



2006 Survey on Monitoring The Paris Declaration

Country Chapters

TANZANIA

The 2006 Survey on Monitoring the Paris Declaration was undertaken in 34 countries that receive aid. The results of the survey are presented in two volumes. **Volume 1** provides an overview of key findings across 34 countries. **Volume 2** presents the baseline and key findings in each of the 34 countries that have taken part in the survey. This chapter is based primarily on the data and findings communicated by government and donors to the OECD through the Paris Declaration monitoring process. A more detailed description of this process, how this chapter was drafted and what sources were used is included in Volume 1, Chapter 2.

Both Volume 1 (Overview) and Volume 2 (Country Chapters) of the 2006 Survey on Monitoring the Paris Declaration can be downloaded at the OECD website:

www.oecd.org/dac/effectiveness/monitoring

A second round of monitoring will be organised in the first quarter of 2008 and will be an important contribution to the Accra High-Level Forum on Aid Effectiveness in September 2008.

30 TANZANIA

WITH A POPULATION OF 37 MILLION, Tanzania has a national income of USD 330 per person (gross national income per capita). According to data collected in 1991, 42% of the population were in extreme poverty, falling under the international dollar-a-day poverty line. A further 24% fell under the two-dollars-a-day poverty line. In 2001, 36% of Tanzanians lived below the national basic needs poverty line, down from 39% in 1992, and 19% were below the food poverty line. The incidence of poverty in rural areas decreased from 41% to 39% between 1992 and 2001.

Total net official development assistance (ODA) to Tanzania in 2004 was USD 1.75 billion, which accounted for 16% of gross national income (GNI). Tanzania has been at the forefront of efforts to improve the quality of aid based on ownership, alignment and harmonisation.

Responses to the 2006 survey in Tanzania accounted for 94% of ODA. They referred to the Tanzanian financial year 2004/05 as baseline period, which started in July 2004 and ended in June 2005. The survey responses (taken together with the World Bank desk reviews which form the basis for the baselines/targets for some of the indicators) demonstrate that Tanzania has already made significant strides towards meeting the targets set in Paris. The main challenges and priorities for the future are summarised below.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Strong	Limited capacity, in particular at local level.	Strengthen national capacity for development management.
Alignment	Moderate	Continued use of parallel project implementation units.	Align technical assistance with overall aid strategy to build capacity.
Harmonisation	Moderate	Continued use of poorly co-ordinated project modalities.	Increase use of sector-wide approaches.
Managing for results	Strong	Lack of up-to-date development data.	Implement Statistical Master Plan.
Mutual accountability	Strong	Need to integrate Independent Monitoring Group process with ongoing aid strategy development.	Implement Joint Assistance Strategy for Tanzania (JAST).

OVERVIEW
Box 30.1
Challenges
and priority
actions

OWNERSHIP

OWNERSHIP IS CRITICAL to achieving development results and is central to the Paris Declaration. It has been defined as a country's ability to exercise effective leadership over its development policies and strategies. Achieving this – especially in countries that rely heavily on aid to fund their development – is not a simple undertaking. Nor, of course, can it be measured by a single indicator. It requires a combination of cross-cutting factors that engage both donor and government. For donors it means supporting countries' leadership and policies. It also means gearing their overall support to countries' national development strategies, institutions and systems. This is commonly referred to as "alignment". Donors are in a better position to do that when governments set out clear priorities and operational strategies: the main focus of Indicator 1 of the Paris Declaration.

Tanzania's long-term vision is set out in its National Development Vision 2025, which was drafted in 1999. Vision 2025 presents long-term objectives for Tanzania focused on livelihoods, peace and security, good governance, education and a competitive economy. Vision 2025 is backed by the National Poverty Eradication Strategy, which presents a more detailed set of policies for poverty reduction up to 2010. The long-term vision is reflected in national policy. The World Bank judges Tanzania's long-term vision to be "largely developed".

