

Digitalizing Social Protection Programs in Tanzania: A Pathway for Better Targeting and Accessibility

Vincent Leyaro, School of Economics – UDSM

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Objectives of Presentation

1

Why social protection and digitalization of social protection programs matters?

2

Global efforts towards digitalization of social protection: practices and framework

3

Status on social protection delivery in Tanzania: coverage, comprehensiveness and adequacy

4

Tanzania efforts towards digitalization of social protection: status, opportunities, limitations and recommendations

Why Social Protection, Why Digitalization

- Social protection is a tool not just for reducing poverty, vulnerability, and inequality [SDG 1.3.1], i.e., through adaptation and resilience, but also for promoting inclusive and sustainable growth.
- Social protection is essential during crises - multiple intertwined crises – COVID-19 pandemic, climate change, regional and international conflicts (ILO's 102 & 202 floors)
- Within this context, countries have been struggling to expand the coverage and increase the comprehensiveness and adequacy of SPP

Social Protection Coverage Trends

social protection coverage rose to 52.4% in 2023, up from 42.8% in 2015 and 46.9% in 2020

GLOBAL

The coverage increased from 15.2% in 2015 and 17.8% in 2020 to 19.1% in 2023 in Africa

AFRICA

Social protection coverage increased from 9% in 2015 to 25% of the population in 2022

TANZANIA

Yet, only 29% of the global population has full social security coverage, while just 24.7% of informal workers—out of 2 billion globally—receive any social assistance

Triple Crisis and Social Protection



Recent global shocks – the COVID-19 pandemic, climate change, and international conflicts – have worsened the cost-of-living



The triple crisis in fuel, food, and finance has exacerbated vulnerability, poverty, and inequality.



This confirms that social protection systems are indispensable for mitigating shocks, building resilience, and supporting inclusive economic recovery



Unlike advanced economies, most low- and middle-income countries in SSA face financial constraints that limit investment in strong social protection systems.

Dual Role of SP Investment

Adaptation – to enable people to respond to global shocks and pandemics, hence increasing people's resilience to such shocks.

Mitigation - as it allows tackling the structural root cause of the problem, as social programs can contribute to employment and growth.

Both of which are crucial for a green transition in line with climate action.

Global Push for Digitalizing Social Protection

Opportunities

Both advanced and low-income countries are advancing digitalization to strengthen social protection systems in response to global shocks.

Global frameworks such as the **Global Digital Compact (2024)** and the **Second World Summit for Social Development (2025)** support these efforts to achieve **SDG 1.3.1**.

Gaps

- Despite progress, many countries—OECD members included—still face difficulties identifying, enrolling, and supporting those in need
- Most governments remain in the early stages of digital transformation in social protection, compared to sectors like finance.
- International best practice emphasizes the need for **Single Registries** and **Integrated Management Information Systems (IMIS)**.

Benefits of Digitalizing SP Systems

Increase Coverage – reduce admin costs, speed up benefit delivery, and improve targeting and monitoring.

Program adequacy - wider beneficiary reach, easier registration, financial inclusion, and multiple access channels.

Strengthen Governance - better data, transparency, accountability, and fewer errors or fraud

Enables rapid response to crises like pandemics, climate change, and urbanization

