriculture sector contributes 30.5 per cent of value added, which is slightly bigger than manufacturing but smaller than the services sector. Manufacturing is still characterised by strong state involvement, which is a relic of a socialist past. The high dependency on agriculture for employment and the relatively low productivity of the sector is a challenge. Red tape, corruption, and an unqualified workforce represent additional obstacles to growth. The expected take-off of oil and gas production bears potential for economic growth and transformation of the economy.

### Political economy

Indicator	Source	Score	Year
Statehood	BTI	7.25	2016
Steering capability	BTI	5.67	2016
Consensus building	BTI	4.80	2016
Conflict intensity	BTI	5.00	2016

#### Statehood

*There are separate governments for the union, mainland, and islands*

The United Republic of Tanzania is a union of the former regions of Tanganyika (Tanzania mainland) and the Zanzibar archipelago, which holds a semi-autonomous status. Currently there are three governments, one for the union, one for the mainland and one for the islands. The situation between the mainland and islands differs vastly in some areas, however there is no serious challenge to government. The only struggles the state currently faces are violent crime and clashes about land rights.

*The opposition claim that the new Constitution does not sufficiently limit executive power or introduce adequate checks and balances*

Tanzania has a well-developed national identity. Government has always tried to socially integrate different ethnic groups. Nevertheless, civil society groups and the opposition complained about being excluded in the process of developing a new Constitution. After accusing the government of intimidation and abuse, opposition parties pulled out of the consultation process and rejected government's proposal. The key criticisms of the opposition were that the proposal did not sufficiently limit the power of the executive, introduce an adequate system of checks and balances, or make room for discussions about the establishment of a federal system and greater autonomy of the Zanzibar islands. So far the referendum on the new Constitution has not been conducted.

*The public administration's capacity to implement development goals is limited*

Tanzania's public administration is divided into three layers, with a national, regional, and district level. The administration can provide basic services, but lacks the human and financial resources necessary for more complex tasks related to development goals. The public administration also suffers from political interference.



### Steering capability

The government has had two Strategies for Growth and Poverty Reduction since 2005 and there is a new plan for 2016/17 - 2020/21. There is also a long-term development strategy until 2025, the Tanzania Development Vision 2025. The development strategies are coordinated with the donor community, which has a strong influence due to the high levels of ODA. The focus of the strategies is mainly on social and economic development through the removal of bureaucratic impediments, facilitating a better business environment, and eradicating corruption.

*Development strategies focus on social and economic development and are coordinated with the donor community*

The government made some progress with policy implementation despite existing capacity gaps. Progress was especially notable for economic, fiscal, and monetary policy goals. In contrast, the government failed to reduce poverty, create jobs, and fight corruption. Concerning the achievement of the MDGs, government has a mixed record. Little has been done to consolidate democratic structures and processes, mostly because it has not been a priority of the ruling government party.

*The government has failed to reduce poverty, create jobs, fight corruption, and consolidate democratic structures*

### Consensus building

The political elite, opposition, and civil society admitted there was a need to adapt the institutional framework of the country following the start of the constitutional review process. Otherwise there was no agreement on necessary changes. The opposition parties and civil society were keen to change the rules of the game and move towards a more open democracy with more opportunities for public participation.

*There is no agreement between stakeholders about adaptations to the country's institutional framework*

Divisions exist between the mainland and the islands, federalists and centralists, and to some extent between Muslims and Christians. The government could mostly integrate the relevant stakeholders except for some from Zanzibar, thereby reducing the risk of conflict. During the institutional review process, however, conflicts between the government party, the opposition, and civil society intensified. Deficiencies in conflict management led to a boycott of the review process by the opposition and civil society organisations. In general, civil society is not widely included in policymaking in Tanzania. The government welcomes their engagement as long as it is restricted to supplementing or substituting government services, but rejects their political engagement.

*There was conflict between stakeholders during the institutional review process and the government rejects political engagement by civil society organisations*



### Anti-corruption

Indicator	Source	Score	Year
Most/all government officials are corrupt	Afrobarometer	24.90%	2014/15
Independent body investigates against senior level politicians/ public servants	Global Integrity	12: 50%	2016
Public sector corruption is investigated effectively	Global Integrity	13: 50%	2016
Staff appointments support Independence	Global Integrity	14: 50%	2016
Corruption Perception Index	Transparency International	CPI: 30 (117/158)	2015

Corruption remains a major issue in Tanzania, with no effective follow through on announcements by the government to eradicate corruption. According to Afrobarometer, close to 25 per cent of Tanzanians believe that most, or all of their government officials are corrupt. Public servants have the reputation of being uncommitted, unaccountable, and corrupt. This is mostly seen as a result of poor salaries. Transparency International's Corruption Perception Index (CPI) ranks Tanzania 117 out of 158 assessed countries.

*Public servants are perceived as uncommitted, unaccountable, and corrupt*

The official corruption investigation body is the Prevention and Combating of Corruption Bureau (PCCB). In the past, the Bureau investigated low and high profile suspects and brought some cases to court. Investigations by the PCCB can either be taken up upon complaint, independently, or proactively. The fact that certain investigations have taken

*Investigations by the anti-corruption bureau can be taken up upon complaint, independently, or proactively but can also take several years to complete*

several years has led to frustration and added to the public's negative perception of the PCCB.