Tanzania's medium-term strategy is the National Strategy for Growth and Reduction of Poverty (NSGRP) 2006-10, which lays out detailed goals, operational targets and strategies to meet the long-term objectives identified in Vision 2025 and the National Poverty Eradication Strategy. The NSGRP is supported by sector strategies and policies. Although the World Bank judges Tanzania's medium-term strategy to be "largely developed", more work is needed to ensure that all strategies, policies and plans are fully aligned with the national strategy.

The NSGRP identifies country-specific targets based on the Millennium Development Goals (MDGs). Tanzania aims to meet the MDGs by 2010, building on significant progress made in recent years. Targets and priorities are focused around three clusters (growth and income poverty reduction, improvement of quality of life and social well-being, and governance and accountability). The NSGRP emphasises the importance of private sector-led growth; this moves beyond the previous Poverty Reduction Strategy's emphasis on a few priority sectors.

The government has made significant progress in implementing its strategy through the budget process. A Medium-Term Expenditure Framework (MTEF) has been in place since 1998, and is supported by participatory public expenditure reviews. Since 2004, local government has also been using the MTEF approach to prepare local budgets. The government is implementing output-based budgeting in the form of its Strategic Budget Allocation System (SBAS), which links budget allocations to specific targets and cluster strategies of the NSGRP.

Tanzania received a B rating in the World Bank's 2005 Comprehensive Development Framework assessment, which provides the baseline for Indicator 1. This means that Tanzania meets the target of having "largely developed" operational development strategies, but should aim to achieve an A rating by 2010. The government continues to make good progress, but should focus in particular on strengthening the links between local and national strategies and budgets, and on rolling out output-based budgeting.

ALIGNMENT

THE TANZANIAN GOVERNMENT has a solid track record of taking leadership in managing its aid. The Ministry of Finance plays a lead role in co-ordinating donors. In 2002, the government adopted the Tanzania Assistance Strategy (TAS), which sets out a framework for managing aid. In 2006, the TAS was replaced by the Joint Assistance Strategy for Tanzania (JAST) as the new framework for managing and guiding development co-operation in Tanzania. Donors have also proved willing to work with the Tanzanian government to support national policies and systems. This productive working relationship between government and donors has fostered effective alignment between donors and government.

BUILDING RELIABLE COUNTRY SYSTEMS

Indicator 2a provides an indication of the quality of Tanzania's public financial management (PFM) systems. The score is based on the World Bank's Country Policy and Institutional Assessment Indicator 13). In 2005 Tanzania's rating was 4.5 on a six-point scale (ranging from a lowest score of 1 to a highest score of 6), significantly higher than the average for International Development Association countries.

INDICATOR 2a

The government has strengthened its public financial management systems. The audit process has been updated. Action is also being taken to tackle corruption. The National Anti-Corruption Strategy and Action Plan (established in 1999) empowers line ministries to fight corruption, and the Prevention of Corruption Bureau co-ordinates anti-corruption activities. Although Tanzania's Transparency International Corruptions Perceptions Index rating has improved from 1.9 to 2.9 since 1998, perceived corruption continues to be a problem for PFM systems. The government will need to sustain its efforts in this area if it is to achieve the target of increasing its PFM score by 0.5 to 5.0 by 2010.

No score is currently available for Indicator 2b on the quality of Tanzania's procurement systems. According to the World Bank's Aid Effectiveness Review, a new Procurement Act came into force in 2005. As a result, a Public Procurement Appeals Authority and a Public Procurement Regulatory Authority were established to strengthen the regulatory framework. The government needs to focus on building capacity in line ministries' procurement units in order to improve its procurement systems effectively over time.

INDICATOR 2b

ALIGNING AID FLOWS ON NATIONAL PRIORITIES

Donor strategies in Tanzania are generally aligned with the government's priorities as set out in the National Strategy. The government and donors have recently agreed to a JAST, which will bring different donors' country assistance strategies in line with a single government-led framework supporting the NSGRP. Indicator 3 is a proxy for measuring alignment. It measures the proportion of expected aid flows recorded by the government in Tanzania's national budget estimates against actual aid disbursements as reported by donors (Table 30.1).