Tanzania's Social Protection Framework, Progress and Reform

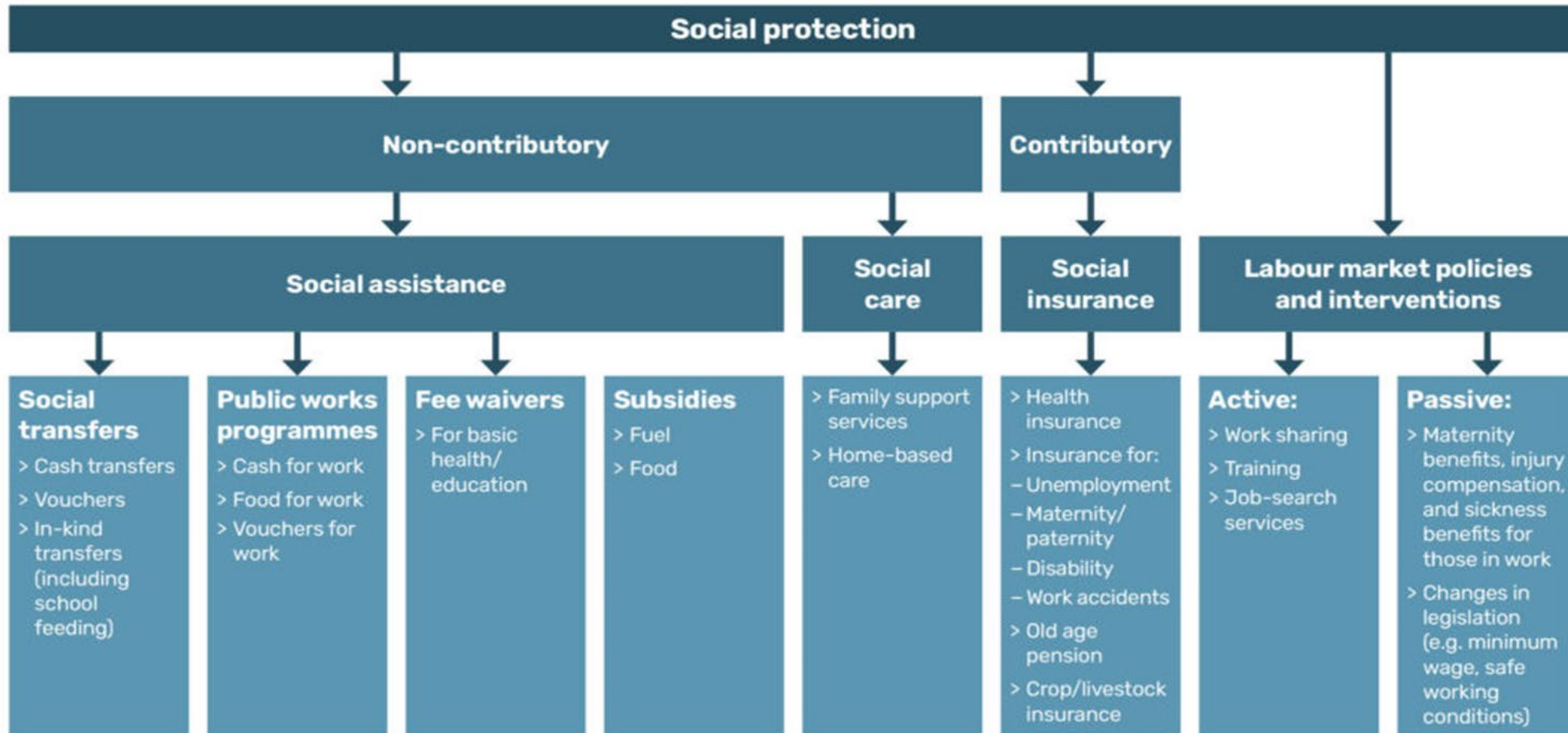
Constitutional Commitment: Article 11(1) of the URT Constitution guarantees the right to social welfare during old age, sickness, or incapacity.

Policy Evolution: First National Social Security Policy (NSSP) introduced in 2003 aligned with Vision 2025.

Policy Reform: The 2023 National Social Protection Policy (NSPP) addresses challenges in 2003 NSSP and introduces a two-tier system: **Contributory (social insurance)** and **Non-contributory (social assistance)**

NSPP Objectives: Expand coverage, improve benefit adequacy, strengthen governance, ensure sustainable delivery, and enable multi-sector coordination

Tanzania's Social Protection Programs



Tanzania's Social Protection Programs: Coverage GAPS

As of June 2023, only **13.1%** of Tanzania's employed population were enrolled in PSSSF and NSSF.

Excluding dormant accounts, **active membership** was just **1.9 million out of 23 million** workers.

Over **52% of formal sector employees** are not enrolled in any pension scheme.

ILO (2017): Only **3.6%** of adults aged 15–64 were active contributors to a pension scheme.

UNICEF (2008): Just **8%** of the population had formal social protection coverage.

This indicates that **92–94% of the population** lacks formal coverage, especially those in **informal and agricultural sectors**.

These groups rely primarily on **non-contributory programs**, such as social assistance and welfare schemes.

The Case for Social Protection Programs in Tanzania

Universal Old Age Pension:

- **Poverty Among Elderly:** A staggering 94% of older Tanzanians lack secure income and must work throughout old age.
- **Vulnerability:** Declining health and livelihood responsibilities make older people highly vulnerable to chronic poverty.
- **Caregivers:** Older people are primary caregivers for a significant portion of orphans and vulnerable children (40% of 2 million).
- **Poverty Rate:** Households headed by individuals aged 65+ have a higher poverty rate (29.4%) than those headed by working-age adults.
- **Gender Disparity:** Women are disproportionately represented in the elderly population.
- **Limited Pension Coverage:** Only 12.8% of those aged 60+ receive pensions (as of 2021).