## Governance

Indicator	Source	Score	Year
Public access to information	PEFA	PI 10: B	2013
Right to request information	Global Integrity	All 41: No	2016
In practice request for information are effective	Global Integrity	All 42: 0.00%	2016
Access to legislative processes and documents	Global Integrity	All 43: 25.00%	2016
Government censoring of media	Global Integrity	All 55: 50.00%	2016
Rule of law	Bertelsmann	BTI: 5.50	2016
Political participation	Bertelsmann	BTI: 6.75	2016
Freedom of the press	Freedom House Reporters without borders (RSF)	FH: Partly free RSF: 28.65 (rank 71/180)	2016 2016
Gender equality	Gender Inequality Index (UNDP)	0.55	2016

*Limited information is provided by government except for enacted documents*

There is a severe lack of government transparency. Tanzania does not have a law allowing citizens to request information, although the Constitution grants a general right to citizens to seek information. An Access to Information Bill was drafted with the support of the Open Government Partnership, but it is yet to be presented in parliament. Information provided by government institutions is normally limited to within the structure and the tasks of the entities. Applications to request information that are integrated into government entity websites rarely function. Requests filed to government entities directly are often not attended to, and when a response is given it normally takes more than a month and the information provided is often limited. With regard to legislative information, the situation is slightly better as enacted documents are available online a week after enactment, and can also be accessed physically. Information about debates, committee records, votes, and attendance rolls are not available for citizens. Four out of six standard types of public finance information are available to the public.

*The president and the National Assembly are elected by popular vote but the space for political participation is limited*

Tanzania's political participation record is slightly better. Since the end of single-party rule, citizens are invited to elect the president and the National Assembly every five years by direct popular vote. There are several active parties, with three parties dominating the political scene. The government party has ruled since independence and has a strong influence on national and subnational election processes. For example, the Constitution allows the president to appoint the National Election Commission and although opposition parties have become stronger since the 1990s, the 2015 election result made it clear that the opposition was not a real electoral threat to the current government party. Beyond elections, the possibilities to participate are limited.

*Freedom of expression is limited and there are legal and practical barriers to press freedom*

The government has the right to deregister NGOs at any time, which might incentivise NGOs to act with undue caution. The Constitution provides for freedom of expression without mentioning the press explicitly. In practice, this right is sometimes restricted on the mainland and frequently limited in Zanzibar. With 13 newspapers on the mainland and one government-owned newspaper on the islands, there is a diverse media landscape. Freedom House considers the press to be partly free due to legal and practical barriers like intimidation, vandalism, and prohibition of publications. Reporters without Borders rank freedom of the press in Tanzania 71 out of 168 countries. This is a marked deterioration from its rank of 41 in 2010.

*The executive dominates the legislature and exerts pressure on the judiciary, which the constitutional review process aims to change*

The Constitution ensures separation of powers between the executive, legislature, and judiciary. The executive, however, clearly dominates the legislature. Many political processes are steered by committees of the ruling party, rather than by parliament. But parliament has been able to turn down certain government proposals. The chief justice is appointed by the president based on recommendations from the Judicial Service



Commission. The executive also exerts pressure on the judiciary, for example which cases to follow-up and what approaches to take. Moreover, the judiciary lacks sufficient resources to carry out its role properly. There are doubts among citizens whether the judiciary can guarantee fair trials and high levels of corruption exacerbate this problem. Changing the current situation is a key focus of the constitutional review process.

## DEVELOPMENTAL IMPACT

Indicator	Source	Score	Year
Human Development Index	BTI	0.49 (159/187) 0.48 (152/187) 0.47 (152/187) 0.53 (151/182)	2016 2014 2012 2010
Millenium Development Goals (MDGs)	MDG Status Report	MDG 1: not achieved, but progress. MDG 2: likely to be achieved. MDG 3: likely to be achieved. MDG 4: achieved. MDG 5: missed with little progress. MDG 6: achieved. MDG 7: missed with little progress.	
Extreme poverty (below 1.90 USD PPP 2011)	World Development Indicators	14.40% 19.00% 44.50% 29.00%	2011 2007 2000 1991
Primary school enrolment	World Development Indicators	80.90% 84.20% 88.70% 89.30%	2013 2012 2010 2005
Primary school completion	World Development Indicators	73.70% 78.60% 87.60% 54.60%	2013 2012 2010 2005
Infant mortality (per 1 000 inhabitants)	World Development Indicators	35.20	2015
Maternal mortality (per 100 000 inhabitants)	World Development Indicators	398.00 418.00 438.00 464.00 483.00 687.00	2015 2014 2013 2012 2011 2005
Income inequality: GINI index	World Development Indicators	37.80	2011
Life expectancy	BTI	61.50 60.10 57.00 55.00	2016 2014 2012 2010
UN education index	BTI	0.43 0.45 0.45 0.67	2016 2014 2012 2010
Environmental performance	Yale EPI	4.08 (132/180)	2015
Environmental policy	BTI	3.00	2016

*While many MDGs were achieved, poverty reduction and environmental sustainability remain a challenge*

Despite weaknesses in the PFM system the government managed to partly achieve its development goals. The Human Development Index (HDI) has steadily improved since the 1990s, but has stalled at a low level in recent years with the country's ranking deteriorating. Nevertheless, the government achieved most of the Millennium Development Goals (MDGs). The government managed to increase primary school enrolment, introduce free primary school education, and improve the access of girls to education. Scores in the United Nation's education index have, however, fallen since 2010. The government managed to reduce child mortality and achieved their health MDG target before 2015. Likewise, government was able to reverse trends in HIV/AIDS infection rates and incidences of tuberculosis. Yet maternal health and access to clean water and sanitation objectives were missed. Further challenges exist around poverty reduction and environmental sustainability. In 2011, 14.4 per cent of the population lived on less than 1.90 USD a day. Furthermore, the gap between the rich and the poor is widening. The Gini Index shows that inequality is still moderate by international and African standards.