The table provides government's budget estimates of aid flows for fiscal year 2005 (numerator) as a percentage of aid disbursed by donors for the government sector for the same period (denominator). This ratio tells us the degree to which there is a discrepancy between budget estimates

and actual disbursements. The discrepancy can be in two directions: indeed budget estimates can be either higher or lower than disbursements. In order to have a single measure of discrepancy that is always less than 100%, the ratio is flipped when budget estimates are higher than disbursements. The baseline value for Indicator 3 in Tanzania is 90%. Achieving the target agreed in Paris of 95% (halving the gap) for this indicator will require efforts by donors and government.

Higher aid disbursements than aid recorded in the budget estimates should however not lead to the conclusion that all aid recorded in the budget was fully disbursed. As Indicator 7 shows, actual disbursements recorded in the government accounting system are less than aid in the budget (but also less than actual disbursements reported by donors). Some disbursements may have been

INDICATOR 3
Table 30.1

Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* (%) c=a/b
African Dev. Bank	51	42	83%
Belgium	5	8	57%
Canada	27	22	83%
Denmark	51	66	77%
European Commission	109	121	90%
Finland	7	9	71%
France	10	5	53%
GAVI Alliance	0	6	0%
Germany	32	31	96%
Global Fund	4	22	17%
IFAD	12	10	88%
Ireland	22	20	89%
Japan	12	27	44%
Netherlands	56	62	90%
Norway	38	36	93%
Sweden	58	67	86%
Switzerland	16	15	95%
United Kingdom	130	163	80%
United Nations	13	73	18%
United States	15	29	51%
World Bank	452	459	99%
[Unallocated donors]	40	--	
Total	1 158	1 294	90%

* Baseline ratio is $c = a / b$ except where government's budget estimates are greater than disbursements ($c = b / a$).

made to projects that have not been included in the national budget estimates, whereas others that were included may not have received the full amount of funds budgeted for (only disbursements to projects that are already included in the budget estimates can be accounted for in the government system).

Donors provide information to the Ministry of Finance about their planned disbursements well in advance of the start of the government's financial year. This information is relayed to implementing ministries, departments and agencies for review and verification before being included in the MTEF and annual budgets. Although the government relies on donors' projections of general budget support and basket fund disbursements, budget estimates for project funds are based on confirmed figures from government implementing agencies and on the government's

own assessment of the reliability of project aid commitments, reflecting its concern that project-based aid is less reliable than other modalities. However, aid disbursements do not always meet government expectations – demonstrated by the fact that the government included more aid from some donors in its 2005 budget (yet less than donors had scheduled) than it actually received.

The baseline of 90% for Indicator 3 shows that significant progress has been made in Tanzania in recording aid disbursements on the national budget. This is thanks to improvements in the quality and timeliness of donor's MTEF projections reported to the Ministry of Finance, a better system for gathering and maintaining this data within the Ministry of Finance, improved dialogue between the Ministry of Finance and government implementing agencies, increased channelling of project funds through the Exchequer, and in

particular a greater shift towards general budget support. The government has a clear preference for general budget support, in part because it can be more effectively reflected in the national budget.

The government is nevertheless concerned that donors do not provide reliable and complete information about planned disbursements for the second and third year of the MTEF cycle, which constrains the government's medium-term planning.

The target for Indicator 3 in Tanzania is that 95% of aid to the government sector should be recorded in the budget by 2010. The JAST includes measures agreed between the government and donors which will no doubt contribute to this target. These measures include the increased use of general budget support, and the improvement of donors' disbursement forecasts. The most significant progress will need to be made by donors providing a large proportion of aid in project form, and the government will need to find ways to work with these donors to ensure that more of their aid can be reflected in the budget. Important measures in this respect relate to increasing government ownership over project management, avoiding parallel structures for project management, channelling project funds directly through the Exchequer, and better information sharing by donors on direct project funds, in particular on in-kind support.

CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Capacity constraints create challenges for the government in Tanzania as it implements its development strategy and seeks to manage its aid effectively.