The Case for Social Protection Programs in Tanzania

Disability Grant:

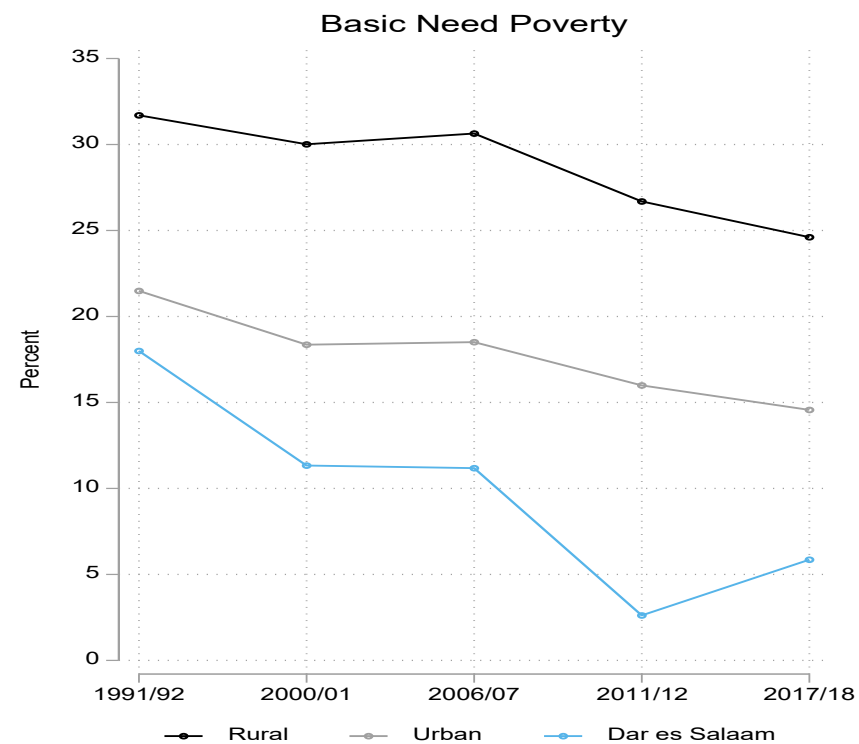
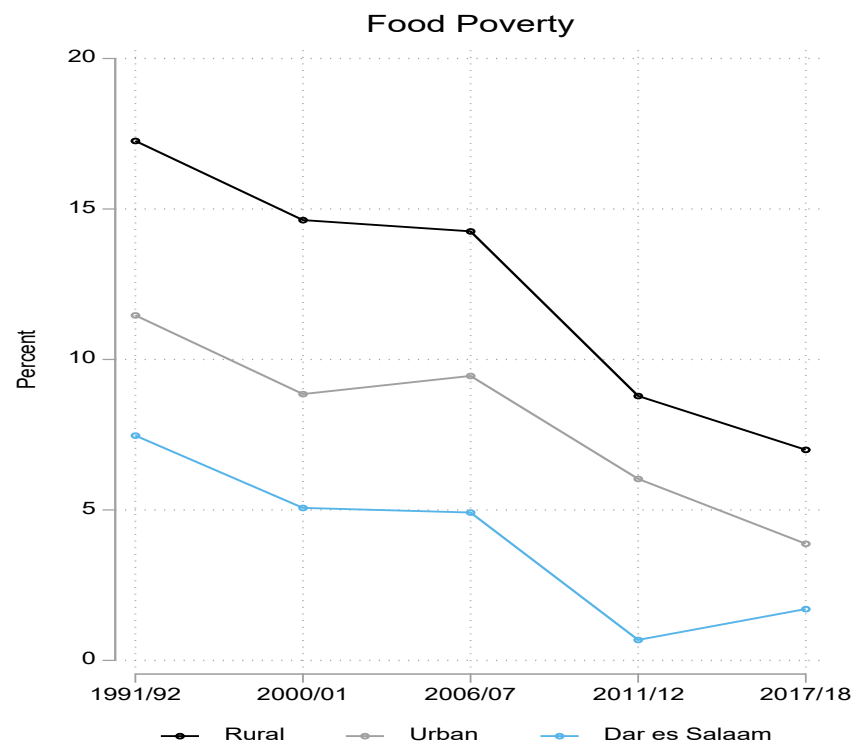
- **Prevalence of Disability:** 6.8% of Tanzanians (5+) have a disability, with 15.5% experiencing "some difficulty" in at least one functional domain (2017/18).
- **Disability and Age:** Disability rates increase sharply with age (26% and 34% for men and women 55+).
- **Government Initiatives:** The Tanzanian government is working to protect people with disabilities and engage them in economic development through inclusive social protection.