The government has been implementing a range of co-ordinated capacity development programmes, including the Public Service Reform Programme and the Local Government Reform Programme. It is estimated that 50% of donor technical assistance is co-ordinated with these programmes, which means that Tanzania has already met the 2010 target for Indicator 4. However, the result should be interpreted with caution, as the collection of data for Table 30.2

above has been complicated by the challenges of disaggregating the technical assistance elements of broader projects and programmes. For this reason, technical assistance for capacity development (in particular for co-ordinated capacity development programmes) may have been overestimated, while technical assistance that is not capacity development-related (such as for capital project execution) might have been underestimated, possibly resulting in an underestimated denominator and overestimated numerator.

Despite notable progress in using technical assistance for capacity development, the government is committed to making even greater strides. The Joint Assistance Strategy for Tanzania includes measures to step up the contribution of technical assistance to long-term capacity development, and the government plans to formulate a national technical assistance policy to frame the use of technical assistance in the future.

How much technical assistance is co-ordinated with country programmes?

INDICATOR 4
Table 30.2

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio (%) c=a/b
African Dev. Bank	0	1	0%
Belgium	0	1	33%
Canada	2	8	27%
Denmark	10	22	45%
European Commission	4	29	12%
Finland	1	3	46%
France	0	0	18%
GAVI Alliance	0	0	--
Germany	7	10	67%
Global Fund	0	0	--
IFAD	0	0	--
Ireland	1	3	21%
Japan	0	5	9%
Netherlands	7	11	62%
Norway	4	5	78%
Sweden	3	5	57%
Switzerland	1	5	30%
United Kingdom	25	27	93%
United Nations	27	47	59%
United States	0	22	0%
World Bank	30	44	68%
[Unallocated donors]	--	--	--
Total	123	248	50%

INDICATOR 5
Table 30.3

How much aid for the government sectors uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg (b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e / a
African Dev. Bank	42	0	42	42	67%	0	0%
Belgium	8	5	5	5	64%	5	65%
Canada	22	22	22	22	97%	22	97%
Denmark	66	44	48	26	59%	48	72%
European Commission	121	57	57	57	47%	57	47%
Finland	9	4	4	5	52%	5	60%
France	5	1	2	2	37%	5	100%
GAVI Alliance	6	0	0	6	33%	0	0%
Germany	31	10	11	11	34%	11	35%
Global Fund	22	7	0	0	10%	22	100%
IFAD	10	0	10	10	67%	10	100%
Ireland	20	18	18	16	87%	19	95%
Japan	27	5	5	5	17%	5	17%
Netherlands	62	53	51	59	88%	59	95%
Norway	36	22	19	22	59%	22	62%
Sweden	67	47	40	40	63%	33	49%
Switzerland	15	10	10	10	66%	11	71%
United Kingdom	163	141	138	144	87%	144	88%
United Nations	73	1	0	0	1%	3	4%
United States	29	0	0	0	0%	0	0%
World Bank	459	304	303	303	66%	312	68%
[Unallocated donors]	--	238	--	--	--	--	--
Total	1 294	989	785	784	66%	792	61%

USING COUNTRY SYSTEMS

The Paris Declaration encourages donors to make increasing use of country's systems where these provide assurance that aid will be provided for agreed purposes. Indicator 5 looks in particular at donors' use of countries' PFM and procurement systems.

Table 30.3 shows that 66% of aid to the government sector uses the government's budget execution, financial reporting and audit systems. Given that Tanzania scores 4.5 on Indicator 2a, the target for 2010 on Indicator 5a is that 77% of aid makes use of national PFM systems (on average across the three systems in question).

The government's objective is for all aid to use national budget execution systems (*i.e.* to be captured in the national budget and Exchequer system). Direct budget support and most basket funds are already channelled through national budget execution systems but only a few donors use the Exchequer to disburse project-based aid. Project funds being disbursed directly to specific project accounts are however often captured *ex post* in the Exchequer system. The government has conducted training in channelling aid through the Exchequer system for donors, but additional progress in disbursing cash funds through the Exchequer is limited by donors' own regulations. Use of national financial reporting and audit systems is also largely accounted for by direct budget support and basket funds, but measures such as the rolling out of an Integrated Financial Management System to all local government authorities (after having been in place for some time in all ministries and regions, and some local councils) should enhance progress once capacity has been built at local levels. Recent steps to build capacity at local government level have been undertaken with the recruitment of qualified accountants.