Child Benefit:

- **Child Poverty:** Poverty rates are higher for children (under 18) than the general population (30.1% vs. 26.4% in 2017/18).
- **Early Childhood Vulnerability:** Children under 5 are particularly vulnerable to mortality and malnutrition (30% stunted in 2022).
- **Multidimensional Poverty:** A vast majority of children (88%) experience deprivation in at least three dimensions of well-being.

Figure: Household Poverty Rates (%)

Trends in Tanzania: 1991–2018



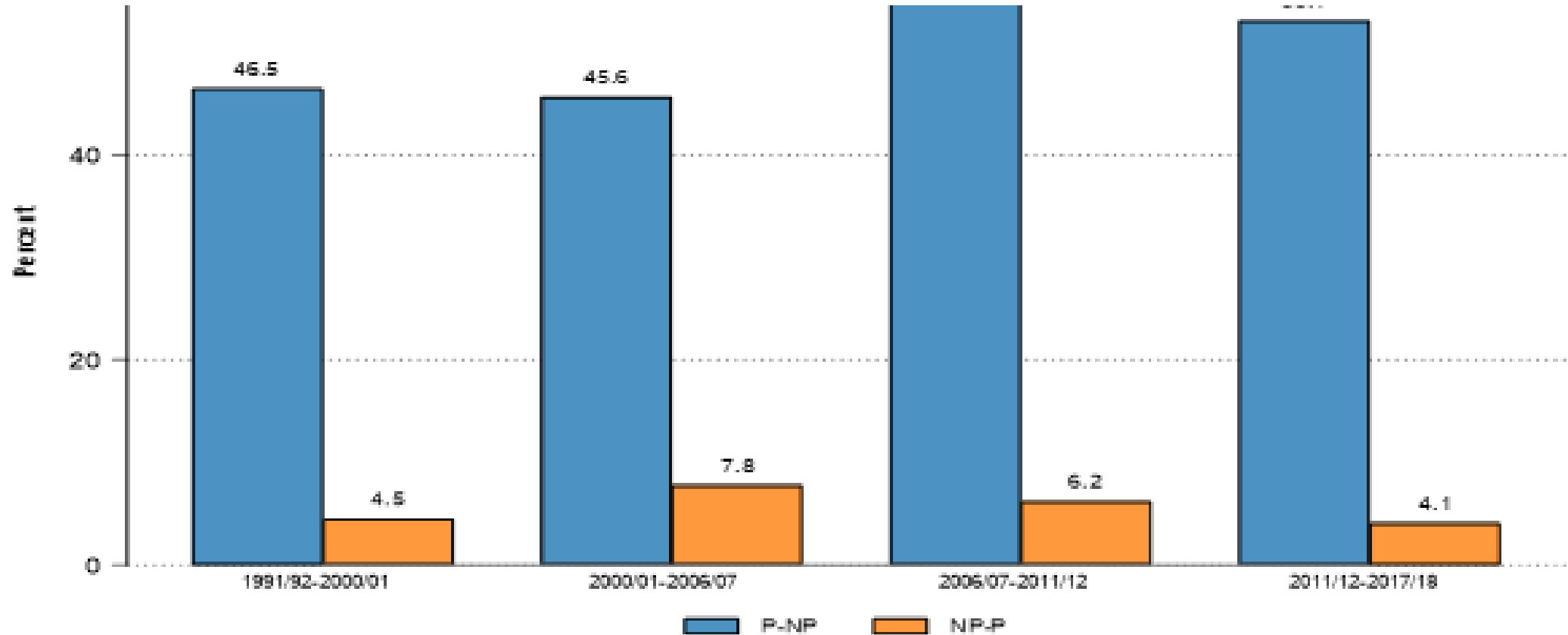


Figure: Non-parametric estimates of Conditional Extreme (Food) Poverty Mobility: 1991 – 2018