61% of aid uses Tanzanian procurement systems, although almost all the donors responding to the survey use national procurement systems to disburse at least some aid. Without data on Indicator 2b, no target can currently be set for Indicator 5b, but the government and donors are taking steps to increase use of national procurement systems. Again, the use of budget support and basket funds have accounted for much progress to date, but the government is hopeful that recent improvements in procurement systems will encourage increased use of project-based aid.

AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration invites donors to "avoid to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes". Donors are still making use of 56 parallel project implementation units (PIUs) in Tanzania, but are in the process of phasing these out. Rapid progress will be needed if the target of reducing the number of parallel PIUs to 19 by 2010 is to be met. Efforts are being made by both government and donors to integrate implementation in national executing agencies, along with efforts to strengthen national capacity. Ongoing efforts to increase the proportion of aid delivered as budget support should also help reduce the number of PIUs.

How many PIUs are parallel to country structures?

INDICATOR 6
Table 30.4

	Parallel PIUs (units)
African Dev. Bank	8
Belgium	1
Canada	1
Denmark	14
European Commission	2
Finland	1
France	0
GAVI Alliance	0
Germany	0
Global Fund	0
IFAD	0
Ireland	3
Japan	0
Netherlands	0
Norway	0
Sweden	6
Switzerland	0
United Kingdom	1
United Nations	10
United States	0
World Bank	10
[Unallocated donors]	--
Total	56

INDICATOR 7
Table 30.5

Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05 (USD m) a	Aid scheduled by donors for disbursement in FY05 (USD m) b	Aid actually disbursed by donors in FY05 (USD m) FOR REFERENCE ONLY	Baseline ratio* (%) c=a/b c=b/a
African Dev. Bank	0	115	42	0%
Belgium	5	11	8	49%
Canada	22	26	22	84%
Denmark	44	66	66	67%
European Commission	57	132	121	43%
Finland	4	8	9	55%
France	1	12	5	10%
GAVI Alliance	0	3	6	0%
Germany	10	43	31	22%
Global Fund	7	22	22	31%
IFAD	0	14	10	0%
Ireland	18	25	20	72%
Japan	5	10	27	44%
Netherlands	53	56	62	94%
Norway	22	48	36	45%
Sweden	47	70	67	68%
Switzerland	10	16	15	62%
United Kingdom	141	137	163	97%
United Nations	1	51	73	2%
United States	0	38	29	0%
World Bank	304	504	459	60%
[Unallocated donors]	238	--	--	
Total	989	1 408	1 294	70%

* Baseline ratio is $c = a / b$ except where disbursements recorded by government are greater than aid scheduled for disbursement ($c = b / a$).

PROVIDING MORE PREDICTABLE AID

The table above shows that 70% of scheduled aid disbursements have been recorded in the government accounting (Exchequer) system. It looks at predictability from two different angles. The first angle is donors' and government's combined responsibility to ensure that aid is disbursed as scheduled. On the donor side, this refers to providing timely and reliable information on scheduled disbursements to government and adhering to made funding commitments. On the government side, it relates to project/programme implementation progress and meeting donor requirements for accessing funds. In Tanzania, donors scheduled USD 1 408 million for disbursement in 2005 and actually disbursed – according to their own records – less than expected (USD 1 294 million). The discrepancy varies considerably among donors.

The second angle is donors' and government's joint responsibility with regards to recording comprehensively disbursements made by donors for the government sector in the government accounting (*i.e.* Exchequer) system. On the government side, this includes the recording of scheduled aid in the national budget and the proper accounting for received funds. On the donor side, it includes the disbursement of funds directly through the Exchequer (which are then automatically recorded in the government accounting system) or the provision of all necessary accounting details to the government for funds that go to separate project accounts (not directly through the Exchequer) or in-kind transfers, both of which are captured in the accounting system *ex post* after having been spent. In Tanzania, USD 989 million out of the USD 1 294 million notified as disbursed by donors (76%) were recorded in the government accounting system, indicating that a significant proportion of disbursements were not captured.