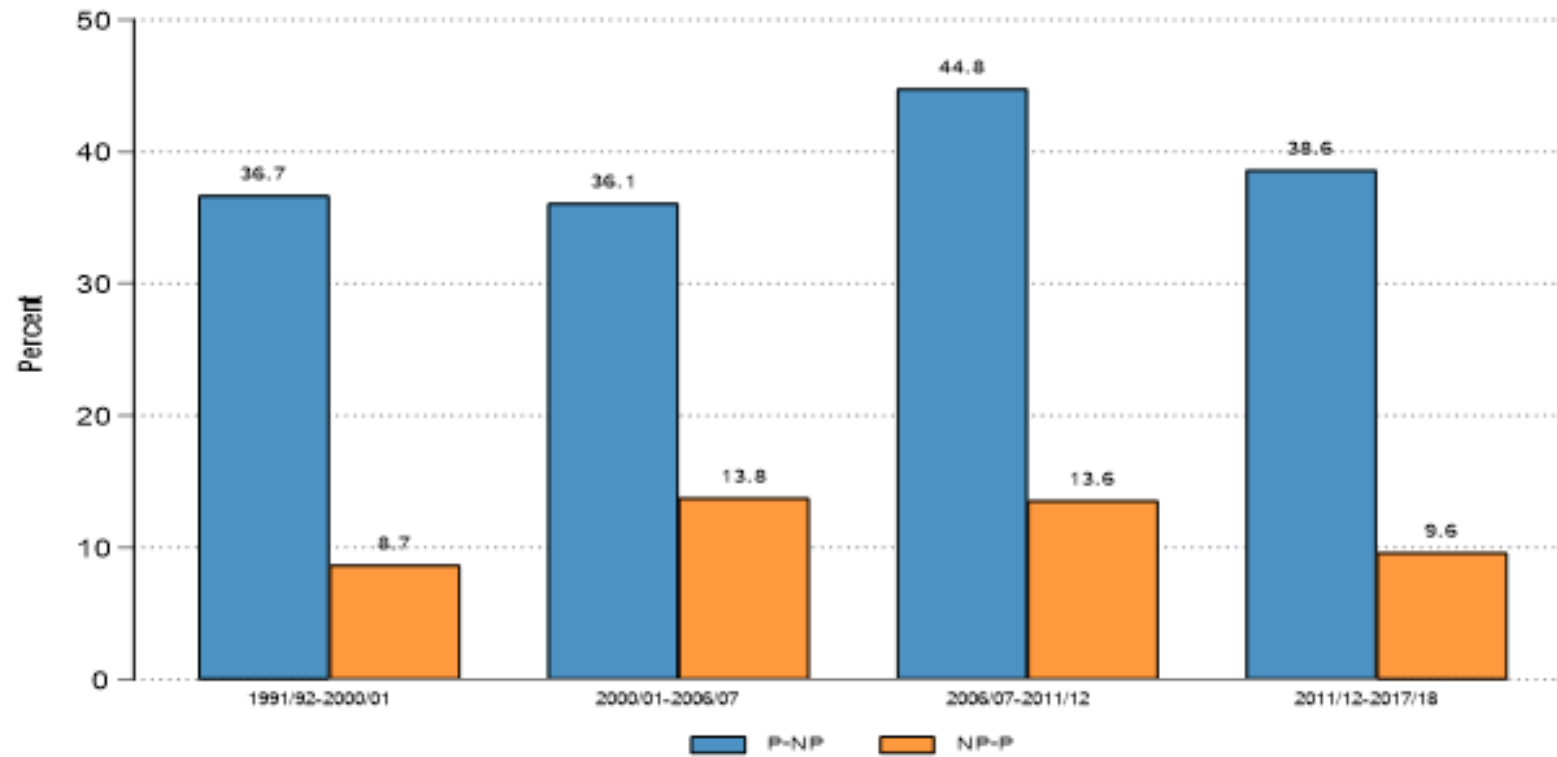


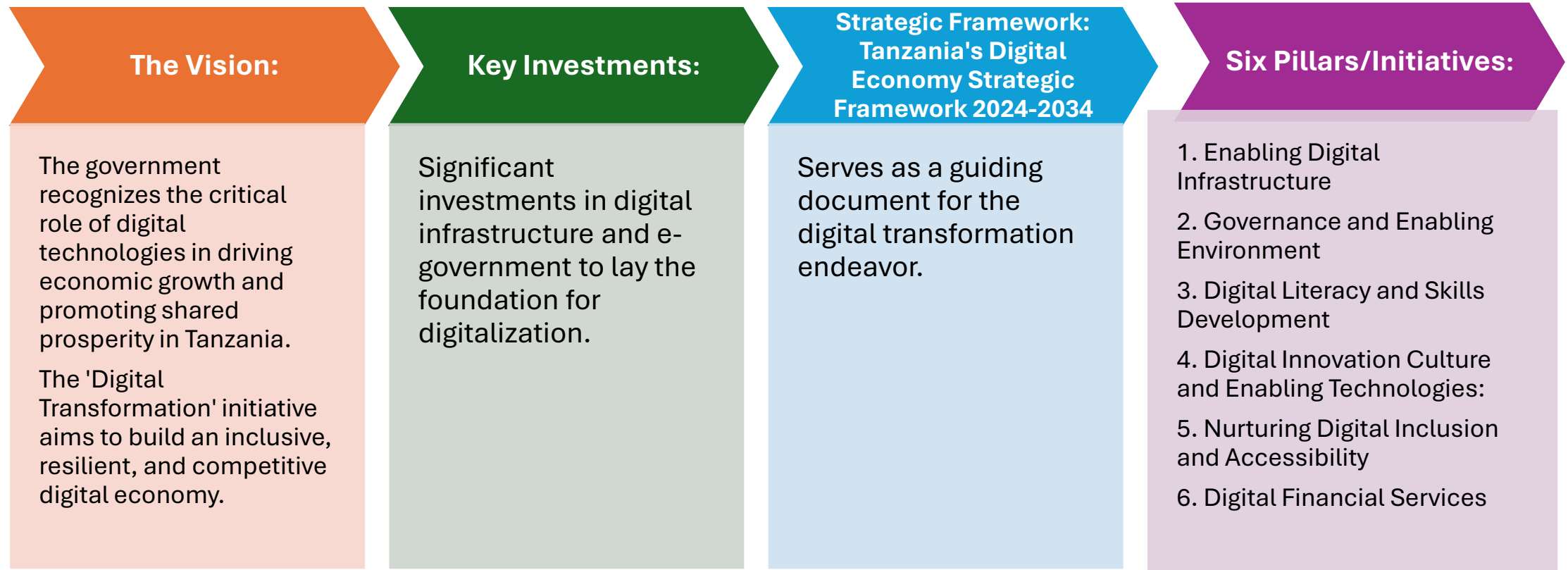
Figure: Non-parametric estimates of Conditional (Basic) Poverty Mobility: 1991 – 2018

Digitalizing Social Protection in Tanzania

- Poverty remains high, with rising severe poverty and vulnerability in recent years.
- Social protection systems still face major gaps in coverage, adequacy, and inclusivity.
- Recent global shocks—**COVID-19**, **climate change**, and **conflicts**—have worsened the cost-of-living crisis.
- The **fuel, food, and finance** triple crisis has deepened inequality and economic insecurity.
- These challenges demand **cost-effective strategies** to reach the poorest and most vulnerable.
- Digitalization** of social protection offers a solution to improve targeting, accessibility, and system efficiency.

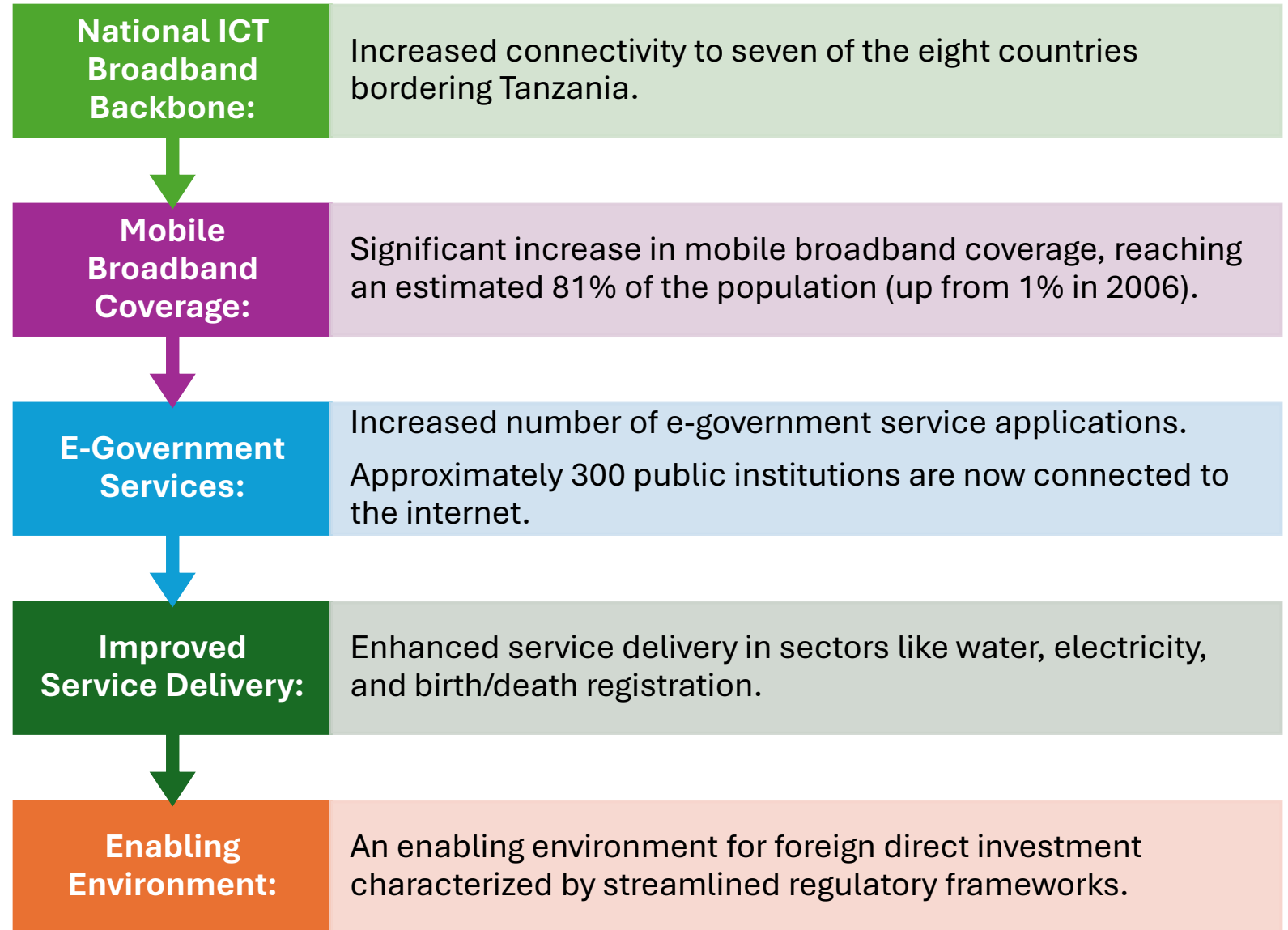


Tanzania's Digital Transformation: A Path to Prosperity



Digital Transformation: Progress

Gap: Early-stage achievements only, do not cover the whole SP



NSSF Digital Transformation: A Case Study in Tanzania

Overview:

- Established in July 1998, covering private sector employees.
- Dual structure: a statutory scheme for the formal private sector and a national informal sector scheme.

Digital Transformation Journey:

- **2004-2012: Computerization Project:**
 - Infrastructure development to connect disconnected office sites.
 - Implementation of an integrated solution for core business functions.
 - Enhanced VSAT connectivity (with bandwidth limitations).
- **2010-2018: ERP System Stabilization:**
 - Learning from early implementation difficulties.
- **2018-Present: Comprehensive Digital Transformation:**
 - Migration to fiber backbone.
 - Modular adoption.
 - 100% online systems.

Key Achievements:

- **Automation:**
 - 87% automation achieved (targeting 100% by mid-2025).
 - Reflects a gradual evolution to comprehensive digital transformation.
- **Technology Evolution:**
 - Shift from Windows/Oracle/.NET/Proprietary systems to Linux/MySQL/PHP/Open source.
 - Significant cost reduction while maintaining functionality.
- **Service Delivery Channels:**
 - Web portals for employers and members.
 - Mobile applications.
 - USSD services, WhatsApp, SMS.
- **Integration with Government Systems:**
 - Integrated with NIDA (registration time reduced from 15 minutes to 1 minute).
 - Integrated with TRA, GePG, Bank of Tanzania.
- **Comprehensive System Connectivity:**
 - Data sharing with other social security funds for totalization

The Worker Compensation Fund (WSF)

- **Overview:**
 - Established in 2015, covering all formal public and private sector workers.
- **Population Coverage:**
 - Serves a population of approximately 51 to 59 million people.
- **Automation Achievement:**
 - Remarkable achievement of approximately 93.1% business process automation in just 10 years.
- **ICT Team and Strategy:**
 - Experienced ICT team of 14 staff members.
 - Internal development strategy utilizing government resources.
- **Technology Stack:**
 - Database: PostgreSQL (open source), Applications: Laravel PHP for internal systems, Java for eGA systems.
- **System Integration and Portability:**
 - System allows for portability and external integrations with seven government systems, including GePG, TRA, NIDA, PPRA, RITA, NSSF, and Ministry of Finance

TASAF - Productive Social Safety Net (PSSN)

Overview:

- Established in 2000, covering approximately 1.4 million households (5.2 million beneficiaries), representing 10% of the total population.
- Designed to reduce poverty and improve the lives of vulnerable households, combines public works programs with conditional cash transfers.