Indicator 7 on predictability has been designed to encourage progress against both of these angles so as to gradually close the predictability gap by half by 2010. In other words it seeks to improve not only the predictability of actual disbursements but also the accuracy of how they are recorded in government systems – an important feature of ownership, accountability and transparency. In Tanzania, this combined predictability gap amounts to USD 419 million (30% of aid scheduled for disbursement). Closing this predictability gap will require donors and government to work increasingly together on various fronts at the same time. Actions might include efforts in improving:

- the realism of predictions on volume and timing of expected disbursements;
- the disbursement of funds directly through the Exchequer, so that they are automatically captured in the government accounting system;

- full information disclosure by donors with all necessary accounting details to the relevant government implementing agencies for aid that is to be captured *ex post* in the government accounting (Exchequer) system;
- the comprehensiveness of information held by the relevant government implementing agency on project disbursements, which is often impeded by low levels of ownership and parallel project implementation structures.

This may become easier as the proportion of budget support increases, which is fully integrated in the national budget and Exchequer system and more predictable than project funds, as it is not dependent on in-year assessments of implementation progress. On the other hand, the use of variable tranches based on performance is likely to remain a challenging factor in the predictability of budget support.

Tanzania might be able to meet the 2010 target of 85% of scheduled aid being disbursed within the scheduled financial year and accounted for by government, if budget support continues to increase as a percentage of aid, and remains predictable, but additional measures will be needed to improve in particular the reliability of project funds and their integration in the national budget and Exchequer system.

UNTYING AID

According to OECD data covering 87% of aid to Tanzania, 95% of aid is untied.

INDICATOR 8

HARMONISATION

AS DISCUSSED ABOVE, GREAT STRIDES HAVE BEEN MADE in aligning donor priorities and practices with government policies and systems. This progress has been facilitated in part by the willingness of donors to work together at the country level, for example via the Development Partners Group (DPG). This co-ordination among donors has been strongly encouraged by the government, and made easier by the decision of a number of donors to delegate increased responsibility to country offices in Tanzania.

USING COMMON ARRANGEMENTS

The proportion of aid using programme-based approaches, and thus common procedures, stood at 55% in Tanzania in 2005. Programme-based approaches in Tanzania have mostly taken the form of direct budget support or pooled basket funds, which have also supported much of the progress in alignment discussed above. The government is strongly encouraging its donors to provide more aid in the form of general budget support, but progress on common procedures also continues through joint support to sector and core reform programmes. The government's preference for general budget support stems in part from the fact that it allows harmonisation among donors to be achieved without the need for complex co-ordination structures. The target of 66% of aid being delivered via programme-based approaches by 2010 is within reach in Tanzania, although some donors continue to find general budget support inconsistent with their own regulations.

INDICATOR 9
Table 30.6

How much aid is programme based?

	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c=a+b	Total disbursed (USD m) d	Baseline ratio (%) e=c/d
African Dev. Bank	0	0	0	42	0%
Belgium	0	5	5	10	53%
Canada	0	23	23	32	71%
Denmark	26	10	36	89	41%
European Commission	38	18	57	147	39%
Finland	4	2	5	11	49%
France	0	1	1	5	25%
GAVI Alliance	0	0	0	6	0%
Germany	10	2	12	31	37%
Global Fund	0	22	22	29	76%
IFAD	0	0	0	10	0%
Ireland	10	6	16	21	75%
Japan	5	0	5	28	16%
Netherlands	21	38	59	74	79%
Norway	15	8	22	46	49%
Sweden	17	16	33	86	38%
Switzerland	9	2	11	23	47%
United Kingdom	121	33	154	172	89%
United Nations	0	24	24	76	32%
United States	0	0	0	36	0%
World Bank	297	12	310	459	68%
[Unallocated donors]	--	--	--	--	--
Total	573	222	795	1 433	55%

INDICATOR 10a
Table 30.7

How many donor missions are co-ordinated?

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
African Dev. Bank	6	30	20%
Belgium	1	9	11%
Canada	2	5	40%
Denmark	5	17	29%
European Commission	0	8	0%
Finland	5	20	25%
France	0	5	0%
GAVI Alliance	0	0	--
Germany	3	12	25%
Global Fund	0	4	0%
IFAD	2	3	67%
Ireland	2	5	40%
Japan	2	26	8%
Netherlands	2	2	100%
Norway	3	9	33%
Sweden	1	15	7%
Switzerland	0	5	0%
United Kingdom	2	2	100%
United Nations	45	248	18%
United States	0	0	--
World Bank	32	142	23%
[Unallocated donors]	--	--	--
Total	94	542	17%

* The total of co-ordinated missions has been adjusted to avoid double counting. A discount factor of 35% has been applied.

CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

Only 17% of donor missions to Tanzania were conducted jointly in 2005, which leaves much progress to be made if the target of 40% joint missions is to be met by 2010. That said, some important steps have been taken to encourage reduced numbers of donor missions. Since 2003/04, donors in Tanzania have been formally organised in a DPG with several sector and thematic working groups, which facilitates co-ordination among DPG members. The Group maintains a central calendar of missions to encourage co-ordination, and the government has also established “quiet times” between April and August when missions are kept to a minimum in order to free up government staff for the budget process. The establishment of sector-wide approaches (SWAs) has fostered joint missions, as have general budget support, basket fund and other joint financing arrangements. Individual donors have also taken steps within their agencies to promote co-ordinated missions (*e.g.* new World Bank Mission Planning Guidelines).

INDICATOR 10b
Table 30.8

How much country analysis is co-ordinated?

	Co-ordinated donor analytical work (units) a	Total donor analytical work (units) b	Baseline ratio (%) c=a/b
African Dev. Bank	0	2	0%
Belgium	0	1	0%
Canada	1	2	50%
Denmark	5	5	100%
European Commission	1	5	20%
Finland	2	5	40%
France	0	0	--
GAVI Alliance	0	0	--
Germany	0	0	--
Global Fund	0	0	--
IFAD	1	1	100%
Ireland	0	0	--
Japan	1	4	25%
Netherlands	0	0	--
Norway	0	0	--
Sweden	1	17	6%
Switzerland	10	10	100%
United Kingdom	0	0	--
United Nations	11	25	44%
United States	0	0	--
World Bank	2	8	25%
[Unallocated donors]	--	--	--
Total	31	81	38%

* The total of co-ordinated analysis has been adjusted to avoid double counting. A discount factor of 25% has been applied.

38% of country analysis by donors in Tanzania was co-ordinated in 2005. Joint work by donors has been encouraged by sector and thematic working groups organised under the aegis of the Development Partners Group, by jointly supported programmes, and by the establishment of SWAs and other frameworks for dialogue and co-ordination among donors and with the government. As part of the Public Expenditure Review process, public expenditure management and fiduciary risk assessments have been carried out jointly via a single instrument (the Public Expenditure and Financial Accountability Review) since 2004/05. Some donors have adjusted their internal systems and procedures to promote enhanced partnership.

In the context of the JAST, donors in Tanzania have prepared a Joint Programme Document as the basis for their country assistance strategies, which contains a joint country analysis and a joint programme, reflecting DPG planned support and additional aid effectiveness commitments over the FY07-10 period. Under the JAST, co-ordination of country analytical work is expected to be further improved through a more effective, rationalised division of labour on the basis of donors' comparative advantage in sectors and thematic areas. The ongoing initiatives under the JAST are expected to promote more co-ordinated analysis and help Tanzania meet the target of 66% of country analysis being co-ordinated by 2010.