Core Digital Transformation Systems:

- **Unified Registry of Beneficiaries:** Centralized database integrated with NIDA for identity verification and open API for inter-agency access.
- **Digital Payment Systems:**
 - 62% of beneficiaries receive payments via mobile money.
 - 36% receive payments via bank accounts.
 - Integration with MUSE with a target of 75% e-payment adoption.
- **Monitoring and Evaluation Framework:** MIS based on web-based PHP with Oracle database, tracking KPIs including digital adoption metrics.
 - Planned integration with the Ministry of Health and NHIF monitoring.

TASAF

Digital Inclusion Initiatives:

- Dedicated Digital Literacy Initiatives with a systematic training program and phased learning approach.
- Village-level outreach with follow-up support and community engagement.

Offline Access and Assisted Digital Services:

- Biometric authentication for illiterate users.
- "Over-the-counter" solutions with physical service points and digital backend systems.
- Remote area support with mobile service units and local agent networks.

Accessibility Considerations:

- The household representative model accommodates various capabilities.
- Multiple service delivery channels maintained during digital transition

Key Findings

- **Transformative Progress**

- Digitalization of social insurance and TASAF has improved service delivery, efficiency, and coverage

- **Impact of Digital Solutions**

- Modernized administration and improved beneficiary interaction with social protection systems

- **Early Stage of Digital Maturity**

- Tanzania remains in the initial phase of digital transformation in social protection

- **Framework Alignment**

- Progress assessed against the Digital Economy Strategic Framework (2024–2034) and global benchmarks

- **Areas Needing Improvement**

- Weaknesses in:
 - Core digital infrastructure
 - Access and service delivery
 - Institutional capacity
 - Monitoring and adaptability mechanisms

Opportunities for Digitalizing Social Protection in Tanzania

- **Strong Foundation for Digitalization**
 - Major investments in digital infrastructure and e-government initiatives
 - Digital Economy Strategic Framework (2024–2034) as a guiding roadmap
- **Opportunities through Digital ID (NIDA)**
 - NIDA enables the integration and digitalization of social protection programs
- **Current Coverage Gaps**
 - Only 6–8% of the population is covered by formal social protection
 - The majority (92–94%) in informal/agricultural sectors rely on non-contributory schemes
- **Digitalization Potential**
 - Can expand social protection coverage and improve adequacy
- **Persistent Gaps Despite Digital Programs**
 - Systems like NSSF, PSSSF, WCF, NHIF, iCHF, NSSF-SHIB, and TASAF still leave many uncovered

Challenges in Digital Infrastructure and Adoption in Tanzania



- **Uneven Network Coverage**
 - Urban areas enjoy 3G+ services
 - ~20% of the population, mostly in rural areas, are limited to 2G only
- **Slow Rural Broadband Expansion**
 - Commercial unviability of serving remote areas
 - Public institutions lack reliable connectivity, limiting e-government services
- **Widening Infrastructure-Usage Gap**
 - Many users with broadband access don't use mobile internet
 - Risks of slowing down digital transformation
- **Barriers to Digital Adoption**
 - High cost of internet-enabled devices
 - Low digital literacy levels
 - Limited trust and online privacy protections
 - Poor supporting infrastructure (e.g., electricity)

Challenges

- **Lack of Digital Skills and Awareness**

- Many citizens and small businesses lack digital know-how
- Limited awareness of digital economic opportunities
- Fear of increased tax exposure discourages adoption
- Public servants face challenges using e-government platforms

- **System Design and Integration Issues**

- Digital services lack people-centered design, affecting usability and sustainability
- Shortage of local technical expertise weakens system quality and adaptability
- Government systems automate only parts of processes—manual work still required
- Poor system integration leads to limited data sharing and duplication of functions

Recommendations



Need for targeted interventions to improve digital literacy, reduce costs, and improve digital infrastructure.



Promote better system design and Integrated Digital Information Systems for a single Social Protection Registry



THANK YOU