MANAGING FOR RESULTS

MANAGING FOR RESULTS IS KEY to enhancing aid effectiveness. The Paris Declaration calls on donors to work alongside partner countries to manage resources on the basis of desired results, and to use information effectively to improve decision making. Indicator 11 focuses on one component of managing for results: the establishment by the partner country of a cost-effective, transparent and monitorable performance assessment framework. Tanzania scored a B rating in the World Bank's 2005 CDF assessment, which provides the baseline for this indicator. This means that it has already met the target of having largely developed good practice in this area, but should work towards scoring an A by 2010.

According to the World Bank's Aid Effectiveness Review, the quality and availability of poverty-related data in Tanzania is increasing, although limited access to up-to-date information on poverty reduction hampered the poverty diagnosis underlying the NSGRP. The recently launched

Tanzania Statistical Master Plan should make it easier to provide systematic and regular survey data. Development information is widely available in Tanzania – government policies and progress reports are posted online, and local authorities collect and publish information on revenue collection and allocation. The government has launched a communications strategy for the NSGRP to inject life into this dissemination process.

The World Bank also finds that the government is taking steps to integrate its Poverty Monitoring System with decision-making processes. It is also taking steps to integrate the monitoring and evaluation systems of various ministries and agencies into the central Poverty Monitoring System. A new reporting software called RIMKU has recently been developed to track performance for government, donors and non-state actors in implementing NSGRP. It draws information from SBAS, and thus links planning and budgeting with performance monitoring.

INDICATOR 11

MUTUAL ACCOUNTABILITY

THE PARIS DECLARATION calls for donors and partner countries to be accountable to each other for the use of development resources, and in a way that tends to strengthen public support for national policies and development assistance. This in turn requires governments to take steps to improve country accountability systems and donors to help by being transparent about their own contributions. Indicator 12 measures one important aspect of mutual accountability; whether country-level mutual assessments of progress in implementing agreed commitments take place.

Tanzania has a well-developed system of mutual accountability, based on the work of the Independent Monitoring Group (IMG). The IMG, made up of independent local and international consultants and formally established

in 2000, conducts biennial reviews of donor and government progress against their various commitments. The IMG's 2002 report provided an important input into the Tanzania Assistance Strategy, which set out best practices for donor and government interactions and was monitored jointly by the government and donors (a second mechanism in addition to the IMG to promote mutual accountability). Their findings were reported in annual TAS Implementation Reports. The IMG's 2005 report fed into the preparation of the JAST. The recently agreed JAST provides a more comprehensive set of principles to which government and donors will be held accountable. The implementation of these principles will be reviewed annually under the co-ordination of a joint government-donor working group, and biennially by the IMG.

INDICATOR 12

BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and targets for Tanzania. The information is discussed in detail in the above chapter and draws from various sources of information. The main source is the baseline survey undertaken in Tanzania under the aegis of the National Co-ordinator (Joyce Mapunjo).

Table 30.9
Baselines
and targets

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	B	A
2a Quality of PFM systems	4.5	5.0
2b Quality Procurement systems	Not available	Not applicable
3 Aid reported on budget	90%	95%
4 Co-ordinated capacity development	50%	50%
5a Use of country PFM systems (aid flows)	66%	No target
5b Use of country procurement systems (aid flows)	61%	Not applicable
6 Parallel PIUs	56	19
7 In-year predictability	70%	85%
8 Untied aid	95%	More than 95%
9 Use of programme-based approaches	55%	66%
10a Co-ordinated missions	17%	40%
10b Co-ordinated country analytical work	38%	66%
11 Sound performance assessment framework	B	A
12 Reviews of mutual accountability	Yes	Yes

ACRONYMS

DPG	Development Partners Group
GNI	gross national income
IMG	Independent Monitoring Group
JAST	Joint Assistance Strategy for Tanzania
MDG	Millennium Development Goal
MTEF	Medium-Term Expenditure Framework
NSGRP	National Strategy for Growth and Reduction of Poverty
ODA	official development assistance
PIU	project implementation unit
SBAS	Strategic Budget Allocation System
SWAp	sector-wide approach
TAS	Tanzania Assistance Strategy